Bharat Petroleum

ANNUAL REPORT 2016-17

CONTENTS

Energising the Future

With an inspiring vision as our compass, we continually go beyond the ordinary, devising novel strategies to attain stretch goals in a dynamic scenario. We remain true to our motto of transcending boundaries in our efforts to maximize business opportunities on a global canvas.

We cherish an unwavering focus on our customers, evolving innovative solutions to achieve customer delight throughout. Our forte has been pioneering initiatives and nurturing relationships, and these have been our constant companions on our path to excellence.

Leveraging technology and our talented workforce to advantage, we continuously strive to surpass the expectations of our stakeholders and society, as we journey towards our goal of being one of the most admired world class energy companies.

As a good corporate citizen, we're committed to sustainable development, with great importance accorded to social responsibility, health, safety, security and environmental care. Our quest for renewable energies remains unabated, as we aim for a cleaner and greener future.

Wedded to our core purpose of 'Energising lives', we're passionate about bringing joy to each and every person we touch, by fuelling their dreams and lighting up their lives.

BPCL ... making a world of difference

Dear Shareowners,

It gives me immense pleasure to be communicating to you for the first time since assuming charge as Chairman & Managing Director. Energizing the Future and participating in India's growth story makes for a great aspiration for any company ! And at BPCL, we believe that each passing day takes us a step closer to achieving this vision.

Over the years, the Company has been delivering excellent results on all fronts and I am pleased to state that this year too, we have sustained that trend. BPCL has recorded an all-time high profit after tax of ₹ 8,039.30 crores during 2016-17. The Board has declared a dividend of 325% this year, the highest ever in the history of the Company. Shareholders have also been rewarded with an issue of bonus shares in the ratio of one new share for every two shares held. Thus, a Bonus issue has been declared for the second year in a row. Further, I am delighted to bring to your notice that during 2016-17, the market capitalization of BPCL has crossed the ₹ 100,000 crore mark, attaining the peak level of ₹ 114,751 crores on 7th August, 2017.

Numaligarh Refinery Limited, BPCL's subsidiary company registered an impressive profit after tax of ₹ 2,100.17 crores during 2016-17. For the second successive year, Bharat Oman Refineries Limited, BPCL's joint venture company, achieved excellent results with profit after tax for the year at ₹ 808.13 crores.

I am also happy to share with you that the first dividend on the investment made by BPCL's wholly owned subsidiary company, Bharat PetroResources Limited (BPRL) in the assets in Russia has been received recently. With the commencement of revenue from BPRL's Russian assets and contribution flowing from some of the Indian blocks too, BPRL has now transformed itself into a revenue generating company, with assets in all phases of upstream ranging from exploration to production.

You will be glad to know that having met the laid down criteria, BPCL has applied for grant of Maharatna status and the same is in an advanced stage of consideration by the appropriate authorities.

BPCL's flagship project, the Integrated Refinery Expansion Project (IREP) at Kochi Refinery for enhancing the refinery capacity to 15.5 MMTPA, has been successfully completed as per schedule within the stipulated capital cost. With the units being commissioned successfully in a sequential manner, the crude processing volume at the refinery has been increasing as per the designed capacity. Work on the Petrochemicals project at Kochi is progressing and the same is expected to be completed in the next financial year.

In an attempt to explore additional sources of supply and reduce the dependence on specific regions for meeting crude oil requirements, BPCL is in the process of sourcing crude from the Americas for the first time. In the recent past, BPCL has been actively evaluating crude oils from USA, Canada and Latin America and has initiated action of adding the technically suitable crude oils to its basket of crudes for processing in its refineries. The first crude parcel of 1 Million Barrels is expected to reach Indian shores by early October.

A key strategic initiative in the previous year was the acquisition of a 21.1% stake in Fino Paytech Limited, the largest Business Correspondent in Asia. You will be happy to know that Fino Paytech Limited has recently secured a Payment Bank licence from the Reserve Bank of India. With this investment, BPCL shall be better equipped to play a proactive role in the financial inclusion story of India and further augment its marketing prowess.

The Indian Oil Industry landscape is slated to undergo a major change, with the Hon'ble Finance Minister in his 2017 budget speech, highlighting the Government's intent to bring about consolidation in the industry. BPCL shall also evaluate the options for integration and participate in the process, as appropriate.

GST implementation has been impeccably executed in BPCL, ensuring requisite compliances, disseminating knowledge, imparting necessary training and providing a strong support network across the country.

I am also pleased to share with you that the daily change in price of petrol and diesel across the country is being effectively executed. BPCL has deployed several measures to ensure smooth implementation. Multiple methods have been adopted to communicate, inform and educate the dealer network and the customers about the daily price revisions leveraging the media, the Company's automation systems and the telecom network.

In our endeavour to capture the consumer opportunity, BPCL launched a series of beyond-fuel initiatives catering to the rural, highway and urban markets, further leveraging our existing strengths and capabilities. Extensive pilots were successfully conducted around the themes of Rural Market Place, Integrated Fleet Management, Personal Travel Offerings and Urban Household Solutions. The pilots have provided key insights and learnings in terms of customer traction, available prospects and impact on fuel sales. We envisage that such initiatives shall be crucial to driving profitability in the fast developing competitive scenario in the oil industry.

BPCL shall continue with its robust investment plans over the next few years, focusing on developing refining and marketing infrastructure. Conscious and well deliberated decisions are also being made in the upstream business for investments in high potential exploration assets with a trusted partner. Investments are being made in the Gas & Petrochemicals business, given the growth potential with a vision to attain leadership in midstream and downstream gas and petrochemical intermediates. Further, BPCL is in the process of utilizing its existing network to promote generation of renewable

sources of energy. With the Indian Oil & Gas sector having opened up, the times ahead are expected to be challenging, yet exciting. With forays into diverse verticals, BPCL is in complete readiness to embrace these challenges and emerge victorious, creating tremendous value for all stakeholders.

I fully recognize the confidence placed in the Management of BPCL and I thank you for participating in BPCL's journey. I assure you that with the relentless efforts of our employees, the unwavering support of our business partners and the valuable guidance of the Ministry of Petroleum & Natural Gas, your Company is on the path of unprecedented growth.

Warm regards,

D. RAJKUMAR
Chairman & Managing Director

BOARD OF DIRECTORS

D. RAJKUMAR
Chairman & Managing Director
(w.e.f. 1.10.2016)

S. VARADARAJAN
Chairman & Managing Director
(up to 30.9.2016)

B. K. DATTA
Director (Refineries)
(up to 31.7.2016)

S. P. GATHOO
Director
(Human Resources)

P. BALASUBRAMANIAN
Director (Finance)
(up to 30.4.2017)

S. RAMESH
Director
(Marketing)

R. RAMACHANDRAN
Director (Refineries)
(w.e.f. 1.8.2016)

K. SIVAKUMAR
Director (Finance)
(w.e.f. 1.5.2017)

ANANT KUMAR SINGH
Additional Secretary & Financial Advisor, MoP&NG

PAUL ANTONY
Additional Chief Secretary (Industries & Power), Govt. of Kerala (w.e.f. 19.4.2017)

P. H. KURIAN
Principal Secretary (Industries & IT), Govt. of Kerala (up to 18.4.2017)

RAJESH K. MANGAL
Independent Director

DEEPAK BHOJWANI
Independent Director

GOPAL C. NANDA
Independent Director

VISHAL V SHARMA
Independent Director
(w.e.f. 9.2.2017)

M. VENUGOPAL
Company Secretary

BANKERS

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

AUDITORS

M/s. CNK & Associates LLP
Mistry Bhavan, 3rd floor,
Dinshaw Vaccha Road,
Churchgate, Mumbai – 400 020.

M/s. Haribhakti & Co. LLP
705, Leela Business Park,
Andheri Kurla Road,
Andheri (East), Mumbai – 400 059

SHARE TRANSFER AGENT

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

REGISTERED OFFICE

BHARAT PETROLEUM
CORPORATION LTD.
CIN: L23220MH1952GO1008931
Bharat Bhavan, P. B. No. 688,
4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai 400 001
Phone: 2271 3000 / 4000
Fax: 2271 3874
Email: info@bharatpetroleum.in
Website: www.bharatpetroleum.in

PERFORMANCE HIGHLIGHTS

- Gross Revenue from Operations is ₹ 2,42,047.82 crores
- Crude throughput increases to 25.39 MMT
- Market Sales including exports is 40.17 MMT
- Net profit soars to ₹ 8,039.30 crores
- Core strengths are talent and technology

VISION

- We are the most admired global energy company leveraging talent and technology
- We are the first choice of customers, always
- We exploit profitable growth opportunities outside energy
- We are the role model for Health, Safety, Security & Environment
- We are a great organisation to work for
- We are a learning organisation
- We are a model corporate entity with social responsibility

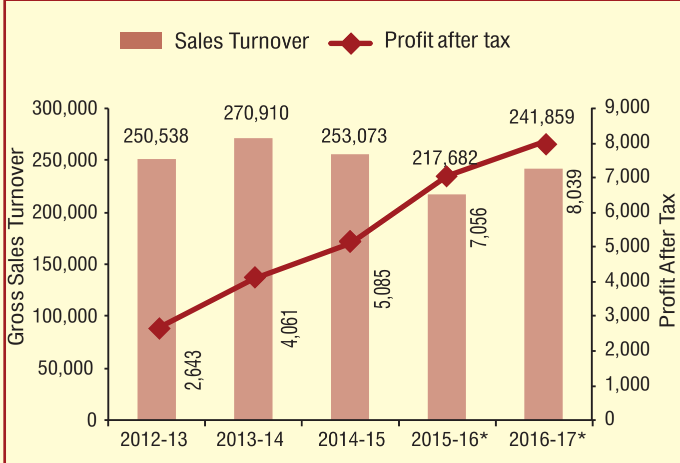
CULTURE

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

MISSION

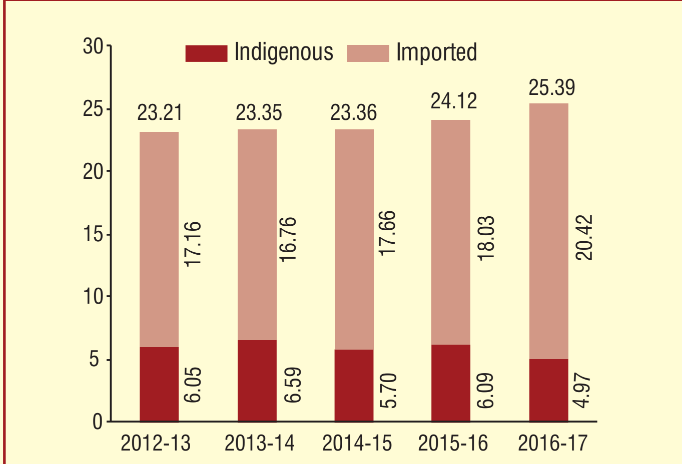
- Participate prominently in nation-building by meeting its growing energy needs, and to support this endeavour, pursue the creation of economic surplus by efficiently deploying all available resources and aiming towards global competitiveness in the energy sector
- Strengthen and expand areas of core competencies throughout the country, total quality management in all spheres of business and maintain the status of a leading national company
- Create awareness among people on the imperatives of energy conservation and efficient consumption of petroleum resources, by disseminating information through appropriate media
- Availing ourselves of new opportunities for expansion / diversification arising from the liberalization of the economy to achieve a global presence
- Promote ecology, environmental upgradation and national heritage

GROSS SALES TURNOVER / PROFIT AFTER TAX (₹ Crores)

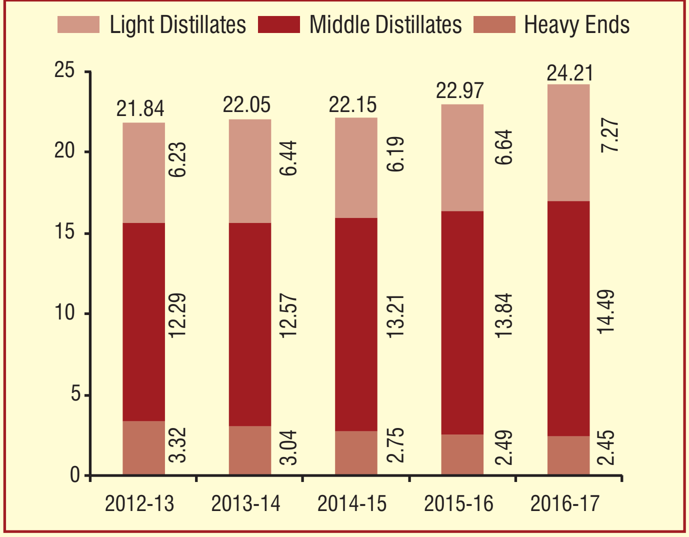


* Figures from FY 2015-16 onwards are as per Ind AS

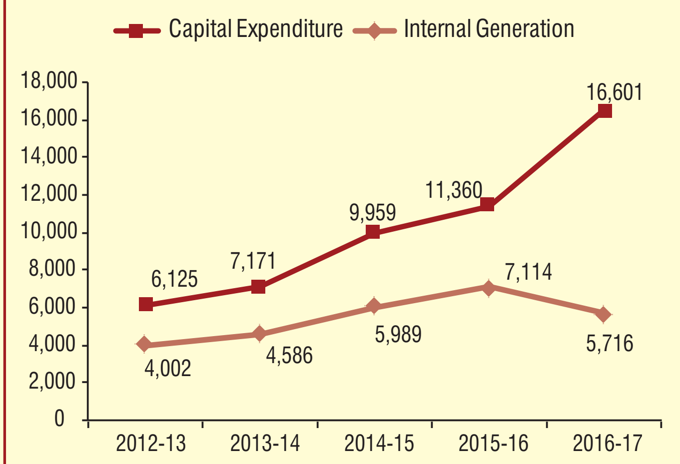
REFINERY THROUGHPUT (Million Metric Tonnes)



PRODUCTION (Million Metric Tonnes)

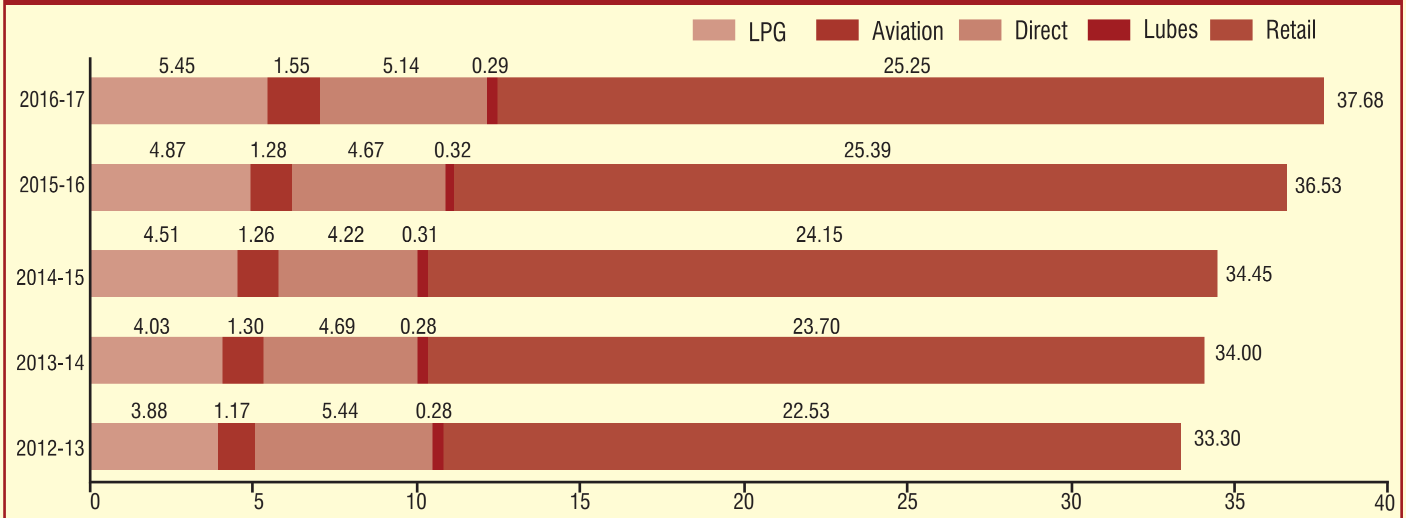


INTERNAL GENERATION / CAPITAL EXPENDITURE* (₹ Crores)

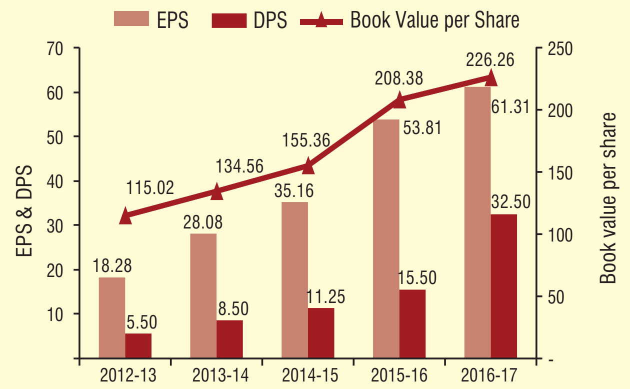


* Includes Capital Expenditure (net) incurred through 100% Subsidiary & investments in Joint Ventures

MARKET SALES VOLUME (MILLION Metric Tonnes)

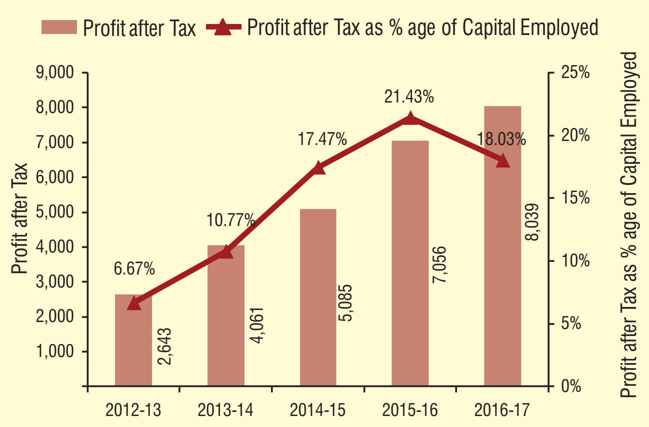


EARNINGS PER SHARE/DIVIDEND PER SHARE/ BOOK VALUE PER SHARE (₹)

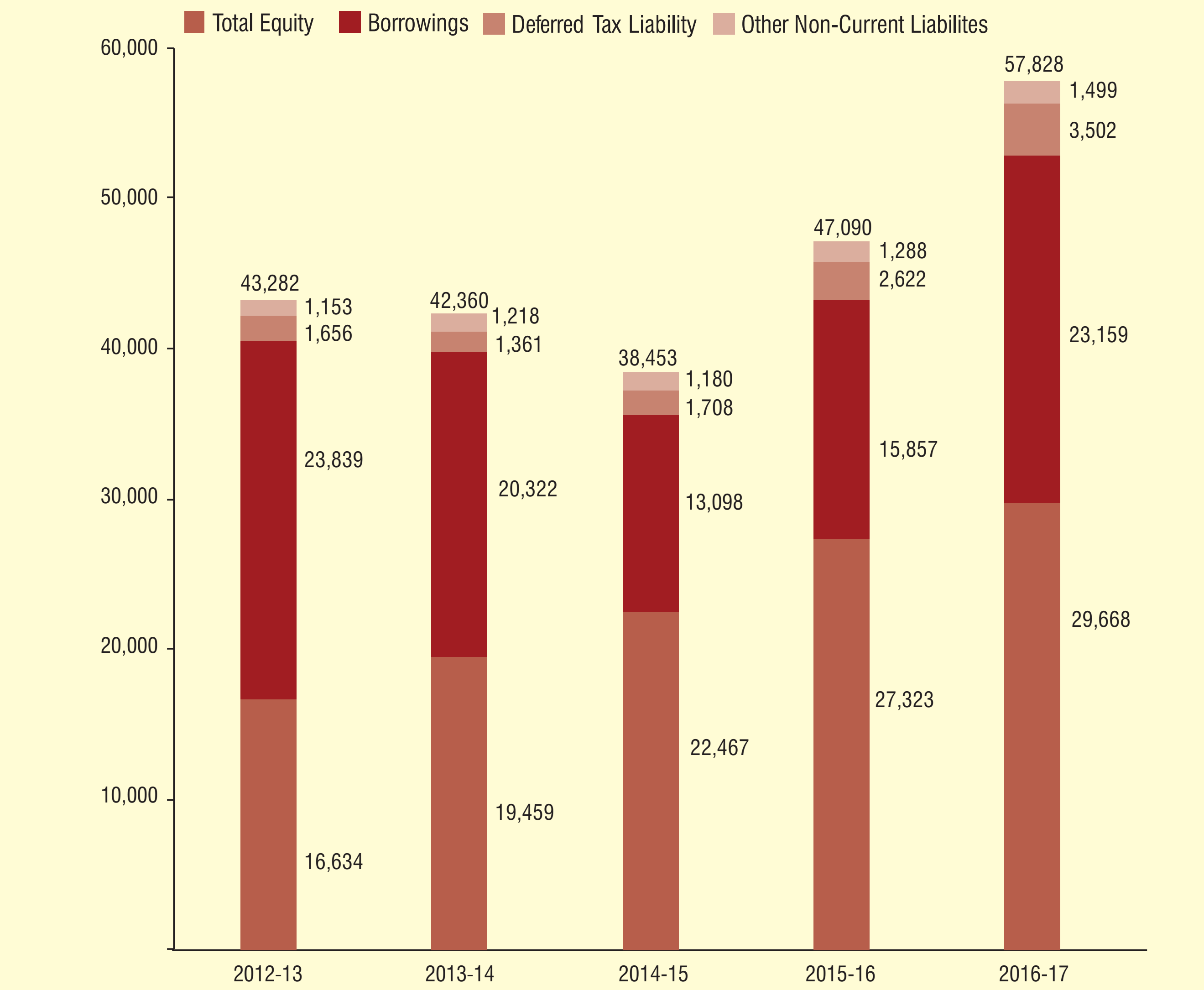


EPS, DPS & Book Value per share for previous years have been adjusted for 1:1 bonus issue in July 2016

PROFIT AFTER TAX (₹ CRORES) & PROFIT AFTER TAX AS % AGE OF CAPITAL EMPLOYED(IN %)



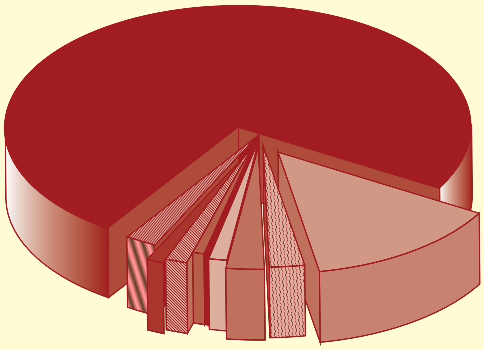
TOTAL FUNDS EMPLOYED (₹ Crores)



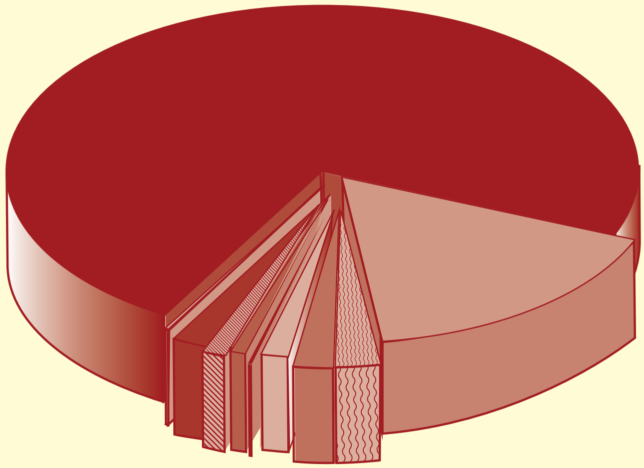
Figures from FY 2015-16 onwards are as per Ind AS

DISTRIBUTION OF EACH RUPEE EARNED

Financial Year 2015-16



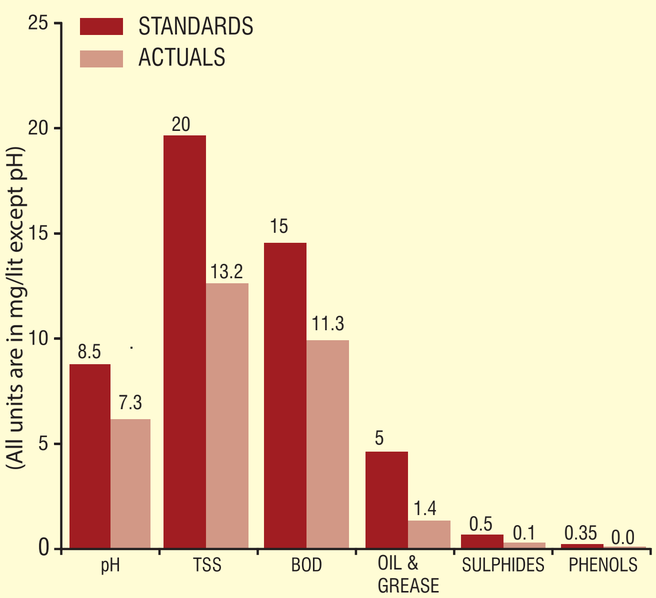
Financial Year 2016-17



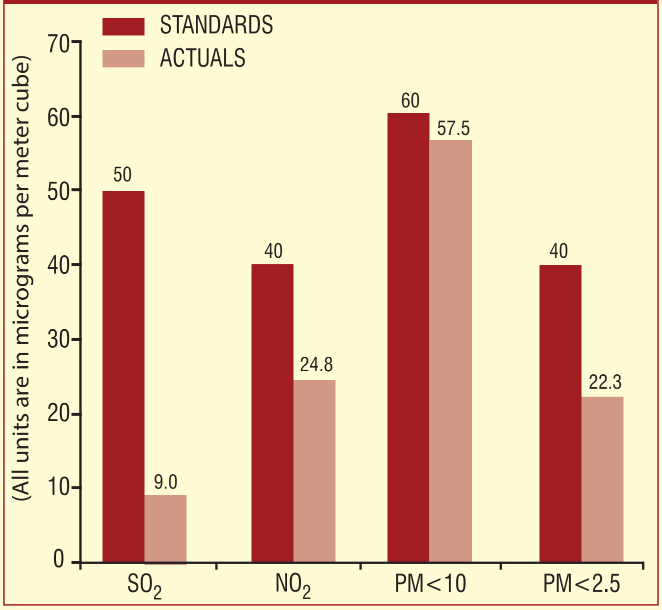
2015-16	2016-17	
73.99%	72.84%	Raw Materials, Purchase of Products for resale and packages
13.70%	16.77%	Duties, Taxes etc.
2.43%	2.33%	Transportation
2.63%	2.05%	Stores and other Operating Expenses
1.25%	1.41%	Employees' remuneration and other benefits
0.26%	0.20%	Finance Cost
0.84%	0.78%	Depreciation & Amortization
1.52%	1.24%	Income Tax
1.20%	2.29%	Dividend (including Corporate Dividend Tax)
2.18%	0.09%	Retained Profits (including Appropriation to Debenture Redemption Reserve)

Figures are as per Ind AS

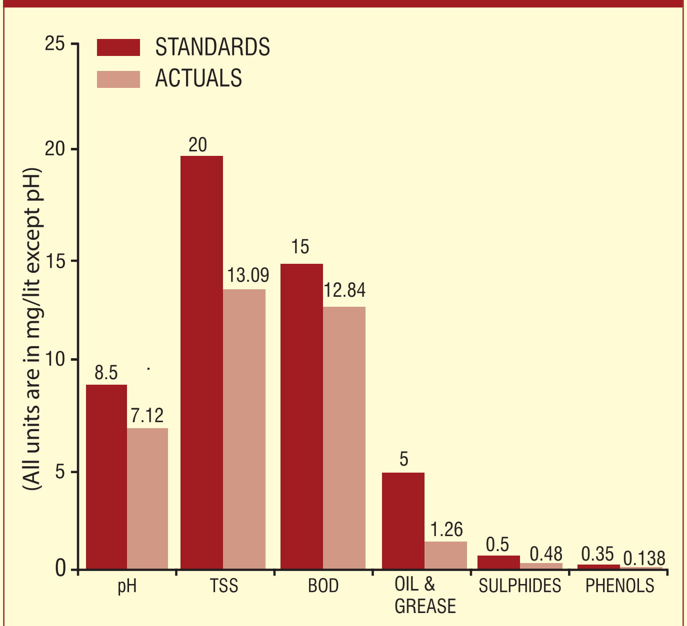
TREATED EFFLUENT WATER QUALITY VIS-A-VIS STATUTORY STANDARDS AT MUMBAI REFINERY



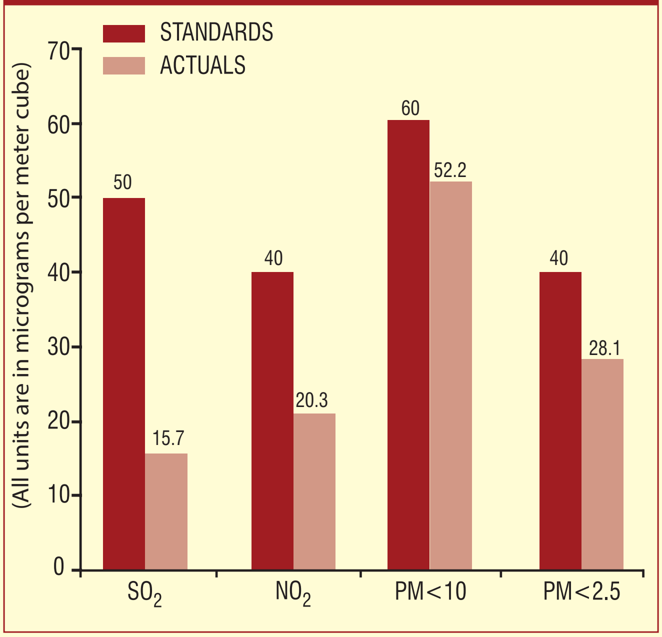
TYPICAL AMBIENT AIR QUALITY VIS-A-VIS STATUTORY STANDARDS AT MUMBAI REFINERY



TREATED EFFLUENT WATER QUALITY VIS-A-VIS STATUTORY STANDARDS AT KOCHI REFINERY



TYPICAL AMBIENT AIR QUALITY VIS-A-VIS STATUTORY STANDARDS AT KOCHI REFINERY



(L to R) : Mr. S.P. Gathoo, Director (Human Resources), Mr. S. Ramesh, Director (Marketing), Mr. D. Rajkumar, Chairman & Managing Director, Mr. R. Ramachandran, Director (Refineries) and Mr. K. Sivakumar, Director (Finance).

Mr. U. Krishna Murty	Chief Vigilance Officer
Mr. A.K. Kaushik	ED (IS) Group Refineries
Mr. Arun Kumar Singh	ED (Retail)
Mr. C.J. Iyer	ED I/C (Mumbai Refinery)
Ms. Dipti Sanzgiri	ED (International Trade)
Mr. E.A. Vimalnathan	ED (I & C)
Mr. I. Srinivas Rao	ED (Gas)
Mr. J. Dinaker	ED (Audit)
Mr. J.R. Akut	ED (Bus. Dev. Initiatives) CS & BD
Mr. K.B. Narayanan	ED (Information Systems)
Mr. K. Padmakar	ED (HRD)
Mr. K. Ravi	ED (West Coast Refinery)
Mr. M.M. Somaya	ED (Lubes)
Ms. Monica Widhani	ED (Aviation)
Mr. N. Manohar Rao	ED (HSSE & Bio-fuel)
Mr. Prasad K. Panicker	ED I/C (Kochi Refinery)
Mr. Pramod Sharma	ED I/C (Corp.Strategy & Bus.Dev.)
Mr. P.S. Ramachandran	ED (Projects), Kochi Refinery
Mr. R.P. Natekar	ED (LPG)
Mr. R. R. Nair	ED (HRS)
Mr. Rajiv Bakshi	ED (Corporate Finance)
Mr. Rajamani Ramaswamy	ED (Corporate Treasury)
Mr. S.K. Agrawal	ED (Corporate Affairs)
Mr. Sharad K. Sharma	ED (Supply Chain Optimization)
Ms. Sujata N. Chogle	ED (HR), Mumbai Refinery
Mr. S. Vijayakumar	ED (Legal)
Mr. V. Anand	ED (Planning & Infrastructure)
Mr. A. Krishnaswamy	CGM (Strategy), CS & BD, CO
Mr. A. K. Gidwani	CGM (Network, Security & Projects)
Mr. Ashok K. Gupta	Chief Procurement Officer (Mktg).
Mr. Babu Joseph	CGM (Maintenance), Kochi Refinery
Mr. B.S. Parmar	CGM (Vigilance)
Mr. C.K. Soman	CGM (Operations) I/C, Kochi Refinery
Dr. D.C. Patra	CGM (Planning)
Mr. Damien Gracious K.D.	CGM (HSE), Kochi Refinery
Mr. G. Ananthakrishnan	CGM (Taxation), CO
Mr. G. Krishnakumar	Marketing Manager (Lubes), HQ
Mr. Gautam Mukerji	CGM (Ops. & Logistics) Aviation
Mr. George Paul	CGM (Project Tech) I/C, Kochi Refinery
Mr. Indranil Mitra	CGM (Management Accounts)
Mr. J.S. Shah	CGM (HR), Retail HQ
Mr. L.R. Jain	CGM Pipelines (Ops.& Projects), Mumbai
Mr. M. A. Khan	CGM (Coordination), Delhi
Mr. M.B. Pimpale	CGM (Projects), Mumbai Refinery
Mr. Madhukar Bidani	CGM Logistics (Retail) North
Mr. Murali Madhavan P.	CGM (IREP Commissioning), Kochi Refinery
Mr. M. Prasanna Kumar	CGM (Planning & Project Coordination)
Ms. Madhu Sagar	CGM (Internal Coaching)
Mr. M.S. Patke	CGM (I&C)
Mr. M.V. Prabhakaran	CGM (HR) Kochi Refinery
Mr. M. Venugopal	Company Secretary
Mr. Nori Prabhakar	CGM (Brand & PR)
Mr. N. Vijayagopal	CGM (Finance) I/C, Kochi Refinery
Mr. P.G. Ganesh	CGM (Petchem), Kochi Refinery
Mr. P.K. Thampi	CGM (Technical), Kochi Refinery
Mr. Pius Mathew	CGM (Project Finance), Kochi Refinery
Ms. P. Rajeswari	CGM (IS Services)
Mr. P.S. Ravi	Head (Retail) South
Mr. Priyotosh Sharma	CGM (Sales), Gas
Mr. P.V. Ravitej	CGM (Operations) Mumbai Refinery
Mr. R.K. Panda	CGM Sales Coordination (Retail) HQ
Mr. R. Narayanan	CGM (IS Applications)
Mr. Ravi Pratap Singh	CGM (Engineering & Projects)
Mr. R. Wadhawan	CGM (E & C) Mumbai Refinery
Mr. S. Bhargava	CGM (Corporate R&D Centre)
Mr. Santosh Kumar	Head (Retail) West
Mr. Suresh K. Nair	CGM Sales (LPG) HQ
Mr. Sudip Mallick	CGM Logistics (LPG), HQ
Mr. Surjeet Mahalik	Head (Retail) East
Mr. S.R. Krishnan	CGM I/C (E & AS), Mumbai Refinery
Mr. S.S. Desai	CGM (West Coast Refinery)
Mr. S. Somasekhar	CGM (Advisory Eng.) Kochi Refinery
Mr. T. Peethambaran	Head (Retail) North
Mr. Vijay Duggal	CGM (Gas) Delhi
Mr. V. Jacob	CGM (Quality Control Cell)
Mr. V. Venugopala Kurup	CGM (West Coast Refinery)
Mr. Venkatesh Prabhu	CGM (Finance), Retail HQ
Mr. V. Ramachandran	CGM (Logistics) Retail HQ
Mr. V. Ranjan	Marketing Manager (Aviation)
Mr. Y.V. Apte	CGM (Projects & Performance Monitoring) Mumbai Refinery
Mr. Kani Amudhan N	GM I/C (Marketing Corporate)
Ms. S. V. Kelkar	GM (Employee Satisfaction Enhancement)

NOTICE TO THE MEMBERS

Notice is hereby given that 64th Annual General Meeting of the Members of Bharat Petroleum Corporation Limited will be held in the Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020, on Tuesday, 12th September, 2017, at 10.30 a.m. to transact the following Ordinary and Special Business:

A. Ordinary Business

1) To receive, consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017 (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017; and the Reports of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.

2) To confirm the payments of Interim Dividends on Equity Shares and to declare Final Dividend on Equity Shares for the Financial Year ended 31st March, 2017.

3) To appoint a Director in place of Shri Ramesh Srinivasan, Director (DIN: 07164250), who retires by rotation and being eligible, offers himself for re-appointment.

4) To authorize the Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2017-18, in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to decide and fix the remuneration of the Joint Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2017-18, as may be deemed fit by the Board."

B. Special Business

5) **Appointment of Shri Rajkumar Duraiswamy as Director and Chairman & Managing Director**

   To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Rajkumar Duraiswamy (DIN: 00872597), who was appointed by the Board of Directors as an Additional Director and Chairman & Managing Director with effect from 1st October, 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director and Chairman & Managing Director of the Company, not liable to retire by rotation on terms and conditions as determined by the Government of India."

6) **Appointment of Shri Vishal V Sharma as an Independent Director**

   To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Shri Vishal V Sharma (DIN: 01213441), who was appointed by the Board of Directors as an Additional Director with effect from 9th February, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of three years commencing from 9th February, 2017 up to 8th February, 2020 or until further orders from the Ministry of Petroleum & Natural Gas, whichever is earlier."

7) **Appointment of Shri Paul Antony as Government Nominee Director**

To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Paul Antony (DIN: 02239492), who was appointed by the Board of Directors as an Additional Director with effect from 19th April, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Government Nominee Director of the Company, liable to retire by rotation."

8) **Appointment of Shri Sivakumar Krishnamurthy as Director (Finance)**

To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri Sivakumar Krishnamurthy (DIN: 06913284), who was appointed by the Board of Directors as an Additional Director and Director (Finance) with effect from 1st May, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director (Finance) of the Company, liable to retire by rotation on terms and conditions as determined by the Government of India."

9) **Approval of Private Placement of Non-Convertible Bonds/Debentures and/ or other Debt Securities**

To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), including Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, as amended from time to time and other applicable Securities and Exchange Board of India Regulations and Guidelines, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other permissions and sanctions, as may be necessary, including the approval of any long term lenders and trustees of Debenture Holders, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the Company be and is hereby accorded to raise funds through Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures including but not limited to subordinated Bonds/Debentures and/or other debt securities etc. during the period of one year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time in one or more tranches, to such person or persons, who may or may not be the Bond/Debenture holders of the Company, as the Board (or duly constituted Committee of the Board or such other authority as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) viz. Non-resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures including but not limited to subordinated Bonds/Debentures and/or other debt securities etc., the Board or any duly constituted Committee of the Board or such other authority as approved by the Board be and is hereby authorised to determine the terms of the Issue, including the class of investors to whom the Bonds/Debentures are to be allotted, the number of Bonds/Debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of Bond/Debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force and to do all such acts, things and deal with all such matters to take all such steps as may be necessary and to sign and execute any deeds, documents, undertakings and agreements as may be required in this regard."

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

To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 and other applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Regulations") approval of the Company be and is hereby accorded for the contracts, arrangements and transactions entered into and/or to be entered into with Bharat Oman Refineries Limited, a Joint Venture Company and a Related Party under Section 2(76) of the Companies Act, 2013 and the Regulations for transfer or receipt of products, goods, materials, services or other resources and obligations for the Financial Year 2016-17 and subsequent Financial Years exceeding ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company relevant for the respective Financial Years on such terms and conditions as may be mutually agreed between the Company and Bharat Oman Refineries Limited;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to decide upon the nature and value of the products, goods, materials, services or other resources and obligations to be transacted with Bharat Oman Refineries Limited and to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution."

11) **Approval of Remuneration of the Cost Auditors for the Financial Year 2017-18**

To consider and if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Cost Auditors viz. M/s. ABK & Associates, Cost Accountants, Mumbai and M/s Bandyopadhyaya Bhaumik & Co., Cost Accountants, Mumbai, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2018 be paid the remuneration as set out below:

Name of the Cost Auditor	Activities / Location	Audit Fees (₹)
M/s. ABK & Associates, Mumbai (Lead Auditor)	Refineries, product pipelines, etc. (other than Lubricants)	2,20,000/- plus applicable taxes and reimbursement of out-of-pocket expenses
M/s. Bandyopadhyaya Bhaumik & Co., Mumbai	Lube Oil Blending Plants: Wadilube; Tondiarpet and Budge Budge	1,00,000/- plus applicable taxes and reimbursement of out-of-pocket expenses

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this Resolution."

By Order of the Board of Directors

Sd/-
(M. Venugopal)
Company Secretary

Place: Mumbai
Date: 09.08.2017

Registered Office:

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

Notes :

1. Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 in respect of the items of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
3. A person shall act as proxy for only 50 members and holding in the aggregate of not more than 10 percent of the total share capital of the Company carrying voting rights. A Member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
4. The Register of Members and Share Transfer Books of the Company remained closed from Monday, 12th June 2017 to Tuesday,13th June 2017(both days inclusive) for the purpose of payment of dividend on equity shares for the year ended 31st March, 2017, if declared at the Annual General Meeting as under:
   a) To all Beneficial Owners in respect of shares held in electronic form as per the data to be made available by NSDL/CDSL as of the close of business hours on 11th June 2017.
   b) To all Members in respect of shares held in physical form after giving effect to transfer in respect of valid share transfer requests lodged with the Company/Registrar & Share Transfer Agent (RTA) viz., Data Software Research Co. Pvt. Ltd. as of the close of business hours on 11th June 2017.
5. All the documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
6. As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of persons seeking appointment/re-appointment as Directors under Item No. 3, 5,6, 7 and 8 of the Notice, are attached.
7. As per the provisions of Section 72 of the Companies Act 2013, facility for making nomination is available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company's Secretarial Department at its Registered Office or its RTA or can download the form from the Company's website viz. www.bharatpetroleum.in. Members holding shares in electronic form have to approach their Depository Participants (DPs) for completing the nomination formalities.

8. In line with the measures of Green Initiative, Companies Act, 2013 provides for sending Notice of the meeting and other Member correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail IDs with the Company/RTA. Members holding shares in dematerialised mode are requested to register their e-mail IDs with their respective DPs. If there is any change in the e-mail ID already registered with the Company/RTA, Members are requested to immediately notify such change to the Company/ RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

9. **Usage of electronic payment modes for making cash payments to the investors**: As per SEBI circular, Members holding shares in electronic form/dematerialised mode are requested to provide the bank particulars to Depository Participants/Depositories which will be used by the RTA and Company for payment of dividend. In cases where either the bank details as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, RTA and Company will use physical payment instructions for payment of dividend to these Members with printing the bank account details of the Members wherever applicable. Members who hold physical shares may provide updated bank details to Registrar and Share Transfer Agent (Data Software Research Co. Pvt. Ltd. 19, Pycrofts Garden Lane, Off. Haddows Road, Nungambakkam, Chennai - 600 006 Ph: +91-44-2821 3738 / 2821 4487, Fax: 91-44-2821 4636, Email : bpcl@dsrc-cid.in) to maintain the information required.

10. The unclaimed dividends of BPCL and erstwhile Kochi Refineries Limited (KRL) for the Financial Years up to 1993-94 have been transferred by the Companies to the General Revenue Account of the Central Government, which can be claimed by the Members from the Office of the Registrar of Companies at Mumbai and Kochi, respectively.

11. a) Pursuant to Section 205A(5) and Section 205C of the Companies Act, 1956, and Section 124 and 125 of the Companies Act, 2013, any amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company was required to be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividends for the Financial Years from 1994-95 to 2008-09 have been transferred to the said Fund, and no claim shall lie against the Company, for the amount of dividend so transferred.

    (b) Members of BPCL who have not yet encashed their dividend warrant(s) for the Financial Year 2009-10 or dividend warrants(s) for any subsequent financial years are requested to make their claims without any delay to the Registrar & Share Transfer Agent/Company. It may be noted that the unclaimed amount of dividend for the Financial Year ended 31.3.2010 becomes due for transfer to IEPF on 30.10.2017.

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

Instructions for Voting through electronic means:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide Members the facility to exercise their right to vote on the Resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through such e-voting services.

The facility of casting the votes by the Members using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). Instructions for remote e-voting are given herein below. Resolution(s) passed by Members through remote e-voting or ballot/polling paper are deemed to have been passed as if they have been passed at the Annual General Meeting.

2. The facility for voting either through electronic voting system or Ballot/Polling paper, at the Annual General Meeting for Members attending the Annual General Meeting, who have not already cast their vote by remote e-voting, is available.

3. Member(s) can opt for only one mode of voting i.e. either through remote e-voting or voting through Ballot/polling paper at the Annual General Meeting. In case a Member has cast multiple votes, then voting done by remote e-voting will be treated as valid. A Member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

4. The remote e-voting period commences on **Thursday, 7th September 2017 (9:00 a.m.) and ends on Monday, 11th September 2017 (5:00 p.m.)**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of **Tuesday, 5th September 2017** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast his vote again.

5. The instructions to Members for e-voting are as under:

(A) In case a Member receives an e-mail from NSDL (for Members whose e-mail IDs are registered with the Company or Depository Participant(s)):

i) Open the email and open the PDF file viz, **"BPCL remote e-voting.pdf"** with your Client ID/Folio No. as password. The said PDF file contains your User ID and Password/PIN for remote e-voting. Please note that the Password provided in PDF is an 'Initial Password'.

ii) Launch the internet browser by typing the following URL: https://www.evoting.nsdl.com/

iii) Click on Shareholder – Login.

iv) Put your User ID and Password as Initial Password/PIN noted in step (i) above. Click on 'Login'.

v) The Password change menu appears. Change the Password/PIN with a new Password of your choice with minimum 8 digits/characters or combination thereof. Note the new Password. It is strongly recommended not to share your Password with any other person and take utmost care to keep your password confidential.

vi) The Home page of remote e-voting opens. Click on remote e-voting: Active Voting cycles.

vii) Select EVEN (E-voting Event Number)of Bharat Petroleum Corporation Limited.

viii) Now you are ready for remote e-voting as the "Cast Vote" page opens.

ix) Cast your vote by selecting the appropriate option and click on "Submit" and also "confirm" when prompted.

x) Upon confirmation, the message "Vote cast successfully" will be displayed.

xi) Once you have voted on the Resolution, you will not be allowed to modify your vote.

xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bpclagm2017@csraginichokshi.com with a copy marked to evoting@nsdl.co.in

(B) **In case a Member receives a physical copy of the Notice of Annual General Meeting** (for Members whose e-mail IDs are not registered with the Company or Depository Participant(s) or requesting a physical copy):

i) EVEN (E-voting Event Number), User ID & Initial Password/PIN are provided in the enclosed attendance slip.

ii) Please follow all steps from Sr. No. 5A (ii) to Sr. No. 5A (xii) above, to cast your vote.

In case of any queries, please refer to the Frequently Asked Questions (FAQs) and the e-voting user manual for Members available in the 'Downloads' section of http://www.evoting.nsdl.com. You can also contact NSDL via email at evoting@nsdl.co.in or call on the toll free number: 1800-222-990.

General Instructions:

i) If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password/ PIN for casting your vote.

ii) You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication.

iii) The voting right of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of **Tuesday, 5th September 2017**. A person, whose name is recorded in the register of Members or in the register of Beneficial Owners maintained by the Depositories as on the cut-off date of **Tuesday, 5th September 2017** only shall be entitled to avail of the facility of remote e-voting or voting through Ballot/polling paper at the Annual General Meeting.

iv) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e. **Tuesday, 5th September 2017**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or bpcl@dsrc-cid.in

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User details/password" option available on http://www.evoting.nsdl.com or contact NSDL at the following toll free number: 1800-222-990.

v) Mrs. Ragini Chokshi, Practising Company Secretary (C.P. NO. 1436), Partner of Ragini Chokshi & Co. has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot/ polling paper received from the Member(s) at the Annual General Meeting) in a fair and transparent manner.

vi) The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of remote e-voting or ballot/ polling paper for all those Members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

vii) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting through Ballot/polling paper, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make available, not later than fourty eight of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour of, or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting.

viii) The results declared along with the Report of the Scrutinizer shall be placed on the Company's website www.bharatpetroleum.in and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

Item No. 5: Appointment of Shri Rajkumar Duraiswamy as Director and Chairman & Managing Director

Shri Rajkumar Duraiswamy was appointed as Additional Director on the Board and as Chairman & Managing Director of the Company under the provisions of Article 77A of the Articles of Association of the Company effective 01.10.2016 in accordance with the directions of the Government of India.

Shri Rajkumar Duraiswamy, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a Notice along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature.

Shri Rajkumar Duraiswamy is a B.Tech (Elect.) from IIT, Madras and Post Graduate Diploma in Management from IIM, Bangalore. His brief resume containing age, qualification, expertise etc. is annexed herewith. He has attended all the seven Board Meetings post his appointment, during the Financial Year 2016-17.

The Board accordingly recommends the passing of the proposed Ordinary Resolution as contained in the Notice by Members of the Company.

Shri Rajkumar Duraiswamy is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Item No. 6: Appointment of Shri Vishal V Sharma as an Independent Director

Shri Vishal V Sharma was appointed as Additional Director on the Board and as Independent Director of the Company under the provisions of Article 77A of the Articles of Association of the Company, effective 09.02.2017 for a period of three years up to 08.02.2020 or until further orders from the Ministry of Petroleum & Natural Gas, whichever is earlier.

Shri Vishal V Sharma, being Additional Director. holds office up to the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Shri Vishal V Sharma has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Director and he is independent of the management and not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Companies Act, 2013.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Shri Vishal V Sharma as Independent Director is now placed before the Members at the General Meeting for approval.

A Copy of the letter of appointment as Independent Director setting out the terms and conditions is available for inspection by the Members at the Registered Office of the Company.

Shri Vishal V Sharma holds a Bachelor's degree in Physics and has completed an Executive Programme in Business Management from Indian Institute of Management (IIM), Calcutta. At present, he serves as a Partner in M/s Vishabh Business Services, Director on the Board of Free Press House Ltd, Member of the Board of Governors of SPIPA (Sardar Patel Institute of Public Administration) since year 2009 and Partner in M/s Canvas Creations.

His brief resume containing his age, qualification, expertise etc. is annexed herewith. He has attended two Board Meetings held post his appointment during the Financial Year 2016-17.

The Board accordingly recommends the passing of the proposed Ordinary Resolution as contained in the Notice by Members of the Company.

Shri Vishal V Sharma is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Item No. 7: Appointment of Shri Paul Antony as Government Nominee Director

Shri Paul Antony was appointed as Additional Director on the Board upon nomination by the Government of India, under the provisions of Article 77A of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013, effective 19.04.2017 in accordance with the directions of the Government of India.

Shri Paul Antony, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing his candidature.

Shri Paul Antony is a senior IAS officer belonging to the 1983 batch from Kerala. He also has a degree in M.A. (Economics) from Delhi School of Economics and a degree in M.A. (Public Economic Management) from Birmingham University, UK. He has attended three Board meetings out of four Board meetings held after his appointment.

His brief resume containing age, qualification, expertise etc. is annexed herewith.

The Board accordingly recommends the passing of the proposed Ordinary Resolution as contained in the Notice by Members of the Company.

Shri Paul Antony is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Item No. 8: Appointment of Shri Sivakumar Krishnamurthy as Director (Finance)

Shri Sivakumar Krishnamurthy was appointed as Additional Director on the Board and as Director (Finance) of the Company under the provisions of Article 77A of the Articles of Association of the Company effective 01.05.2017 in accordance with the directions of the Government of India.

Shri Sivakumar Krishnamurthy, being an Additional Director, holds office up to the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing his candidature.

Shri Sivakumar Krishnamurthy is a qualified Chartered Accountant, Cost Accountant, and Company Secretary. His brief resume containing age, qualification, expertise etc. is annexed herewith. He has attended one Board meeting out of three Board meetings held after his appointment.

The Board accordingly recommends the passing of the proposed Ordinary Resolution as contained in the Notice by Members of the Company.

Shri Sivakumar Krishnamurthy is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

Item No. 9: Approval of Private Placement of Non-Convertible Bonds/Debentures and/ or other Debt Securities

As per provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a Company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Members of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient if the Company passes a previous Special Resolution only once a year for all the offers or invitations for such debentures during the year. Non-Convertible Debentures (NCDs) and including subordinated debentures, bonds etc. issued on private placement basis constitute a significant source of borrowings for the Company. In view of the requirements and to meet the provisions of Section 42 of the Companies Act, 2013 read with applicable Rules, Private Placement of Unsecured/Secured Non Convertible Bonds/ Debentures including but not limited to subordinated Bonds/Debentures and/or other debt securities etc. during the period of one year from the date of passing the Special Resolution by the Members, within the overall borrowing limits of the Company, as approved by the Members, to such person or persons, from time to time in one or more tranches, require approval of the Members of the Company by way of Special Resolution. Further, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, shall be authorised to determine the terms of the Issue, including the class of investors to whom the Bonds/Debentures are to be allotted, the number of Bonds/Debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the prevailing market price, amount of issue, discount to issue price to class of Bonds/Debentures holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and any other Regulatory requirement for the time being in force.

The Board accordingly recommends the passing of the proposed Special Resolution by Members of the Company as contained in the Notice.

None of the Directors or Key Managerial Personnel or their relatives are any way concerned or interested financially or otherwise, in passing of the said Special Resolution.

Item No. 10: Approval of Material Related Party Transactions

Bharat Oman Refineries Limited (BORL) is a Joint Venture Company between Bharat Petroleum Corporation Limited (BPCL) and Oman Oil Company (OOC). The present shareholding of the Company as on 31.03.2017 is 50% by BPCL and OOC each. BORL is related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("the Listing Regulations")

In terms of the Listing Regulations, the contracts, arrangements and transactions relating to transfer or receipt of products, goods, materials, services, other resources and obligations with BORL are material in nature if the transactions entered into or to be entered into individually or taken together with previous transactions during the financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Accordingly, the contracts, arrangements and transactions with BORL require the approval of Members of the Company through Ordinary Resolution and the related parties shall abstain from voting on such Resolutions.

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

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

(b) Name of the Director or Key Managerial Personnel who is related: None (other than Shri D. Rajkumar, Shri R. Ramachandran and Shri K. Sivakumar to the extent of being common Board members and nominee Directors of BPCL).

(c) Nature of relationship: Bharat Oman Refineries Limited (BORL) is a Joint Venture Company between Bharat Petroleum Corporation Limited (BPCL) and Oman Oil Company (OOC).

(d) Nature, Material Terms of contracts, arrangements and transactions: purchase of products- Crude oil, MS, HSD, LPG, Naphta, SKO, ATF, project materials etc.; sale of goods- Crude oil, lubricants etc; interest income on loans; rendering/receiving of services; canalysing commission, demurrage, port charges, employee deputation, lease rental etc.

(e) Monetary value: The actual value of material transactions falling under Regulation 23(1) of the Listing Regulations for Financial Year 2016-17 entered into: ₹ 31048.26 Crores. The estimated value of material transactions falling under Regulation 23(1) of the Lising Regulations for Financial Year 2017-18 entered into: ₹ 34,555.50 Crores. Ten percent of the annual consolidated turnover the Company as per the last audited financial statements of the Company for the Financial Year 2016-17 is ₹ 24,374.75 Crores. The annual material related party transaction exceed/may exceed ten percent of the annual consolidated turnover of the Company as per the latest audited financial statements of the Company for the respective Financial Years based on the subsisting contracts, arrangements and transactions entered into or to be entered into;

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

The Board, accordingly, recommends the passing of the proposed Ordinary Resolution as contained in the Notice by Members of the Company.

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

Item No. 11: Approval of the Remuneration of the Cost Auditors for the Financial Year 2017-18

The Board had approved the appointment and remuneration of M/s. ABK & Associates, Cost Accountants and M/s. Bandyopadhyaya Bhaumik & Co, Cost Accountants as the Cost Auditors on 29.05.2017 on the recommendation of the Audit Committee to conduct the audit of the Cost records for the Financial Year 2017-18. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2017-18 by way of an Ordinary Resolution is being sought from the Members as set out at Item No.11 of the Notice.

The Board accordingly recommends the passing of the proposed Ordinary Resolution for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in passing of the said Ordinary Resolution.

By Order of the Board of Directors

Sd/-
(M. Venugopal)
Company Secretary

Place: Mumbai
Date : 09.08.2017

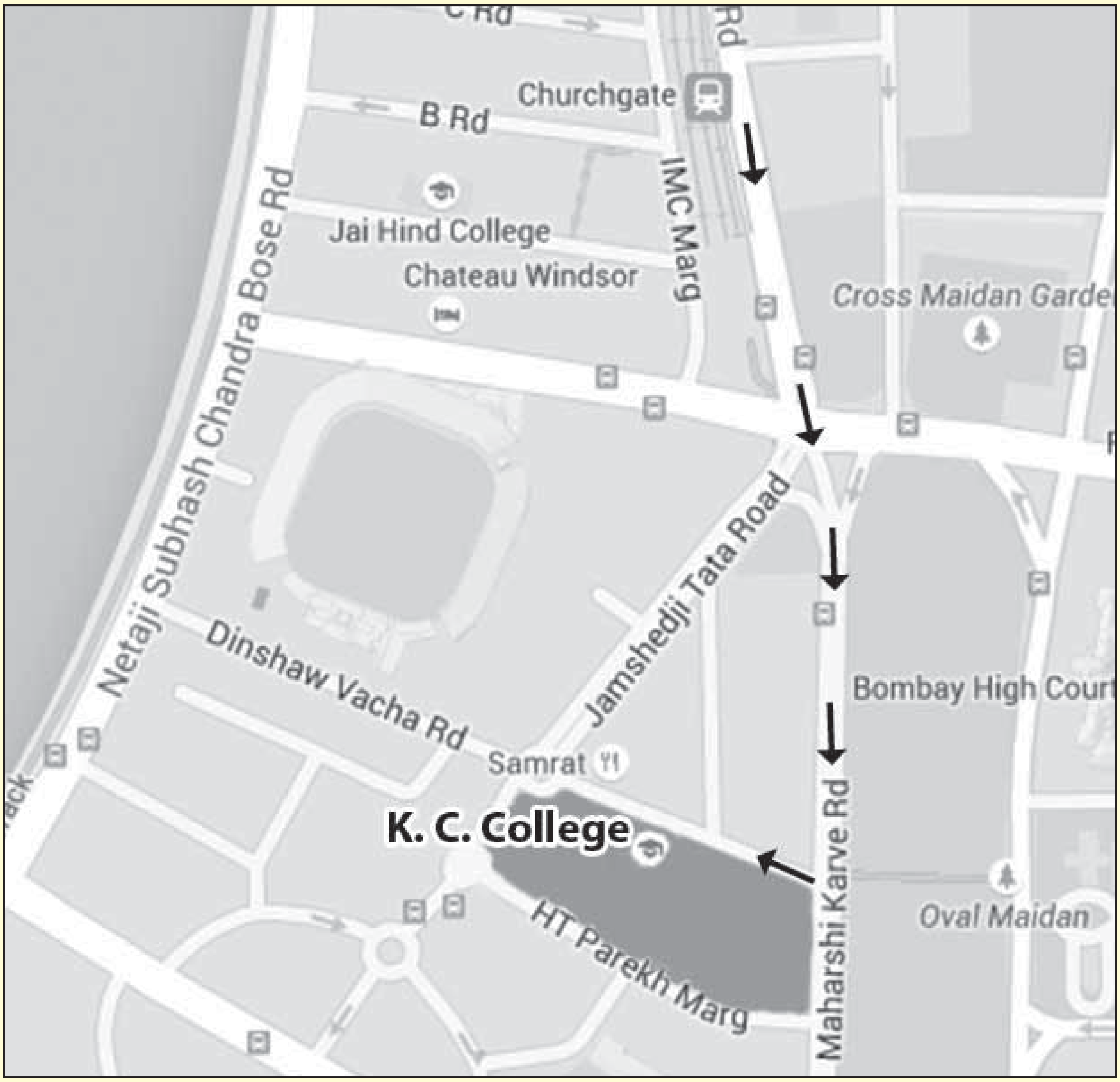
Registered Office

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

ROUTE MAP TO ANNUAL GENERAL MEETING VENUE

Location: Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C. College),
124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020

Landmark: Oval Maidan



BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 64th ANNUAL GENERAL MEETING

Name	Shri Ramesh Srinivasan	Shri Rajkumar Duraiswamy	Shri Vishal V Sharma	Shri Paul Antony	Shri Sivakumar Krishnamurthy
Date of Birth	13.09.1958	02.08.1960	10.04.1974	27.06.1958	01.05.1960
Date of Appointment	01.03.2016	01.10.2016	09.02.2017	19.04.2017	01.05.2017
Qualifications	B.Sc. (Honors), M.B.A.	B.Tech (Elect.) from IIT, Madras, PGDM from IIM, Bangalore	B.Sc. (Physics), EPBM from IIM, Calcutta	IAS, M.A. (Economics) from Delhi School of Economics, M.A. (Public Economic Management) from Birmingham University, UK	Chartered Accountant, Cost Accountant, Company Secretary.
Experience in specific functional areas	He joined BPCL in the year 1980 and has the distinction of heading three major Business Units, viz, Retail, Lubes & LPG. He introduced concepts like Pure for Sure, branded fuels like “SPEED”, and provided low cost Retail Automation. He was also instrumental in launch of In & Out convenience stores, loyalty program, involved in implementation of PAHAL, online booking of new LPG Connection (SAHAJ), conceptualizing & launching of “Project Nishchay” etc.	He has 32 years of experience in BPCL out of which close to 15 years of Board experience as Managing Director of BPCL’s Joint Venture Compnay and Subsidiary Companies. Prior to appointment in BPCL, he held the post of Managing Director of Bharat PetroResources Ltd. His work experience spans across areas of marketing function, pipeline projects to integrated upstream and downstream oil sector. He has global exposure of working closely with international majors and multinational companies. He also has extensive exposure to fiscal, legal, contractual and political regimes in foreign countries.	He is a Director on the Board of Free Press House Ltd, Partner in M/s Vishabh Business Services, Member of the Board of Governors of SPIPA (Sardar Patel Institute of Public Administration) since year 2009 and also Partner in M/s Canvas Creations.	He has 34 years of experience in the Indian Administrative Service and is presently holding the post of Additional Chief Secretary, Government of Kerala. His earlier postings include CMD, KSEB Ltd., Chairman of Cochin Port Trust, Principal Secretary to Govt. of Kerala.	He joined BPCL in 1987 and has worked in various facets of Finance, Internal Audit, ERP, Secretarial functions. He was part of the organization restructuring effort – CUSECS – and was a key member in formulation of IT strategy and also has played a pivotal role in SAP Implementation. He has contributed significantly in the Governance, Risk and Control aspects of various processes across the Corporation.

Name	Shri Ramesh Srinivasan	Shri Rajkumar Duraiswamy	Shri Vishal V Sharma	Shri Paul Antony	Shri Sivakumar Krishnamurthy
Directorships held in other Companies	Chairman: Matrix Bharat Pte. Ltd. Indraprastha Gas Limited Director: Bharat Stars Services Pvt. Ltd. Bharat Stars Services (Delhi) Pvt. Ltd.	Chairman: Numaligarh Refinery Ltd. Bharat Oman Refineries Limited Director: Bharat PetroResources Limited Petronet LNG Limited	Director: Free Press House Ltd.	Chairman: Kerala Bureau of Industrial Promotion (KBIP) Director: 1. Kerala State Electricity Board Ltd 2. INKEL Ltd. 3. Kerala State Industrial Development Corporation. 4. KINFRA	Director: 1. Bharat PetroResources Limited 2. Bharat Oman Refineries Limited 3. Petronet CCK Limited 4. Delhi Aviation Fuel Facility Pvt. Ltd. 5. Kochi Salem Pipeline Pvt. Ltd
Membership/ Chairmanships of Audit and Stakeholders Relationship Committees	N. A.	Chairman Audit Committee Bharat PetroResources Ltd	Member Audit Committee: Bharat Petroleum Corporation Limited	Chairman Audit Committee: Kerala State Industrial Development Corporation	Member Stakeholders' Relationship Committee: Bharat Petroleum Corporation Limited Member Audit Committee- Bharat PetroResources Ltd
No. of shares held in BPCL	600 Equity Shares	3,600 Equity Shares	-	-	-

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, 2017.

PERFORMANCE OVERVIEW

Group Performance

During the year 2016-17, 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 was 31.24 Million Metric Tonnes (MMT) as compared to 29.82 MMT during 2015-16. The BPCL Group ended the year with market sales of 37.74 MMT as compared to 36.83 MMT during 2015-16. During the year, BPCL Group's exported 2.50 MMT of petroleum product as against 1.90 MMT during 2015-16.

The Financial Year saw the Group achieve a Gross Revenue from Operations of ₹ 2,43,747.46 Crores as compared to ₹ 2,19,226.79 Crores recorded in 2015-16. The Profit after Tax stood at ₹ 8,720.94 Crores in 2016-17 as against ₹ 7,584.51 Crores in the previous year. The Group has recorded Earnings per Share of ₹ 66.51 in the current year as against ₹ 57.84 in 2015-16 after setting off the minority interest.

CONSOLIDATED GROUP RESULTS

	2016-17	2015-16
Physical Performance		
Crude Throughput (MMT)	**31.24**	29.82
Market Sales (MMT)	**37.74**	36.83
Financial Performance		**₹ Crores**
Gross Revenue from Operations	**2,43,747.46**	2,19,226.79
Profit before Depreciation, Finance Costs and Tax	**15,560.22**	14,532.94
Finance Cost	**696.36**	680.49
Depreciation & amortization expense	**2,107.64**	2,071.87
Profit before Tax	**12,756.22**	11,780.58
Provision for Taxation – Current	**3,168.28**	3,4 18.45
Profit after Current Tax	**9,587.94**	8,362.13
Provision for Taxation – Deferred (Asset) / Liability	**1,135.60**	613.63
Short / (Excess) provision for Taxation for earlier years	**(111.24)**	10.64
Net Profit (A)	**8,563.58**	7,737.86
Share of profit of equity accounted investee (net of income tax) (B)	**943.39**	351.01
Minority Interest (C)	**786.03**	504.36
Net Income of the group (A+B-C)	**8,720.94**	7,584.51
Other Comprehensive Income of the group	**332.33**	16.30
Total Comprehensive Income of the group	**9053.27**	7600.81
Group Earnings per share attributable to BPCL (₹)	**66.51**	57.84

COMPANY RESULTS

	2016-17	2015-16
Physical Performance		
Crude Throughput (MMT)	**25.39**	24.12
Market Sales (MMT)	**37.68**	36.53
		₹ Crores
Financial Performance		
Gross Revenue from Operations	**2,42,047.82**	2,17,894.77
Profit before Depreciation, Finance Costs and Tax	**13,429.98**	12,800.80
Finance Cost	**495.87**	565.16
Depreciation & amortization expense	**1,891.32**	1,844.60
Profit before tax	**11,042.79**	10,391.04
Provision for Taxation – Current Tax	**2,210.00**	2,684.00
Provision for Taxation – Deferred Tax	**904.73**	636.02
Short/(Excess) provision for taxation of earlier years	**(111.24)**	14.66
Net Profit for the year (A)	**8,039.30**	7,056.36
Other Comprehensive Income (OCI)	**132.43**	(274.87)
Total Comprehensive Income for the year	**8171.73**	6781.49
Opening Balance of Retained Earnings (B)	**1,422.46**	2279.55
Income from BPCL Trust for Investment in Shares (C)	**526.17**	259.71
Amount available for disposal (A+B+C)	**9,987.93**	9,595.62
The Directors propose to appropriate this amount as under:		
Towards Dividend:		
Final Dividend of previous year	**1,084.63**	1,626.94
Corporate Dividend Tax on Final Dividend of previous year	**169.81**	294.27
Interim Dividend	**4555.43**	1156.93
Corporate Dividend Tax on Interim Dividend	**828.23**	202.51
For transfer to Debenture Redemption Reserve	**224.58**	243.75
For Re-measurements of Defined Benefit Plans (Net of tax)	**50.69**	93.18
For transfer to General Reserve	**-**	4,555.58
Closing Balance of Retained Earnings	**3,074.56**	1422.46
Summarized Cash Flow Statement :		
Cash Flows:		
Inflow/(Outflow) from Operating Activities	**7,881.93**	10,179.21
Inflow/(Outflow) from Investing Activities	**(10,114.68)**	(7,975.48)
Inflow/(Outflow) from Financing Activities	**566.56**	(1,839.92)
Net increase/(decrease) in cash & cash equivalents	**(1,666.19)**	363.81

Company Performance

During the year 2016-17, the crude throughput at BPCL's Refineries at Mumbai and Kochi was 25.39 MMT as against 24.12 MMT achieved in 2015-16. The Market sales of the Corporation grew by 3% to 37.68 MMT in 2016-17 from 36.53 MMT in 2015-16.

Indian Accounting Standards

Ministry of Corporate Affairs (MCA) vide their notification dated 16th February 2015 notified the Companies (Indian Accounting Standards) Rules, 2015 applicable for accounting periods beginning on or after 1st April 2016 for all listed companies having net-worth of ₹ 500 Crores or more. Accordingly for BPCL, Ind AS is applicable from financial year 2016-17. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

As per the requirements of Ind AS, Corporation has prepared the financial statement for the year ended 31st March 2017, 31st March 2016 & the opening Ind AS Balance sheet as on the date of Transition i.e. 1st April 2015.

In preparing the Ind AS Balance Sheet as at 1st April 2015 and in presenting the comparative information for the year ended 31st March 2016, the Corporation has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP.

BPCL's Gross Revenue from operations for 2016-17 stood at ₹ 2,42,047.82 Crores reflecting an increase of 11.08% over the previous year's revenues of ₹ 2,17,894.77 Crores. The profit before tax for the year was ₹ 11,042.79 Crores as compared to ₹ 10,391.04 Crores in 2015-16. After providing for Tax, (including deferred tax) of ₹ 3,003.49 Crores, as against ₹ 3,334.68 Crores during the last year, the Profit after Tax for the year stood at ₹ 8,039.30 Crores as against ₹ 7,056.36 Crores in 2015-16.

The earnings per share amounted to ₹ 61.31 in 2016-17 as compared to ₹ 53.81 in 2015-16. The Earning per share is after adjustment of Bonus Share issued during 2016-17 and BPCL Trust for Investment in Shares. Internal Generation during the year was lower at ₹ 5,716.10 Crores as against ₹ 7,113.55 Crores in 2015-16 due to higher dividend declared by the Corporation during 2016-17.

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, 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 BPCLs's website at https://www.bharatpetroleum.com/images/files/DDP%20Final%20File.pdf

BPCL's contribution to the exchequer by way of Taxes and Duties during 2016-17 amounted to ₹ 84,758.84 Crores as against ₹ 67,719.17 Crores in the previous Financial Year.

As on 31st March 2017, BPCL's Total equity stands at ₹ 29,668.38 Crores as against the previous year's figure of ₹ 27,332.96 Crores.

Dividend

The Board of Directors has recommended a Final Dividend of 10% (₹ 1 per share) for the year on the paid-up share capital of ₹ 1,446.17 Crores which amounts to ₹ 174.06 Crores inclusive of ₹ 29.44 Crores for Dividend Distribution Tax. In addition, two interim dividends of 195% (₹ 19.50 per share) and 120% (₹ 12 per share) totaling to ₹ 4,555.43 Crores exclusive of ₹ 828.23 Crores for Dividend Distribution Tax was declared and distributed during the year.

Bonus Shares

During the Financial year 2016-17, the Corporation has issued Bonus Shares in the ratio of 1:1 by capitalisation of General Reserve. Further, in the month of July 2017, the Corporation has issued Bonus shares in the ratio of 1 : 2 by capitalisation of General Reserve.

Borrowings

Borrowings from banks increased from ₹ 6,179.08 Crores as at March 31, 2016 to ₹ 11,737.95 Crores at the close of the current financial year. Loans from Oil Industry Development Board stand at ₹ 1,795.13 Crores as at 31st March, 2017 as compared to ₹ 1,725.24 Crores at the end of the previous year. Debentures worth ₹ 550 Crores were issued during the year 2016-17. 4.625% US Dollar International bonds issued during 2012-13 of US$ 500 Million (equivalent to ₹ 3,222.60 Crores) remained outstanding as on 31st March 2017. 3% Swiss Franc International Bonds issued during 2013-14 of CHF 200 Million (equivalent to ₹ 1,292.45 Crores) remained outstanding as on 31st March 2017. 4% US Dollar International bonds issued during 2015-16 of US$ 500 Million (equivalent to ₹ 3,211.28 Crores) remained outstanding as on 31st March 2017.

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

The Gross Capital Expenditure during the year 2016-17 amounted to ₹ 9,476 Crores as compared to ₹ 10,311 Crores during the year 2015-16 and including Investment in Joint Venture Companies and Exploration during the year 2016-17 was ₹ 16,949 Crores (Budget estimate of ₹ 13,097 Crores) as compared to ₹ 11,978 Crores during the year 2015-16.

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 2017 is annexed as Annexure E.

REFINERIES

MUMBAI REFINERY

During the year 2016-17, Mumbai Refinery achieved throughput of 13.60 MMT of feedstock (crude oil and other feed-stocks) as against 13.41 MMT achieved in 2015-16. This is the highest throughput ever achieved in Mumbai Refinery.

The Gross Refining Margin (GRM) for the year stood at US$ 5.36 per barrel as compared to US$ 6.37 per barrel realized in 2015-16. The overall gross margin for the refinery in 2016-17 amounted to ₹ 3,671 Crores as compared to ₹ 4,198 Crores in 2015-16.

KOCHI REFINERY

Kochi Refinery achieved the highest ever crude oil throughput of 11.79 MMT in 2016-17 as against a crude oil throughput of 10.71 MMT during the previous year.

The Gross Refining Margin (GRM) for the year stood at US$ 5.16 per barrel as compared to US$ 6.87 per barrel realized in 2015-16. The overall gross margin for the refinery in 2016-17 is ₹ 3,061 Crores as against the previous financial year figure of ₹ 3,610 Crores.

PIPELINES:

The BPCL Group owns a robust network of 2241 km of Product pipelines with design capacity of 17.84 MMT. Pipelines have achieved a throughput of 14.06 MMT in the year 2016-17 which is the highest so far. Pipelines have transported about 5072 MMTKM of petroleum products to BPCL's marketing locations spread across Northern, Central, Western & Southern parts of the country, which accounts for approximately 40% of the total primary transportation.

MARKETING

During the year, 2016-17, BPCL's market sales volume increased by 3.15% to 37.68 MMT as compared to 36.53 MMT in the previous year. BPCL's market share amongst the public sector oil companies stood at 22.77% as at 31st March, 2017 as compared to 22.94% as at the end of the previous year.

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

MAJOR PROJECTS

Integrated Refinery Expansion Project (IREP) at Kochi Refinery

The Integrated Refinery Expansion Project (IREP) at Kochi Refinery envisages increasing the refinery capacity from 9.5 MMTPA to 15.5 MMTPA and modernization of the refinery facilities to produce auto fuels conforming to BS-IV/VI specifications and up-gradation of the residue streams to distillates and Petcoke.

The approved cost of the project is ₹ 16504 Crores and cumulative expenditure upto 31st March 2017 on the project is ₹ 14729.61 Crores.

The project has achieved mechanical completion as per schedule of all the process units, associated utilities and offsites facilities on 31st March, 2017. All the units have been commissioned except Fluidized Catalytic Cracker Unit (FCCU) which is at an advanced stage of commissioning.

Conversion of CRU to Isomerization Unit (ISOM) at Mumbai Refinery

The project involves conversion of the Catalytic Reformer Unit (CRU) to Isomerization Unit (ISOM) along with associated facilities. This would enable Mumbai Refinery to produce 100% BS-IV MS along with world class quality Hexane.

The cost of the project is ₹ 725 Crores and the cumulative expenditure on the project is ₹ 540.24 Crores as on 31st March, 2017.

The project was completed in November, 2016 and commissioned in February, 2017.

Diesel Hydro Treatment Unit (DHT) at Mumbai Refinery

The project involves installation of 2.6 MMTPA capacity DHT to produce 100% BS-IV HSD from Mumbai Refinery. The project is also having capability to produce BS VI grade diesel.

The cost of the project is ₹ 1714 Crores with cumulative expenditure of ₹ 953.12 Crores as of 31st March, 2017.

The project was completed in March, 2017 and commissioned in June, 2017.

Heat Traced Pipeline at Mumbai Refinery

The project envisages laying of a Heat Traced Pipeline and associated facilities at Mumbai Refinery for transporting high pour products. This would facilitate transporting intermediate streams between refineries for value maximization.

The cost of the project is ₹ 193.49 Crores and the cumulative expenditure on the project is ₹ 3.25 Crores as on 31st March, 2017.

The project has achieved a physical progress of 31.7% and 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 as per the Auto Fuel Vision and Policy 2025. The project would enable the refinery to supply 100% BS VI grade MS from April, 2020.

The cost of the project is ₹ 554 Crores. The cumulative expenditure on the project is ₹ 10.82 Crores as on 31st March, 2017.

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. Currently these petrochemicals are imported in the country, hence this project would promote 'Make In India.'

The cost of the project is ₹ 4588 Crores and the cumulative expenditure on the project is ₹ 734.78 Crores as on 31st March, 2017.

The project has achieved an overall physical progress of 21.72% as on 31st March, 2017 with scheduled mechanical completion of May, 2018.

Heat Traced Pipeline (HTPL) at Kochi Refinery

The project envisages laying of a Heat Traced Pipeline and associated facilities in Kochi Refinery for transporting high pour products.

The cost of the project is ₹ 337.06 Crores and the cumulative expenditure on the project is ₹ 5.88 Crores as on 31st March, 2017.

The project has achieved an overall physical progress of 38% as on 31st March, 2017 and is scheduled for mechanical completion by August, 2018.

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

The MS Block Project envisages putting up facilities for the production of 100% BS VI grade MS from the refinery to meet the Auto Fuel Vision and Policy 2025 requirements. This project would help the refinery in producing environment friendly clean fuel.

The project cost is ₹ 3313 Crores and the cumulative expenditure on the project is ₹ 32.61 Crores as on 31st March, 2017.

The project is scheduled for mechanical completion by October, 2019.

Ennore Coastal Terminal Project

BPCL has acquired 100 acres of land in Ponneri Taluk, Thiruvallur District from the Salt Commissionerate, Ministry of Commerce, Government of India, for construction of a Storage Terminal. The project scope envisages construction of 124439 KL tankage along with other amenities, 8 bay TLF gantry, pumps and pipelines, product receipt line from Ennore jetty and allied facilities.

The approved cost of the project is ₹ 393 Crores and the project has achieved an overall physical progress of 37.08%. The cumulative expenditure on the project is ₹ 147.69 Crores as on 31.03.2017 and the expected commissioning is by April,2018.

Palakkad LPG Terminal Project

BPCL has formed a Joint Venture Company (JVC) with IOC, for the purpose of laying, building, operating, expanding and maintaining LPG Pipeline connecting Kochi-Coimbatore-Erode -Salem with 50% shareholding of BPC and IOC each. The main purpose of laying the pipeline is to evacuate the additional production of LPG from Kochi Refinery after its expansion under the IREP project and also to carry IOC's LPG imports from its proposed import terminal at Puthuvypeen, Kochi to cater to en route demand at various bottling plants.

To facilitate the above movement of LPG evacuation, it was decided to put up a storage terminal at Palakkad. A land parcel of 18.95 acres was taken on lease hold basis for a period of 30 years from Kerala Industrial Infrastructure Development Corporation (KINFRA). The storage terminal will have tankage to store the product received through the pipeline from KR. Bulk loading facilities will be provided for nodal movement to the Tamil Nadu and Karnataka markets.

The approved cost of the project is ₹ 184 Crores. The project has achieved an overall physical progress of 60% and the cumulative expenditure on the project is ₹ 73.24 Crores as on 31.03.2017.

LPG Import Facility at Haldia

The growth of demand for LPG in the Eastern part of UP in Northern Region and requirement of a reliable product source for Eastern Region necessitated the need for dedicated LPG storage facility in the eastern coast especially near Kolkata. Therefore, it has been planned to have a dedicated import terminal at Haldia with a capacity of 2 X 15TMT to store Propane, Butane and LPG for an average throughput of 1.0 MMTPA.

The project has achieved overall physical progress of 20% and the cumulative expenditure on the project is ₹113.49 Crores as on 31.03.2017.The project is scheduled for commissioning by October 2018.

Mumbai Manmad Pipeline Re-routing

The project envisages laying of a 50 km long 18" Dia pipeline for rerouting of the Mumbai Manmad Pipeline section, construction of 3 Sectionalizing Valve stations (SV stations) and associated facilities.

The cost of the project is ₹ 449.58 Crores and the cumulative expenditure on the project is ₹ 86.94 Crores as on 31st March, 2017.

The project has achieved an overall physical progress of 25.7% as on 31st March, 2017 and is scheduled for mechanical completion in June, 2019.

RESEARCH & DEVELOPMENT

In today's world, innovation is the key element for sustainable growth in a technology intensive energy industry, without which our future would be at risk. 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 Product and Application development R&D Centre has contributed significantly to the business volume and profitability through development of new grades and alternate formulations of Lube oil. This has helped in increasing our lube oil product portfolio and reducing our input cost.

R&D areas and its benefits are summarized in Annexure A to the Directors Report.

NON-CONVENTIONAL ENERGY INITIATIVES

Our organization is engaging itself in developing green energy projects with great enthusiasm to mitigate green house gas emission.

Use of green energy, which is considered to be clean energy is also economically beneficial for the organization. This in turn is positively contributing to the country's target of achieving 175 gigawatts of renewable energy by 2022. To make this endeavour a reality, BPCL is focused on putting up solar plants at their various locations throughout the country.

With a view to implementing the renewable energy initiatives, BPCL has shortlisted 10 of its Oil Depots/ Installations and LPG Bottling plants for installation of rooftop solar plants. It is envisaged that such rooftop solar plants will reduce conventional electricity consumption and also achieve green house gas emission reduction.

The feasibility and system design study is being conducted in the depots, installations and LPG bottling plants. Upto March 2017, rooftop solar units have been installed in 1001 Retail Outlets across the country. BPCL is carrying out a detailed feasibility and system design study at 19 Company Owned Company Operated Retail Outlets as a pilot for solarizing large format Retail Outlets.

START UP INITIATIVE

The purpose of the 'Start Up India' initiative (christened Project Ankur) is to build a strong ecosystem for nurturing innovations and creating and empowering startups. This would stimulate, incubate, foster and enhance innovation and research capabilities, driving sustainable economic growth & generating entrepreneurship and employment opportunities. The aim is to encourage ideas leading to disruptive technologies and new business models.

BPCL proposes to have a strategically oriented corporate led model where the corporate center defines the areas with a couple of focal points. The first focus area would be innovations that will help the Company or its business units move into adjacent areas and disruptive technologies. The second focus area would be business models that could change existing core businesses. This kind of corporate led model would also help the organization to deal with disruptive forces better than business unit led models. The value of this model would be mainly derived from the opportunities to identify and understand market trends early and to evaluate and build businesses in parallel to the existing core businesses. It would also enable BPCL to explore outside ventures as well as develop internal innovations.

BPCL has allocated ₹ 25 Crores for promoting a startup culture within and outside the Company. This will be given 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 will decide on the recipients of the grant. A website has been created to receive applications from the general public and a Pan India advertisement was released in May 2017.

INDUSTRIAL RELATIONS

The overall Industrial Relations climate remained harmonious and cordial throughout the year. BPCL continued with its thrust on resolving issues through continuous dialogue and maintaining collaborative approach with Unions, workmen and other stake holders. Regular meetings were held with the representatives of Unions to deliberate on various challenges and opportunities concerning the organisation as well as workmen. The Unions and workmen demonstrated their commitment to achieve organizational objectives.

During the year 2016-17, there have been certain communications received from the Ministry of Petroleum & Natural Gas with regard to the company's policy on payment of shift allowance for working in night shifts at the Refinery and other operating locations and encashment of half pay leave of the employees upon their superannuation beyond the limit of 300 days. The Company has submitted its response justifying the payment of these benefits. Further, in respect of leave encashment, the Company has amended the leave encashment policy on a prospective basis in line with the guidance given in the Presidential Directive issued to another major PSU company. Based on the contractual obligations for above polices existing as on 31st March, 2017, the Company has made/retained appropriate provisions in the books of accounts for the financial year 2016-17.

CORPORATE SOCIAL RESPONSIBILITY

BPCL is a vital player in the energy sector and is contributing significantly to India's progress. In alignment with the vision of the Company, its CSR initiatives strive to Energise Lives of the communities. Over the years 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. Seeking to herald an inclusive business paradigm, CSR initiatives are undertaken based on social, environmental and economic considerations. CSR being ingrained into the business strategy, various initiatives have been pioneered to address some important developmental challenges. Today, through institutionalized and project-based approach, BPCL continues to take up new projects while exiting from those that have been successfully completed.

Sustaining BPCL's commitment to Education, initiatives have focused on improving the quality of education while striving to bring in technology and innovation into the teaching process. Its Computer Assisted Learning (CAL) project, which began in 2009-10, has been scaled up to over 250 centers in Mumbai, Uran, Panvel, Solapur (Maharashtra), Lucknow (UP) and Jaipur (Rajasthan). This project provides school going children an easy and regular access to advanced information technology (multi-media computers, broadband internet and quality educational software contents) and supplements their learning through locally designed curriculum, trained instructors and also engages teaching-staff actively. Till date, project CAL has covered over 1 lakh children from class I to X and has been extended to the community residing around the Mumbai Refinery. BPCL has successfully covered all government schools in the Uran block through project CAL and successfully handed over the project to the local government for continuation of the project thus taking steps towards sustainability.

The Science Education Project for students of Government schools in Solur, Bangalore (Karnataka) focuses on experiential learning models based on science concepts. It reaches the students through a mobile science lab and science centre. This project has made hands-on science education available to poor rural children and teachers. This year, over 8546 students from 84 schools have enjoyed hands-on learning of science through this project, while also being groomed as young science leader-thinkers.

A number of new projects have also been initiated during the year such as remedial education for children in 20 slums of Bhubaneshwar, dance and theatre training for underprivileged children in Mumbai which contributes to their holistic development, providing education support to cancer affected children and supporting night schools in Mumbai for those unable to complete their secondary education in day schools for various reasons. Along similar lines, BPCL has taken up remedial education of students from Classes VI-IX in Coimbatore to improve their learning in Tamil, Mathematics and English.

BPCL has also successfully completed the fourth batch of its in-house project Saksham for professional development of primary/upper primary teachers and headmasters from 46 low income schools of Mumbai. This project aims at encouraging teachers to use new techniques for teaching, classroom management as well as developing new teaching materials according to the needs of the class.

With an objective to inculcate the habit of reading in children from government schools and building professional capacities of teachers and principals, BPCL has continued to support setting up and management of libraries. Library books are classified as per the difficulty level so that students can choose the book as per their reading ability.

Deriving inspiration from Hon'ble Prime Minister of India's vision of 'Skilled India', BPCL has taken steps in this direction through Corporation driven initiatives as well as at the Industry level in this direction. The Oil & Gas Industry is together working in the direction of setting up Mega Skill Development Institutes-SDIs and subsequent SDIs in the catchment areas of other Oil PSUs. BPCL has taken the lead role to set up SDI Kochi and has supported setting up the model SDI in Odisha and SDI-Visakhapatnam as well. Further BPCL has contributed towards the Hydrocarbon Sector Skill Council for assessing skill needs and gaps, establishing competency standards for each sector like upstream, downstream and mid-stream and imparting the requisite skills based on competency standards. Several placement linked skilling projects have been successfully completed across the country for youth, women and persons with disabilities.

Water scarcity is a disturbing phenomenon in the country for decades and this affects a large population in India. Recognizing the suffering of people living in water scarce areas of rural and urban India, BPCL has undertaken Project 'BOOND' which is a water conservation initiative through rain water harvesting. The project has covered 36 villages from Tamil Nadu, Karnataka, Maharashtra and Rajasthan during the Financial year 2016-17. Effective community participation and inclusive approach of the project has enabled successful formation of Village Water Committees that have taken over the governance and maintenance of the water structures constructed. In addition to this, project BOOND also supports sustainable employment through new and improved agricultural practices like crop rotation, mulching, newer crops, innovative methods of irrigation and horticulture. Since 2010, BPCL has collectively reached out to 196 villages through project BOOND. These initiatives aim at increasing availability of water for agriculture, livestock and ground water recharge, decrease in migration, improving the quality of life of the villagers and a positive effect on the environment in addition to flood moderation.

BPCL is proactively working to address issues of health and sanitation by providing access to basic health care services, both preventive and curative, to the underprivileged and building the capacity of local health facilitators and community members. Projects related to strengthening healthcare infrastructure and services and building capacities of healthcare professionals, supporting health camps through mobile medical units, for the general community have been directed towards making basic healthcare services accessible to the underprivileged. Furthermore, various nutritional support projects in Kerala for anganwadi and school children have been undertaken. Through various health initiatives during the year, BPCL has reached out to 1,44,205 beneficiaries.

BPCL has participated in Swachh Bharat Abhiyan through various initiatives. The Company has undertaken maintenance of toilets in 4 states – Andhra Pradesh, Chhattisgarh, Telangana and West Bengal, which were constructed as part of 'Swachh Vidyalaya Abhiyan'. Additionally, 20 toilets have been constructed in schools and a college at Dharwad, Karnataka. BPCL has also undertaken a project for cleanliness around Madurai Meenakshi Temple aiming at making it a 'Swachh Iconic Place'.

Participating in the developmental journey of the country BPCL considers community development through creating opportunities for learning, skilling and infrastructure development as the pillars to progress. In line with this objective and in addition to the initiatives on education, water conservation, health and hygiene, BPCL has also undertaken projects such as installation of solar lights, handpumps in remote villages. Environment and women-focused initiatives have been supported nationwide under the Ujjwala scheme of providing deposit free LPG connections to below poverty line (BPL) families.

Realising the potential of employee volunteering and leveraging their talent, expertise and contribution for CSR initiatives, BPCL enables its employees to align and engage in CSR initiatives through the Bharat Connect programme. This project enables every new entrant in BPCL to align with the CSR objectives and activities of the company. Various activities conducted through volunteering such as 'Once upon a time' - a story telling activity in schools, Shramdaan and Project BOOND, volunteering in ongoing CSR projects, participation in 'Joy of Giving Week' and many more are carried out regularly.

BPCL is committed to continue the work of sustainable development through focused and pro-active social projects under CSR initiatives governed by a Board approved CSR policy which aligns with national developmental goals.

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

BPCL sportspersons continued to excel in the National as well as International sports arena in the fields of Cricket, Hockey, Badminton, Chess, Table Tennis, Kabaddi, Volleyball, Billiards & Snooker, Bridge, Archery and Arm Wrestling.

Rio Olympics, the much awaited major international multi sports event was held in August 2016. Amongst the Oil sector PSU's, the highest number of sportspersons who represented the country at Rio, were from BPCL. The Company's very own talented ace shuttler, P. V. Sindhu, became India's first woman to win a Silver Medal at the Olympics. Other players from BPCL who represented India at the Rio Olympics were Saina Nehwal and Jwala Gutta in Badminton, Soumyajit Ghosh in Table Tennis, Atanu Das in Archery, Devinder Walmiki, S.V. Sunil, Harmanpreet Singh and Tushar Khandker (Assistant Coach of Indian team) in Hockey.

P.V. Sindhu also bagged her first Super Series Premier Title by winning the China Open Badminton held at Fuzhou, China in November, 2016. Sameer Verma won the Syed Modi Grand Prix Badminton tournament held at Lucknow in January, 2017.

BPCL's renowned Badminton players Saina Nehwal and P.V. Sindhu were conferred with the Padma Bhushan Award and Rajiv Gandhi Khel Ratna Award respectively. The Company's Table Tennis player, Soumyajit Ghosh was conferred with the Arjuna Award by the Hon'ble President of India.

Devendra Joshi was the Runner-up at the 2016 JW World Open Billiards Championships in England. Marianne Karmarkar represented India in the World Bridge Games in the Mixed Team event in Poland.

Four of BPCL's Hockey players namely Devinder Walmiki, Harmanpreet Singh, Birendra Lakra and Tushar Khandker (Assistant Coach) were part of the Indian team which won the Gold Medal at the Asian Champions Trophy held at Malaysia in October, 2016. Harjeet Singh, Varun Kumar, Harmanpreet Singh and Vikas Dahiya were part of the Indian Hockey team which won the Junior Hockey World Cup. BPCL's employee and ex- Olympian Romeo James was the goal keeping coach of the victorious Junior Indian Hockey team. Devinder Walmiki and Lalit Upadhyay were the members of the Kalinga Warriors team which won the prestigious Hockey India League title. S.V. Sunil was named Player of the Year 2016 whereas Harmanpreet Singh was named the Emerging Player of the Year by Asian Hockey Federation.

In the Pro-Kabaddi League, BPCL's Kabaddi players like Vishal Mane, Nilesh Shinde, Kashiling Adake, Rishank Devadiga, Rohit Rana, Surjeet Kumar, Nitin Madane and Girish Ernak made a mark with their outstanding performances.

In Cricket, Kuldeep Yadav made his debut in the Test Match against Australia. Manish Pandey and Dhawal Kulkarni represented the Indian team for One Day Internationals and performed consistently well.

In Chess, BPCL's leading Chess player P. Harikrishna is doing exceedingly well at the international level and is currently ranked No. 13 in the World Chess rankings. It is the highest rank achieved by an Indian player after the legendary Vishwanathan Anand.

Young prodigy, Prithvi Shaw, one of BPCL's Sports Scholars, became the second youngest player after Sachin Tendulkar to score a century on his Ranji Trophy debut for Mumbai at the age of 17 years. He also represented the Indian under- 19 Cricket team in the 'Under- 19 Cricket World Cup'. Subhankar Pramanick, another BPCL Sports Scholar bagged the Gold Medal in the 50m Free Rifle in the Junior Men's Individual event and Silver Medal in the Team event in the ISSF Junior World Cup held at Gabala, Azerbaijan September, 2016.

The year 2016-17 has been a remarkable year for Sports in the Corporation. BPCL Sportspersons have excelled on the International stage and made the nation proud with their outstanding achievements especially P.V. Sindhu, the Olympic Silver medalist. BPCL Sportspersons P. Harikrishna, Atanu Das, Saina Nehwal and Soumyajit Ghosh have been an inspiration to thousands of youngsters nationwide.

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

The Corporation has consistently demonstrated commitment towards adherence to the Presidential Directives and other guidelines issued 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 & Persons with Disabilities.

With an endeavour to ensure sustained and effective compliance of Presidential Directives and Ministry guidelines, robust processes and systems have been put in place. Proper maintenance of Rosters as per the Directives and regular inspection of the same by Liaison Officer of the Corporation and the Liaison Officer of MOP & NG are done to ensure compliance.

Students belonging to the SC/ST communities and economically backward sections are encouraged by awarding scholarships to those students pursuing courses at ITI and Secondary School education, up to graduation level.

The Corporation abides by and fulfills the provisions under 'The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation), Act 1995' in relation to providing employment opportunities for Persons with Disabilities (PWDs).

Details pertaining 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 Ministry of Petroleum & Natural Gas conferred the "Third Rajbhasha Trophy" upon BPCL for excellent implementation of Hindi language. Shri Dharmendra Pradhan, Hon'ble Minister of State (I/C), Ministry of Petroleum & Natural Gas handed over the trophy to Shri S. Ramesh, Director (Marketing).

For the first time in BPCL's history, the Chairmanship of Town Official Language Implementation Committee for Manmad was conferred upon BPCL by the Department of Official Language of the Ministry of Home Affairs.

The First Sub-Committee of the Parliamentary Committees on Official Language held inspection visits at seven BPCL establishments and the Joint Director of Ministry of Petroleum & Natural Gas held inspection visits at eight BPCL establishments.

"Hindi Fortnight" was celebrated during 14th - 28th September, 2016 across all the Regions and Refineries. Various contests and cultural programs were organized during this period.

BPCL's in - house journal – 'Petro Plus' and newsletter – 'Journeys' were issued in a bilingual format. A majority of BPCL advertisements were also published in bilingual format.

Hindi Co-ordinators' conferences 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 conferences.

"World Hindi Day" was organized on 10th January 2017 across all the Regions and Refineries. On this occasion, various contests were organized for encouraging progressive usage of Hindi language among the employees.

During the year, 146 BPCL establishments got notified under the Rule 10(4) of the Rajbhasha Act 1976.

All the Regions and Refineries were registered for sending online Quarterly Report on Hindi implementation to the Department of Official Language of the Ministry of Home Affairs.

During the year, Hindi Training and Indic Software Unicode trainings were conducted. A total of 226 Hindi Workshops were organized in this regard.

BPCL's online RTI Portal was launched in bilingual format allowing the citizens to post their RTI queries in Hindi and English languages.

CITIZEN CHARTER AND PUBLIC GRIEVANCE REDRESSAL

BPCL is sensitive to the service levels offered to its customers across every touch-point in constant pursuit of excellence and its commitment to enhance customer experience. As part of this, BPCL has published the Citizen Charter on the Corporate website www.bharatpetroleum.in. The charter is available both in Hindi and English versions and provides details of a range of products and services offered to the customers. The charter also covers an overview of the marketing activities of BPCL, policy guidelines and processes on marketing of petroleum products including the mandate of the

Corporation, customer rights with respect to standards and deliverables, quality, time-frame for service delivery, selection guidelines for dealerships and distributorships, the grievance redressal mechanism etc. to ensure transparency at every level. In order to reach out to customers / citizens, a list of Nodal Officers has been provided in the Citizen Charter with contact details for expeditious redressal of grievances and personal hearing. BPCL's constant endeavour is to enhance customer experience across all touch-points through various service level initiatives in its pursuit of excellence. These service levels are constantly monitored and reviewed / updated considering the changing business environment and customer's expectations. The Citizen Charter is also updated periodically and it was last updated in November 2016.

RTI Act came into existence in the year 2005 empowering ordinary citizens of the country to seek information from any public authority. BPCL has implemented the Act in letter and spirit with belief in the philosophy of transparency being the essence of good governance. In the journey of over 12 years of the RTI Act, BPCL has set-up a formidable structure in place with 88 CPIOs (Central Public Information Officers) and 12 Appellate Authorities across the organization in major business units/entities such as Retail, LPG, Aviation, Human Resources, International Trade, Mumbai and Kochi Refineries to ensure that RTI applications are responded to effectively and in a timely manner. BPCL has handled 29,672 Right to Information Act (RTI) applications, 4387 appeals and 732 second appeals to CIC during the year 2016-17. BPCL did not have any instance of penalty or strictures in these 12 years. Initially, BPCL had an in-house RTI web package to monitor all RTI applications and appeals and CIC cases. Effective, 1st August 2016, BPCL has moved to RTI Online in compliance of the instructions from DoPT and MoP&NG smoothly and successfully. Several Training Programmes have been conducted to train CPIOs and AAs along with their staff to handle RTI online.

As a knowledge management initiative, RTI related articles are published in the in-house newsletter brought out periodically, which covers various aspects of the RTI Act and learnings from key CIC decisions and Case Studies, with the objective of enhancing knowledge and improvising on deliverables. During the period ending 31st March 2017, BPCL has disposed of 3,464 RTI Applications within the stipulated timelines. On its Corporate Website, a separate section has been provided under Section 4(1) (b) of the RTI Act.

The Central Public Grievance Redressal and Monitoring System (CPGRAMS -commonly known as PG Portal) - an internet based Grievance Redressal Mechanism of the Government of India (under DARPG (Department of Administrative Reforms & Public Grievances) helps BPCL in speedy redressal of public grievances. BPCL has a well-established grievance redressal framework in each Strategic Business Unit for timely and qualitative redressal of public grievances. The grievances received on this portal are monitored from the Corporate Office. During 2016-17, 3,762 grievances were received against which 3,621 such grievances were redressed and closed.

BPCL also reaches out to its customers / citizens at large through its established Centralized Customer Care System portal (CCS) – Smartline. It is an interactive platform to customers with web based access / dedicated toll free numbers, which enables customers to connect with BPCL and log any interaction - complaints, suggestions and feedback. The customers / citizens are sent an acknowledgement / alert after every interaction.The CCS is designed to track every interaction and an in-built 3-tier escalation matrix has been provided in the system.

MICRO & SMALL ENTERPRISES

In line with "Public Procurement Policy for MSEs, Order 2012", BPCL has been procuring more than 20% of its Goods and Services, through MSEs as against a target of 20%, annually. BPCL has also been fully abiding by the other mandates of the Policy.

All the high value tenders at BPCL are through 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 existing Purchase Preference Policy of Government of India, in any tender, participating MSEs, who are within price band of L1+15% will get a portion of order, provided they match L1 price. This allocation to MSEs is atleast 20%. Additionally, 20% of this 20% portion i.e. 4% of the total tender quantity is reserved for SC/ST entrepreneurs in MSE category. The Public Procurement Policy 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 tender requirement and L1 price, 4% sub target shall be met from other MSEs.

BPCL organized 93 vendor meets/ workshops across India at Retail locations and Refineries to promote the Public Procurement Policy for MSEs. BPCL teams participated in 7 Vendor Development Programmes cum Exhibition conducted by Micro, Small and Medium Enterprises Development Institute at Nagpur, Ambernath, Murbad, Goregaon, Delhi, Pune and Thane. BPCL representatives also promoted the Public Procurement Policy for MSE during "Vibrant Gujarat week" held in Gandhinagar during January, 2017. A "Premier Vendor Workshop" was held during November, 2016 wherein Dy. Director, MSME-DI, Mumbai was invited who made a detailed presentation of benefits of MSE Purchase Preference Policy to the vendors. A special programme for SC/ST vendors was held during December, 2016 at Mumbai Refinery and 21 SC/ST vendors have been registered through this programme.

In order to encourage development of vendors from SC/ST category, BPCL's Mumbai Refinery conducted a unique training and mentoring program for budding entrepreneurs from the SC/ST category i.e. Entrepreneurship Development Program (EDP). The entire program was spearheaded by BPCL SC/ST Association and all training and administrative support was provided by BPCL. 24 candidates were selected under this program and were given one month classroom training from 24th April to 23rd May 2017. In addition, hand holding for these entrepreneurs shall be done by BPCL for one year.

MSE procurement plan for 2016-17 was put up in the BPCL website. It can be viewed at https://bharatpetroleum.com/Bharat-Petroleum-For/Business-Associates/Vendors.aspx.

As per the mandate of MSE Purchase Preference Policy, nodal officer in BPCL is already appointed since the year 2012 and the contact details and name is communicated regularly to the Ministry.

For the year 2016-17, the total procurement value for BPCL for Goods and Services, excluding Works Contracts, where MSEs could have participated was ₹ 4,919.61 Crores and the actual procurement value from MSEs was ₹ 1,613.88 Crores, i.e. an achievement of 32.80% as against the target of 20%.

The procurement for Goods and Services excluding Works Contracts from MSE-SC/ST vendors during the year 2016-17 was ₹ 91.20 Crores. i.e. an achievement of 1.85% as against a target of 4%. There was a shortfall against the target since MSE-SC/ST vendors did not bid. BPCL had undertaken special initiatives to enhance participation by MSE-SC/ST vendors, such as inclusion of MSE Purchase Preference Clause in GCC and GPC as mentioned earlier. BPCL had participated in the National Vendor Development Programme organized by Dalit Indian Chamber of Commerce and Industry (DICCI) and Ministry of Petroleum and Natural Gas (MOP&NG) at Vigyan Bhavan, New Delhi in March 2017 and made presentation to around 400 SC/ST Vendors for promoting their participation. This was over and above the special drive undertaken by Mumbai Refinery wherein 21 SC/ST vendors were registered as mentioned earlier. Also, the one month long "Entrepreneurship Development Programme", was a step towards encouraging budding SC/ST entrepreneurs to develop in their respective fields.

VIGILANCE

Vigilance in BPCL is proactive as well as preventive in contributing to the overall good governance in the organization. The department constantly endeavours to promote improvement in systems, processes and practices through an approach of proactive and participatory vigilance leading to "Vigilance for Corporate Excellence". It believes that with best practices, adequate controls, accountability and transparency, decisions taken will be efficient, effective and consistent, ultimately leading to Corporate Excellence. This also helps sensitizing employees to this concept so that their thoughts and actions are aligned towards integrity and transparency. Vigilance, helps the Business, identify susceptible areas in existing procedures and processes like tendering processes, vendor bill payments, channel partner selections etc. Information Technology is being extensively utilized to effectively institute more transparent processes like e-tendering, e-payments and e-receipts thereby instilling confidence of being a just and fair organization amongst BPCL vendors, channel partners and customers. Many recommendations are being made on field observations to improve existing systems and processes.

As a part of preventive vigilance, awareness sessions were conducted for our employees working at operating locations and regional offices by Vigilance officers during their visits to enhance knowledge and awareness on the operational aspects of various guidelines and standard operating procedures in vogue. This was done with a premise to promote clean business transactions, professionalism, productivity, promptness and ethical practices.

Corporate Vigilance also carried out thorough investigations into the Complaints and Source Information. Complaints including those received online, were investigated both directly by Team Vigilance and through Businesses / Entities within the stipulated time frame.

There is a regular interaction with the employees of BPCL through its internal website "Intralink" as well as with the customers/others concerned through the Vigilance portal available on the corporate website, which also has a provision to lodge complaints.

The Vigilance portal creates awareness on good governance, sharing knowledge on ethical practices and proactive vigilance and connecting with all the employees. This website has useful links of Central Vigilance Commission, Department of Personnel & Training Government of India etc.

As a part of capacity building Vigilance Officers had undergone training programme conducted by Central Bureau of Investigations and various other institutes of repute.

The Vigilance Awareness Week (VAW) 2016 (from 31st October to 5th November, 2016) was launched at BPCL Corporate office in Mumbai on 2nd November, 2016 with the administering of pledge by Director (HR), Director (Refineries), GM (Vigilance) and other senior BPCL officials and staff. Mr. Satyabrata Kumar, IRS, Joint Director Enforcement Directorate, Mumbai Zone, Mumbai Maharashtra was the Chief Guest and he highlighted the role of inclusive and participative preventive vigilance in designing processes and projects in such a manner that all possible precautionary steps are in built and active at all times in close association and collaboration with action taken by all stakeholders.

Similarly, in all the four Regions and two Refineries (Mumbai and Kochi), subsidiary: Bharat Petro Resources

Limited, Numaligarh Refinery Limited, Petronet CCK Limited, Vigilance Awareness Week was launched with administering of pledge by Chief Guest in the presence of Senior BPCL Officials.

In line with the theme "Public Participation in Promoting Integrity and Eradicating Corruption", set by the Central Vigilance Commission during this period, various activities such as Awareness Sessions, Essay Contests, Question Answer Sessions, Vigilance Quiz, Debate Competition, Painting Contest and Skit program (topic: Fighting Corruption) were conducted for employees and school children.

As a part of public outreach, programmes to propagate the Integrity Pledge were conducted in Vijayawada and Guntur in March, 2017. These programmes were graced by Central Vigilance Commissioner, Shri K V Chowdhary, IRS as the Chief Guest. During the programme more than 1200 participants administered the Integrity Pledge online.

The Vigilance Department, through its endeavours in the proactive vigilance arena, nurtures ethical values in school children through focused programs. Such interactions reinforces the attitude of righteousness in the young impressionable minds which certainly has an implication for society at large. The school children form an Integrity Club and are called Young Champions of Ethics (YCEs). By inculcating values, students are slowly made aware of their immense power to make the right choices and their ability to use the power to bring about changes in the society at large. Integrity Clubs are operational in various schools in Kochi, Mumbai, Chennai and Kolkata.

Vigilance recognizes the importance of a moral value system in education and therefore through its interactive initiative "Choti Choti Batein" for the school children it attempts to lead the young minds towards appreciating a virtuous existence. Ten schools in Mumbai, Sholapur, Chennai and Kolkata and touching around 1,100 students from various strata of the society have been covered.

The 7th edition of the Vigilance Plus magazine was released and was received very well by all the stakeholders. This magazine carries a snapshot of various activities carried out during the VAW 2016 and other events conducted by Vigilance Dept. The articles in the magazine were contributed by the staff members and school students narrating their experiences to combat corruption in day-to-day life.

BPCL Vigilance has adopted a path for improving governance through an approach that is progressive, preventive, participative and punitive.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Group consists of 5 Indian subsidiaries and 5 foreign subsidiaries as on March 31, 2017. Further, the Company has 22 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 2016-17	BPRL International Singapore Pte Ltd
Details of Company that has become a Joint Venture / Associate during the financial year 2016-17	i) Haridwar Natural Gas Pvt. Ltd. ii) Goa Natural Gas Pvt. Ltd. iii) FINO Paytech Ltd.
Details of Company that has ceased to be a Joint Venture / Associate during the financial year 2016-17	Nil

A separate statement containing the salient features of the financial statement of Subsidiaries/Associates/ Joint Venture Companies in Form AOC – 1 pursuant to provisions of Section 129 (3) of the Act, is attached along with 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 in its above website. A copy of the said documents will be available for inspection and provided to any shareholder of the Company who asks for it.

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

http://www.bharatpetroleum.co.in/General/PolicyonMaterialSubsidiaries.aspx?id=4

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 & other at Siliguri for evacuation of product. NRL also has a 10 TMTPA LPG Bottling Plant at Numaligarh. As on 31st March, 2017, the paid up capital of NRL was ₹ 735.63 Crores of which BPCL holds 61.65%.

During 2016-17, NRL Crude throughput was 2.68 MMT as compared to 2.52 MMT in the previous year.

NRL Revenue from Operations was ₹ 13,946.92 Crores for the financial year ending 31st March 2017 as compared to ₹ 11,925.44 Crores in the previous year. The company's consolidated profit after tax for the year stood at ₹ 2,049.83 Crores as against profit of ₹ 1,182.27 Crores in the previous year. The earnings per share (EPS) for the year 2016-17 was ₹ 27.86 as compared to ₹ 16.07 in 2015-16. An interim dividend of ₹ 10 per share of ₹ 10 each has been paid and the Board of Directors of NRL have proposed a dividend of ₹ 8.60 as final dividend for the current financial year as compared to ₹ 7 per share in the previous year. NRL had a net worth of ₹ 5,180.64 Crores as at 31st March 2017.

BHARAT PETRORESOURCES LIMITED (BPRL)

BPRL was incorporated in the year 2006 as a wholly owned Subsidiary Company of BPCL with the objective of implementing BPCL's plans in the upstream exploration and production sector.

As on 31st March 2017, BPRL has an authorized share capital of ₹ 3,000 Crores and paid up share capital of ₹ 2,920 Crores which is entirely held by Bharat Petroleum Corporation Limited (BPCL), the holding company. BPRL has recorded consolidated income of ₹ 50.92 Crores and a consolidated loss of ₹ 500.03 Crores for the financial year ending 31st March, 2017. The consolidated loss was mainly due to interest cost on loans taken for investments in Russian assets and due to fair valuation of financial assets.

BPRL has participating interest (PI) in twenty two blocks of which twelve are located in India and ten overseas, along with equity stake in two Russian entities holding licence to four producing blocks in Russia. Seven of the twelve blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP) and five blocks were awarded under the recently concluded discovered small fields bid round 2016. Of the overseas blocks, six are in Brazil and one each in Mozambique, Indonesia, Australia and Timor Leste. BPRL and its consortia have a total of 25 discoveries in respect of Blocks held in five countries i.e. Brazil, Mozambique, Indonesia, Australia and in India. Most of the blocks of BPRL are in advanced stages of exploration, appraisal, pre-development and production. The total acreage held by BPRL and its subsidiaries is around 23,878 sqkm of which approx 76% is offshore.

BPRL has wholly owned subsidiary companies located in Netherlands, Singapore and India. The subsidiary located in Netherlands, i.e. BPRL International BV. has three wholly owned subsidiary companies viz. BPRL Ventures BV, BPRL Ventures Mozambique BV and BPRL Ventures Indonesia 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 in Mozambique and BPRL Ventures Indonesia BV holds PI of 12.5% in a block in Indonesia. In Financial year 2016-17, BPRL has formed a wholly owned subsidiary located in Singapore, i.e. BPRL International Singapore Pte Ltd (BISPL). BISPL has formed two Joint Venture Companies as Special Purpose Vehicles (SPV) i.e. Taas India Pte Ltd and Vankor India Pte Ltd in May 2016 alongwith Oil India Ltd and Indian Oil Corporation Ltd, with BISPL holding 33.0% stake in each of SPV to hold stakes in the Companies in Russia. BPRL has a wholly owned subsidiary company, Bharat PetroResources JPDA Limited in India which holds a PI of 20% in Block-JPDA 06-103, in Timor Leste. The PI in respect of Blocks in India and Australia are held 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 with total investment of ₹ 194.23 Crores. 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 2016-17 was 2.78 MMT as against 2.72 MMT in the previous year. PCCKL registered a turnover of ₹ 109.78 Crores and net profit of ₹ 58.41 Crores for the financial year ending 31st March,2017 as compared to a turnover of ₹ 107.78 Crores and net profit of ₹ 59.62 Crores in the previous year. The EPS for the year stood at ₹ 5.84 as against ₹ 5.96 in 2015-16. During the year 2016-17, PCCKL has paid dividend of ₹ 12.00 per share.

BPCL Board had granted "in principle" approval for the merger of PCCKL with BPCL at its meeting dated January 16, 2017. The further action with regard to the merger is in progress.

BPCL-KIAL FUEL FARM PRIVATE LIMITED (BKFFPL)

BPCL has signed a Joint Venture Agreement with KIAL (Kannur International Airport Ltd) for implementation of Fuel Farm at the newly developing Kannur International Airport at Kannur on 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 BPC has contributed ₹ 5.55 Crores to BPC-KIAL venture. Physical achievement of the work of the project is 90% and it will be commissioned ahead of Kannur International Airport Ltd.

JOINT VENTURE COMPANIES AND ASSOCIATES

BHARAT OMAN REFINERIES LIMITED (BORL)

Bharat Oman Refineries Ltd. (BORL), is a Joint Venture company between Bharat Petroleum Corporation Ltd. (BPCL) and Oman Oil Company S.A.O.C. (OOC). As on 31.3.2017 both BPCL and OOC have an equity stake of 50% each in BORL's paid up share capital of ₹ 1777.23

Crores. Besides this, BPCL has subscribed to Share Warrants of ₹ 1585.68 Crores. Further, the State of Madhya Pradesh has also subscribed to ₹ 26.90 Crores of share warrants in BORL.

BORL meets BPCL product requirements in the Northern and Central Regions in the country.

During the year, Bina refinery recorded a crude throughput of 6.33 MMT and an average capacity utilization of 106%.

Bina Refinery's GRM for the year 2016-17 stood at US$ 11.80 per barrel with an overall Gross Margin of ₹ 3,624 Crores.

During the year 2016-17, BORL has achieved sales of 5.53 MMT as against 6.13 MMT in the previous year. The Company has reported Revenue from Operations of ₹ 27,059.03 Crores in the financial year ended as on 31st March, 2017 as compared to ₹ 26,028.32 Crores recorded in previous financial year. The EPS for the year stood at ₹ 3.49 as against ₹ 1.67 in 2015-16. The net profit for the year 2016-17 stood at ₹ 808.13 Crores as compared to ₹ 375.47 Crores in the previous year.

PETRONET LNG LIMITED (PLL)

PLL was formed in April, 1998 for importing LNG and setting up 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 ₹ 1200 Crores and paid up capital of ₹ 750 Crores. PLL was promoted by four public sector companies' viz. BPCL, Indian Oil Corporation (IOC), Oil and Natural Gas Limited (ONGC) and Gas Authority of India Limited (GAIL). Each of the promoters holds 12.5% of the equity capital of PLL. PLL is a listed company with public holding 34.80% of the paid up capital of the company. BPCL's equity investment in PLL currently stands at ₹ 98.75 Crores. As at 31st March, 2017, PLL had net worth of ₹ 8,093.89 Crores.

PLL recorded consolidated Revenue from Operations of ₹ 24616.03 Crores in the financial year ended as on 31st March, 2017 as compared to ₹ 27133.43 Crores recorded in 2015-16. The net profit for the year stood at ₹ 1723.13 Crores as compared to ₹ 927.85 Crores in the previous year. The EPS for the year 2016-17 amounted to ₹ 22.98 as compared to ₹ 12.37 in 2015-16. PLL has declared the dividend of ₹ 5 per share for the financial year 2016-17 as against a dividend of ₹ 2.50 per share during earlier year. PLL has declared issue of bonus shares in the ratio 1:1 during the year 2016-17.

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. IGL is a listed company with public holding of 55% of the paid up share capital of the company. As on 31.03.2017, IGL has 421 CNG stations in Delhi and NCR. IGL has more than 7.4 lakhs domestic PNG customers in Delhi and NCR. The Company is also extending its business in geographical area of Rewari 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 Consolidated Revenue from Operations of ₹ 4,222.51 Crores and a profit after tax of ₹ 606.34 Crores for the financial year ending 31st March 2017 as compared to a turnover of ₹ 4,064.21Crores and a profit after tax of ₹ 457.88 Crores in the previous year.The consolidated EPS for the year stood at ₹ 43.31 as against ₹ 32.71 in 2015-16. IGL has paid an interim dividend of ₹ 3.50 during 2016-17 and proposed to pay a final dividend of ₹ 5 per share against ₹ 6 paid in the previous year. IGL's net worth was ₹ 2,926.56 Crores as at 31st March 2017.

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 district of Gandhinagar, Mehsana, Aravali, Sabarkantha and Patan of Gujarat. The paid up share capital of the Company is ₹ 20 Crores.

As at 31.3.2017 BPCL has a stake of 49.94% in the equity capital of SGL. SGL has set up 56 CNG stations. SGL has achieved Revenue from Operations of ₹ 687.49 Crores and a net profit of ₹ 42.56 Crores for the financial year ending 31st March 2017 as against ₹ 746.90 Crores and ₹ 0.63 Crores respectively for the previous year. The EPS for the year stood at ₹ 21.27 as against ₹ 0.31 in 2015-16. The company has proposed a dividend of ₹ 2/- per share on equity shares for the financial year ending 31st March 2017.

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, balance 50% being held by Indraprastha Gas Ltd. CUGL has set up 19 CNG stations.

CUGL has achieved Revenue from Operations of ₹ 240.61 Crores and net profit of ₹ 48.49 Crores for the financial year ending 31st March 2017 as against ₹ 221.29 Crores and ₹ 32.87 Crores respectively for the previous year. The EPS for the year stood at ₹ 8.06 as against ₹ 5.50 in 2015-16. Interim dividend of ₹ 0.80 per share has been given by CUGL. The Board of Directors has recommended the payment of final dividend at ₹ 1.70 per share for the current year as against ₹ 1.40 in the previous year.

MAHARASHTRA NATURAL GAS LIMITED (MNGL)

MNGL was setup 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 Maharashtra Govt. has taken 5% equity in the month of June 2015. Balance 50% is held by IGL, our joint venture company. The company has set up 42 CNG stations so far.

MNGL has achieved Revenue from Operations of ₹ 535.83 Crores and profit of ₹ 76.56 Crores for the financial year ending 31st March, 2017 as against ₹ 507.84 Crores and profit of ₹ 75.66 Crores respectively in the previous year. The EPS for the year stood at ₹ 7.66 as against ₹ 7.65 in 2015-16. The MNGL board has proposed final dividend of ₹ 1.26 per equity share, in addition to the interim dividends paid amounting to ₹ 1.04 per equity share for the financial year ending 31st March 2017 as against ₹ 1.50 per share declared in the previous year.

HARIDWAR NATURAL GAS PRIVATE LIMITED (HNGPL)

BPCL has signed a Joint Venture Agreement with GAIL for implementation of City Gas Distribution Project in the geographical area of Haridwar and formed a Joint Venture Company Haridwar Natural Gas Pvt Ltd. on 50:50 basis. The HNGPL was incorporated on 20th April 2016. So far BPCL has contributed ₹ 7.50 Crores as Equity Contribution.

GOA NATURAL GAS PRIVATE LIMITED (GNGPL)

BPCL has signed a Joint Venture Agreement with GAIL for implementation of City Gas Distribution Project in North Goa and formed a Joint Venture Company Goa Natural Gas Pvt. Ltd. on 50:50 basis. The GNGPL was incorporated on 13.1.2017. So far BPCL has contributed ₹ 2.50 Crores as Equity Contribution.

BHARAT STARS SERVICES PRIVATE LIMITED (BSSPL)

Bharat Stars Services Pvt. Ltd (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 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 its operation at new international airport in Bengaluru from May 2008 and has also incorporated a wholly owned subsidiary Bharat Stars Services Pvt. (Delhi) Ltd. for implementing Into Plane Fuelling services exclusively at the new T3 Terminal of Delhi International Airport.

BSSPL is presently providing Into Plane (ITP) Services at three open access airports viz. Bengaluru, Mumbai Airport & Delhi T3 Airport. It also has taken over the complete operatorship of 2 BPCL AFS at Jaipur and Durgapur. In addition, BSSPL also provides ITP Services to BPCL at Calicut, Chennai,Vizag and Delhi T1 Airport.

BSSPL has achieved a turnover of ₹ 35.53 Crores and profit of ₹ 5.83 Crores for the financial year ending 31st March, 2017 as against ₹ 29.53 Crores and profit of ₹ 4.32 Crores respectively for the previous year. The EPS for the year stood at ₹ 2.90 as against ₹ 2.18 in 2015-16. The Board has recommended a dividend of ₹ 0.50 per equity share for the financial year ending 31st March 2017 as against ₹ 0.25 per equity share last year.

DELHI AVIATION FUEL FACILITY PRIVATE LIMITED (DAFFPL)

A Joint Venture Company, Delhi Aviation Fuel Facility Pvt. Limited has been promoted by BPCL, IOCL and Delhi International Airport Limited (DIAL) for implementing open access Aviation Fuel facility for the new T3 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 ₹ 117.09 Crores and net profit of ₹ 38.34 Crores for the financial year ending 31st March 2017 as against ₹ 110.85 Crores and net profit of ₹ 34.00 Crores respectively during the previous year. The EPS for the year stood at ₹ 2.34 as against ₹ 2.07 in 2015-16. The company has proposed dividend of ₹ 2 per share for the financial year ending 31st March 2017 as against ₹ 3.30 paid during the previous year.

MUMBAI AVIATION FUEL FARM FACILITY PRIVATE LIMITED (MAFFFPL)

BPCL has signed a Joint Venture Agreement with IOC, HPC & Mumbai International Airport Ltd (MIAL) for implementing & managing Fuel farm facilities at Mumbai Airport and formed Mumbai Airport Fuel Farm Facility Pvt Ltd (MAFFFPL) Joint Venture Company with equal participation of 25% each.

Presently, BPCL has invested an amount of ₹ 38.27 Crores towards equity so far. Company has started its operation from 1st February, 2015.

MAFFPL has registered a Revenue from Operations of ₹ 119.55 Crores and net profit of ₹ 26.58 Crores for the year ending 31.3.2017 as against ₹ 112.11 Crores and net profit of ₹ 18.58 Crores during the previous year. The EPS for the year stood at ₹ 1.74 as against ₹ 1.35 in 2015-16.

KANNUR INTERNATIONAL AIRPORT LIMITED (KIAL)

The Government of Kerala has promoted Kannur international Airport (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 ₹ 1,892 Crores of which ₹ 1,000 Crores will be financed through equity and the balance sum of ₹ 892 Crores will be financed by way of borrowings. The paid up share capital of the Company as at 31.3.17 is ₹ 987 Crores.

BPCL has made a contribution of ₹ 204.23 Crores out of the total contribution sanctioned by BPCL Board amounting to ₹ 216.80 Crores for 21.68% equity stake in the company.

As on 31st March 2017, the physical progress with respect to Airside Works is 93% and Passenger Terminal Building Works is 84%.

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 Mabanaft group of companies, Hamburg, Germany. The authorised capital of the company is US$ 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 Mabanaft group. The name of company has been changed to Matrix Bharat Pte Ltd.

MXB has achieved revenue of US$ 263.31million and earned a profit of US$ 2.71 million for year ending 31.12.2016 as against US$ 221.82 million and earned a profit of US$ 1.47 million. MXB had declared a dividend of US$ 0.20 per share for the year 2016 as against US$ 0.30 per share for the previous year.

KOCHI SALEM PIPELINE PRIVATE LIMITED (KSPPL)

BPCL has signed a Joint Venture Agreement with IOC for implementation of Kochi-Coimbatore-Salem LPG pipelines Project and formed a Joint Venture Company viz KSPPL in January,2015. on 50:50 basis. Presently, BPCL has paid an amount of ₹ 55 Crores as advance against equity to JV Company

GSPL INDIA TRANSCO LIMITED (GITL)

BPCL has signed a Joint Venture Agreement on 30th April, 2012 with Gujarat State Petronet Ltd, IOC and HPC for laying of 1747 km for 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 HPC 11%.

BPCL has made initial contribution of ₹ 22.55 Crores so far. Company is in process of acquiring the Right of Way.

During the financial year 2016-17, the Company has reported a miscellaneous income of ₹ 1.54 Crores and net profit of ₹ 0.92 Crores as against the income of ₹ 1.30 Crores and net profit of ₹ 0.78 Crores for the previous year.

GSPL INDIA GASNET LIMITED (GIGL)

BPCL has signed a Joint Venture Agreement on 30th April, 2012 with Gujarat State Petronet Ltd, IOC and HPC for laying of 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 ₹ 30.47 Crores so far.

During the financial year 2016-17, the Company has reported a miscellaneous income of ₹ 1.78 Crores and net profit of ₹ 1.08 Crores as against the income of ₹ 1.74 Crores and net profit of ₹ 1.09 Crores for the previous year.

FINO PAYTECH LIMITED (FINO)

BPCL has signed a Subscription Agreement with FINO PayTech Ltd. and Shareholders Agreement with FINO and other Investors on July 29, 2016. Pursuant to the said agreements, BPCL had made an investment of ₹ 251 Crores for a 21.1% stake in FINO PayTech Limited. Final RBI Bank License for FINO Payments Bank (FPB) was received on 30-03-2017.

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 pipeline network throughout the country. PIL has promoted joint venture companies for pipelines viz. Vadinar-Kandla, Kochi-Coimbatore-Karur and Mangalore – Hassan- Bangalore. PIL registered other income of ₹ 6.21 Crores, exceptional item income of ₹ 61.47 Crores and a net profit of ₹ 59.32 Crores for the financial year ending 31st March, 2017 as against other income of ₹ 1.61 Crores, exceptional item income of ₹ 12.47 Crores and a net profit of ₹ 13.72 Crores during the previous year.

The entire stake of PIL in 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 IOC and RIL. Consequently, the company would be wound up following normal legal process.

BHARAT RENEWABLE ENERGY LIMITED (BREL)

BREL was incorporated on 17th June,2008 for undertaking the production, procurement, cultivation and plantation of the horticulture crops such as Karanj, Jathropha and Pongamia trading research and development and management of all crops and plantation including Biofuels in the State of Uttar Pradesh, with an authorized capital of ₹ 30 Crores. The company has been promoted by BPCL with Nandan Cleantech Limited (Nandan Biomatrix Limited), Hyderabad and Shapoorji Pallonji group, through their affiliate, S.P. Agri Management Services Pvt.Ltd.

Company Petition No 5 of 2014 was filed before the Hon'ble High Court of Allahabad (Lucknow Bench) for winding up BREL. By the Order dated 21.12.2015, Mr. Justice Devendra Kumar Upadhyaya ordered that the Company be wound up and official Liquidator to proceed in accordance with the provisions of the Companies Act.

MANAGEMENT DISCUSSION AND 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 Discussion 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 materialize.

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

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

MEMORANDUM OF UNDERSTANDING WITH MINISTRY OF PETROLEUM & NATURAL GAS

BPCL has been entering into an annual Memorandum of Understanding (MOU) with the Ministry of Petroleum & Natural Gas and has been achieving an "Excellent" performance rating since 1990-91. BPCL has achieved an excellent rating for 2015-16 also with a perfect score of 100%, which is the highest in the Petroleum Sector.

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 arrangement 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, 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://bharatpetroleum.com/images/files/RPTPolicy_BPCL.pdf

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 on 31st March, 2017, are given in the notes to the standalone financial statements and in 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 by the Audit Committee. The Audit Committee evaluates internal financial controls and risk management systems. The Company has adopted a Risk Management Charter and Policy for self regulatory processes and procedures for ensuring the conduct of the business in a risk conscious manner.

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, 2017, 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 S. Varadarajan, Chairman & Managing Director, superannuated at the close of office hours on 30.9.2016. The Directors have placed on record their deep appreciation on behalf of the Board for the valuable contributions made and guidance given by him for the development and progress of the Company's business.

Shri B.K. Datta, Director (Refineries) superannuated at the close of office hours on 31.7.2016. Shri P. Balasubramanian, Director (Finance) superannuated at the close of office hours on 30.4.2017. Shri P.H.Kurian, Principal Secretary (Industries & IT), Govt. of Kerala relinquished the office of Director on 18.4.2017.

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 D. Rajkumar was appointed as Additional Director and as Chairman & Managing Director with effect from 1.10.2016. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri K. Sivakumar was appointed as Additional Director and as Director (Finance) with effect from 1.5.2017. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri Vishal V Sharma was appointed as Additional Director with effect from 9.2.2017. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri Paul Antony, Additional Chief Secretary (Industries & Power), Govt. of Kerala, was appointed as Additional Director from 19.4.2017. As he has been appointed as Additional Director, he will hold office till the ensuing Annual General Meeting. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing Annual General Meeting.

Shri R. Ramachandran was appointed as Additional Director and as a Director (Refineries) with effect from 1.8.2016. The members have appointed him as Director (Refineries) at the Annual General Meeting held on 21.9.2016.

Shri M. Venugopal was appointed as Company Secretary w.e.f. 1.3.2017 in place of Shri Subhash Kulkarni who superannuated on 28.2.2017.

Shri S. Ramesh, Director (Marketing) will retire by rotation at the ensuing Annual General Meeting as per the provisions of Section 152 of the Act and being eligible, have 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 / re-appointed at the Annual General Meeting 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.

FAMAILIARISATION 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://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.co.in/General/WhistleBlowerPolicy.aspx?id=4

NUMBER OF MEETINGS OF THE BOARD

Twelve 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. CNK & Associates LLP, Chartered Accountants, Mumbai and M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, were appointed as statutory auditors for the year 2016-17, 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 Annual General Meeting. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

The Cost Audit Report for the year 2015-16 has been filed with the Ministry of Corporate Affairs on 28.09.2016 in XBRL Format. The due date for filing the Cost Audit Report was 27.10.2016. The Cost Auditors for the Financial Year 2015-16 were M/s. Rohit & Associates, Mumbai and M/s. Musib & Company, Mumbai.

The Cost Auditors appointed for the year 2016-17 are M/s ABK & Associates, Mumbai and M/s Bandyopadhyaya Bhaumik & Company, Mumbai. 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. M/s. ABK & Associates, Mumbai, Cost Accountants, were nominated as the Corporation's Lead Cost Auditor.

SECRETARIAL AUDITOR

The Board has appointed M/s Ragini Chokshi & Company, Company Secretaries to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith in Annexure I to this Report.

The Secretarial Audit Report does contain an observation that "The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned therein except for non-compliance under Regulations 17 (1) (a)/(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 149(1) of the Companies Act, 2013 and in terms of clause 2.2 and 3.1.4 of the guidelines issued by DPE relating to the condition of having at least one Woman Director and half of the Board of Directors shall comprise of Independent Directors, which were not met with during the period".

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

BPCL is a Government Company under the Administrative Control of Ministry of Petroleum and Natural Gas. The Government of India makes nomination / appointment of all categories of Directors in accordance with the laid down Department of Public Enterprises Guidelines. 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 taken up the matter with the Ministry of Petroleum & Natural Gas and necessary actions are being initiated to fulfill the requirements and nominations for adequate number of Independent Directors are awaited.

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/ Employees Stock Options.

During the year under review, there were three complaints of sexual harassment in respect of our employees, first from an employee of a contractor, second from an Industrial Trainee and third from the proprietor of a retail outlet.

As far as complaints raised by the contract labour and the proprietor of retail outlet are concerned, the matters were taken up by the respective Internal Complaints Committee. The investigations with respect to the matters were completed and on the basis of the recommendations of the Committees, disciplinary proceedings have been initiated against the concerned individual employees, which are currently under progress.

In respect of the complaint raised by the Industrial Trainee, the matter was taken up by the Internal Complaints Committee. The Internal Complaints Committee has submitted its report in the matter and future course of action is under contemplation.

ACKNOWLEDGEMENTS

The Directors express their earnest appreciation for the untiring efforts of every employee of the Organisation without which BPCL would not have been able to achieve the challenging targets in all areas of operations.

All the Ministries of the Government of India, particularly the Ministry of Petroleum & Natural Gas and State Governments have supported BPCL's progress as well. The continued support of all stakeholders, including members, customers, dealers, distributors, vendors, contractors and other business partners, provided added impetus to the Corporation's progress.

The Directors affirm to remain persistent to their focus on customer centric offerings to enhance stakeholder value.

For and on behalf of the Board of Directors

Sd/-

D. Rajkumar

Chairman & Managing Director

Place: New Delhi

Date: 09.08.2017

Economic Developments : Towards Recovery

The world economy appears to be heading towards a recovery, though it may be at a slow pace. The growth in the global Gross Domestic Product (GDP) is expected to hover around 3% in the light of a moderate revival in investment, rising industrial production and global trade resulting in enhanced confidence levels and strengthening economic indicators. While the sustainability of the trends remains to be seen, these have brightened the global prospects notably and provide a robust foundation for future growth.

Steady revival of global investment is imperative for a sustained and balanced growth. Even though global investment is witnessing an upturn, a prolonged spell of weak investment growth has adversely affected the production capacities leading to slowdown in trade volumes. This has further been aggravated by the high levels of economic and policy uncertainty in many countries. However, with diminishing perceptions of risk in recent months, it is expected that the general optimism in the global developments will translate into significant improvements in the world economy.

Economic growth has been largely supported by the growth in several developed countries. The pace has picked up in countries like the United States (US), the United Kingdom (UK), Germany and Spain due to strong domestic demand, whereas Japan saw an upside on account of increased level of exports. East and South Asia remain the world's most dynamic regions, benefiting from robust domestic demand and supportive macroeconomic policies. However, the economic performance across emerging and developing markets has been mixed. While China appears to be stabilizing after a period of deceleration and Russia is performing better as compared to a year ago, it is the economic performance of South Africa, Brazil, Mexico and Turkey that are cause for concern. The growth story in India has been interesting and it remains to be seen how India will perform to meet expectations.

The rising strength of US economy is primarily driven by the increase in consumer spending. This may be traced to the largest wage gains that the US has seen in a long time. It is possible that this could lead to accelerated inflation if not supported by growth in productivity. Further, the turbulent policy environment in the US needs to be assuaged by the policy goals of infrastructure spending, tax reforms and regulatory reforms. With the current government proposing these developments, it will be interesting to observe, how the world's largest economy unveils its economic strategies.

In the Eurozone, the situation remains complex. With the labour market conditions improving and a reducing unemployment rate, there is a boost in consumption thus leading to overall growth as well as controlling deflation that had plagued the economy for some time. However, the political risks associated with Brexit and populistic parties gaining power in European countries could challenge the recovery in the long term.

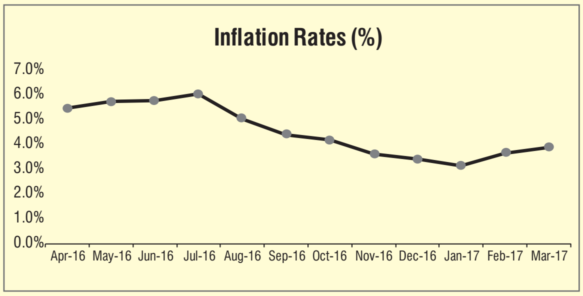
Japan's economy is growing, despite the demographics characterized by a declining strength of the work force due to the aging of the population. The growth is fuelled largely by increase in exports. Growth in consumer spending was moderate. The multi-pronged approach of the government through monetary and fiscal stimulus and structural reform has resulted in low borrowing costs, weakening Japanese yen, rising asset prices and even a marginal increase in inflation.

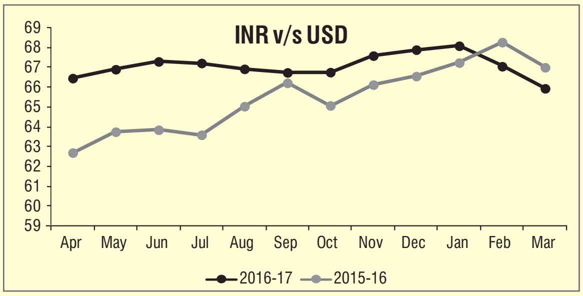
The Chinese economy has been growing at a reasonable pace, driven mainly by investments. Though there has been growth, it is not commensurate with the increase in investments. However the rising debt levels have led to an increased risk of default in debt repayment which have raised concerns in the financial markets.

Signs of recovery are evident in Russia. There has been an improvement in domestic demand driven by moderate increase in global oil prices, together with a sharp decline in inflation. Yet the recovery is slow. The economy is subject to a weakened fiscal spending, reduced investments due to uncertainties, economic sanctions and a weak banking sector.

The situation in Brazil continues to remain grim. While the central bank has been able to ease the monetary policy due to lower inflation and the rising currency has yielded increasing confidence, the practical risks associated with the enactment of reforms remains substantial.

Over the years, Africa has been experiencing growth due to the commodity cycle and strong demand for their resources, even though some of the African economies have been structurally weak. Whereas external factors have contributed to this growth, the continent continues to be weighed down by lack of connectivity, low regional integration, gaps in knowledge networks and trained manpower. This is evident in the regional disparities with respect to growth. Regions heavily dependent on the commodity cycle have reported favorable performance. The other regions have recorded moderate levels of growth.





However, it is expected that the entire continent will deliver superior performance in the coming days.

Economic conditions in India remain robust, supported by sound fiscal and monetary policies and the implementation of key reforms. The recent decision of the Government on the demonetization of high denomination currency notes has laid the foundation for digitalization in India.

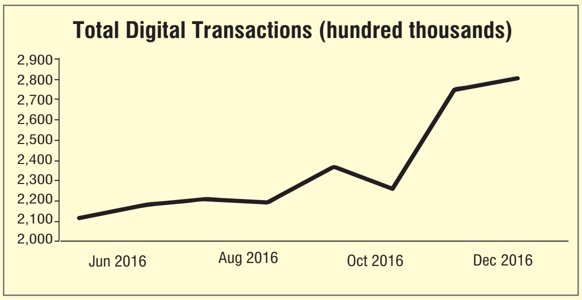
The Indian economy exhibited immense resilience during 2016-17 and is estimated to grow at 7.1% during 2016-17 despite weak global growth, increasing global uncertainty and the currency demonetization in November 2016. While there has been some impact on account of demonetization, the same is likely to be transient. With being India is on the path of slowly transforming itself into a digital, cashless economy. The number of digital transactions is growing at a rapid pace.

The government has also taken active measures to ensure that the inconvenience caused to the common man is reduced to the minimum. Several initiatives have been taken to promote digital transactions including launch of new apps, incentives for using digital modes and widespread education programs. However, there is a need to ensure that adequate controls are in place to guard against risk of cybercrimes.

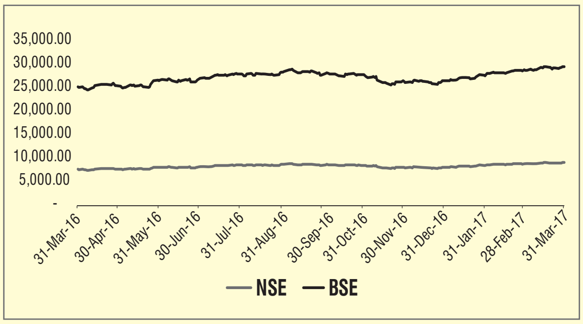
During 2016-17, India has witnessed acceptable levels of inflation, averaging to around 4.5% based on the Consumer Price Index (CPI) for the entire year. This may increase marginally during 2017-18. However, the underlying risks remain including uncertainty in crude oil prices, exchange rate volatility due to global financial market developments, implementation of the 7th Central Pay Commission award and introduction of the Goods and Services Tax (GST). Other factors influencing inflation would include the accelerated pace of remonetization, government reforms for stepping up of capital expenditure, boosting the rural economy, attracting foreign direct investment, expected increase in global trade and a normal monsoon.

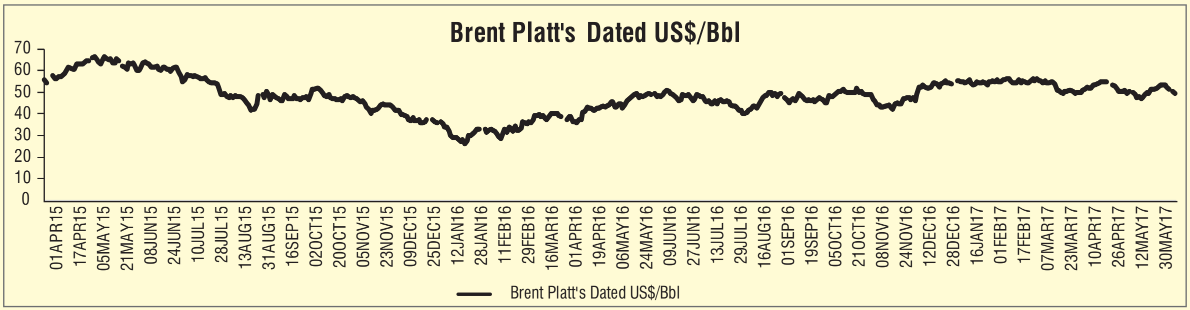
The Indian rupee averaged ₹ 67.07 against the US dollar, depreciating by 2.5% over the previous year. Expected rise in interest rates in the US, low crude prices and demonetization caused the INR to weaken against the US dollar, especially during the period of November 2016 to January 2017. Yet, the stability in the government due to result of elections in major States, have evinced renewed confidence levels in the foreign investors. Encouraging growth rates in India and the change of policy stance of the RBI from "accommodative" to "neutral" have given a significant boost to the INR.

The stock market continued to remain volatile during the year. Anticipated interest rate hikes in the US, uncertainty over the impact of demonetization on economic growth and corporate earnings, market reactions to the US presidential election results and general global slowdown have affected the performance of the Indian stock market. However, the markets have recovered well based on better than expected GDP numbers and GST implementation. The NSE Nifty 50 and BSE Sensex ended the year 19% and 17% higher respectively, as compared to the previous year.



Source : RBI





Going forward, the Indian economy is expected to perform well. Strong economic fundamentals, implementation of reforms at an accelerated pace, fiscal consolidation, a stable government, enhanced investor confidence, growing digitization, resilience of the INR to international currency fluctuations and growth in the Indian economy in an environment of global uncertainty are all factors indicating a business optimism and robust economic growth.

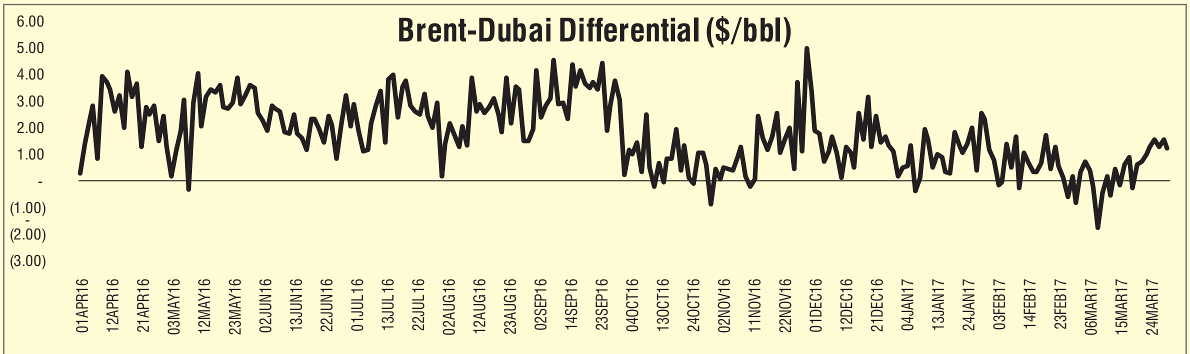
Trends in the Oil and Gas Sector

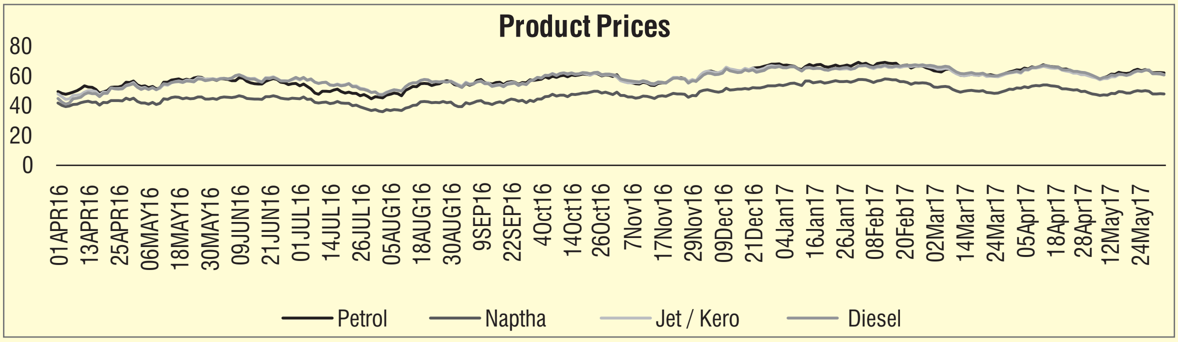
The Oil & Gas sector world is undergoing a transition. While an increased world growth and improving prosperity would imply growth in energy demand, technological advancements and environmental concerns have contained energy consumption and are causing a shift towards cleaner fuels. Though oil and gas, together with coal, continue to dominate the energy mix, there are clear indications of an impending change in the energy mix, in favour of renewable energy. The traditional demand centres are being replaced with fast growing emerging economies, led by China and India.

During the year 2016, the growth in primary energy consumption continued to be around 1%, almost half of the average 10 year growth rate which stands at 1.80%. The primary reasons for the reduced growth can be traced to lower global GDP growth rates and persistent drive towards efficient and cleaner fuels. Energy consumption in China grew by 1.3% and in India by 5.4% .China and India together contributed to more than half of the increase in global demand. China’s share in the energy consumption stood at 23% followed by the US at 17% and India at 5.5%. Overall 42% of the energy consumption is attributed to the Asia Pacific region with North America and Europe & Eurasia each contributing 21%.

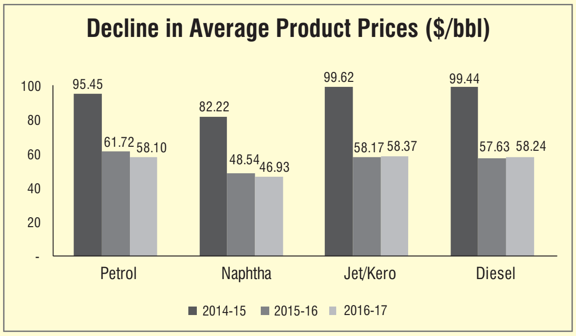
The trend of low prices continued in the year 2016 with the average benchmark Brent hovering around US$ 48 per barrel, only 2% more than the earlier average. From a low of US$ 36.06 per barrel in April 2016, crude oil prices recovered to a peak of US$ 56.30 per barrel in February 2017. The demand-supply disparity with rise in inventories in the US have been the major cause of low prices, even though the Organisation of Petroleum Exporting Countries (OPEC) has remained committed to lower production levels.

The year 2016-17 witnessed a narrowing Brent-Dubai differential. The average differential dropped to US$ 1.73 per barrel from the average of US$1.90 per barrel in the previous year, thereby providing arbitrage opportunities for Asian users. While the differential was in favor of the sweet crude for most of the year, there were instances when the sour and heavier crudes demanded higher prices. The Brent-Dubai differential was the highest at US$ 4.98 per barrel during November 2016, lower than the US$ 6.29 per barrel recorded in the earlier year. The Dubai benchmark exceeded the Brent prices mainly during March 2017, with the maximum difference being US$ 1.79 per barrel in favor of Dubai.





Product prices have moved interestingly during 2016-17. Average prices of Motor Spirit (MS) (Unleaded Singapore Platts) saw a dip close to 6% as compared to the average prices in the previous year. Prices of Naphtha too declined by a little over 3% over the previous year. Jet Fuel / Kero was almost at the same level as the previous year with a marginal increase in average prices by 0.35% and prices of High Speed Diesel (HSD) witnessed an increase



of around 1% as compared to the average prices in the previous year.

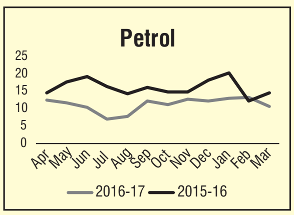
During 2016-17, the product cracks have declined sharply in the case of MS and Naphtha. Although Jet Fuel / Kero and HSD cracks also fell, their fall has not been too substantial. MS crack reduced by 30% and averaged to US$ 11.20 per barrel, whereas Naptha cracks which was negative in some months averaged about US$ 0.02 per barrel plummeting by 99% over the previous year. Cracks of Jet/Kero declined by 8% to US$ 11.47 per barrel and HSD cracks fell by 5% to US$ 11.33 per barrel.

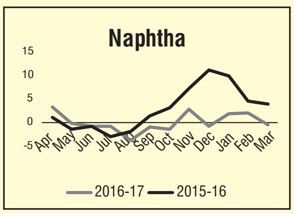
MS cracks remained below last year levels throughout the year and peaked at US$ 15.39 per barrel during November 2016 and touched a low of US$ 5.89 per barrel during July 2016. HSD cracks managed to be above previous year numbers for almost half the year touching the highest of US$ 14.78 per barrel in November 2016 and the lowest of US$ 7.22 per barrel in April 2016.

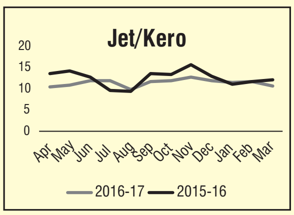
Even though the Oil & Gas sector has been experiencing muted growth across the world in the past couple of years, the overall demand for energy is expected to continue to increase due to the enhanced standard of living in the fast growing emerging economies thereby indicating that virtually the entire growth in energy demand would be from outside the developed world. However, efficiency enhancements and demand for renewable energy would to some extent curb the extent of growth. The challenge of balancing the world's increasing demand for energy with the reduction of carbon emissions is what would determine the quality of growth.

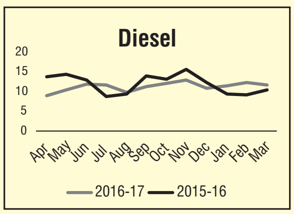
Indian Petroleum Sector

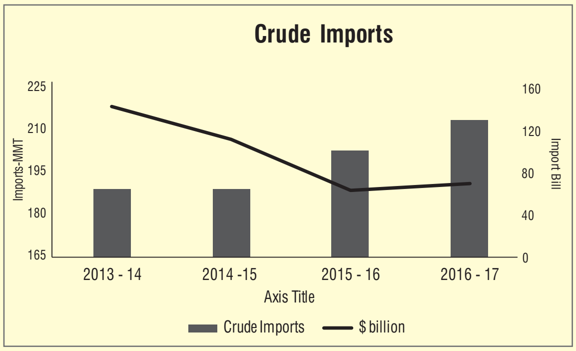
India is expected to overtake China as the largest consumer of petroleum products over the next 20 years. While oil dynamics are expected to continue to remain uncertain and volatile, the oil industry is on the recovery path, while getting accustomed to the new lows. The decline in prices has been extremely beneficial to India, making energy more affordable and easily accessible. What remains a challenge though is that India is still dependent on imports for 80% of its crude requirements, thus making it more vulnerable to the international oil scenario. India accounts for only 0.3% of the proven oil reserves, but has an energy consumption share exceeding

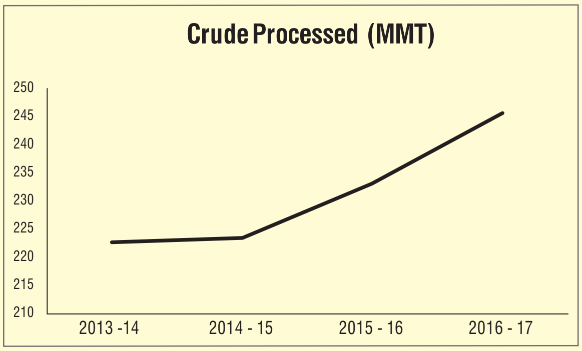












5%. In such a situation, being one of the fastest growing energy consumers, crude import decisions become extremely crucial. Hon'ble Prime Minister has urged all stakeholders to increase the domestic production of Oil and Gas to reduce import dependence to 67% by the year 2022.

Over the years, India's crude imports have been increasing consistently. During 2016-17, crude imports increased 5% over the previous year. However, declining prices have had a positive impact on the crude import bill. During the year that the energy bill has increased by about 10% partially due to moderate increase in crude prices and partially due to the depreciating Indian rupee. The Indian crude basket was at US$ 47.16 per barrel during 2016-17 marginally up from the US$ 46.17 per barrel during the previous year.

Planned indigenous crude oil production for 2016-17 was 37.1 Million Metric Tonnes (MMT) against which the actual indigenous crude oil production that was recorded was 36 MMT (36.9 MMT during 2015-16). The decline of 2% in indigenous crude oil production as compared to the previous year is primarily due to reduced production from mature and ageing fields, underperformance and operational issues in some fields.

India is growing as a refinery hub and currently has the 2nd largest refining capacity in Asia. The country's refining capacity stands at 234.5 MMT as on 1st April 2017, up from 230.1 MMT in the previous year. PSU companies continue to hold a share of 65% in India's refining capacity.

Consumption of petroleum products grew by 5.2% to 194.2 MMT during 2016-17 as compared to the 11.6% growth recorded in the previous year. The main reason for a decline in growth was due to the substantial decline in the demand for diesel which constitutes 40% of the total consumption basket. Diesel grew by only about 2% during 2016-17 as compared to the 7.5% growth recorded in the previous year largely due to reduction in the growth in commercial vehicles (CV). During 2016-17 CVs registered a growth of about 4% as against the growth of 11.5% on the previous year. This, together with increased fuel efficiency have caused a sharp reduction in the growth of diesel during 2016-17.

There have been several initiatives taken by the Government of India in the interest of the consumer and society during the previous year. Effective 1st April 2017, the entire country has been upgraded to BS-IV auto-fuels in an attempt to reduce carbon emissions. Oil Marketing Companies have ensured that all refining, storage and distribution locations have been converted to BS-IV standards for 100% implementation. The Government has decided that India will leapfrog directly from BS-IV to BS-VI fuel standards across the country with effect from April 1, 2020.

During the Petrotech Conference 2016, several important agreements / Memorandum of Understanding (MOUs) were signed. These include the MOU for the setting up of the West Coast Refinery cum petrochemical complex in the State of Maharashtra and setting up of 2G ethanol plants in various parts of the country. Public Sector Oil & Gas companies have decided to set up 12 Second Generation (2G) ethanol plants across 11 States with an objective to enhance ethanol production in the country to meet the enhanced blending target. Foundation stone of 1st Bio-refinery was laid in Bhatinda, Punjab on December 25, 2016.

In order to promote entrepreneurship among younger Indians, MOP&NG has taken the first step towards creating an ecosystem that is conducive for the growth of start-ups in the oil and gas sector. Oil PSUs will provide the entire support chain for start-ups including seed capital, hand-holding, mentoring, market linkage and follow-ups. Oil Companies are in the process of tying up with leading educational institutions across the country to develop a selection process based on relevance and innovativeness.

The demonetization process witnessed by the Indian economy in November 2016 was largely supported by the Oil Industry. Old currency notes were accepted at retail outlets as legal tender along with providing the convenience of withdrawing cash in new currency notes against swiping of debit cards and exchanging old notes for new denomination notes. Oil companies tied up with various banks across the country to ensure all forms of digital payments are accepted at petrol pumps. As an incentive to promote digital modes for payments, Oil companies have absorbed 0.75% of the transaction value as digitalization cost and has also extended further incentives to fuel customers to encourage them to migrate towards cashless transactions. Rapid expansion of digital infrastructure, synergistic collaboration with various stakeholders and enhancing customer awareness through trainings and media campaigns were ensured.

The Pradhan Mantri Ujjwala Yojana (PMUY) launched in May 2016 to empower millions of poor women in India who are forced to inhale unhealthy emissions from burning coal, wood and other unclean fuels while cooking, has been very well received. Under PMUY, 5 Crore LPG connections will be provided to below poverty line (BPL) families by 2018-19 with a support of ₹ 1,600 per connection. ₹ 8,000 crores being earmarked for the scheme. More than 1.55 Crore LPG connections have been released across the country under the PMUY scheme as on 31st March, 2017.

The Government of India has further enhanced the existing friendly relations with Russia, by creating an Energy Bridge. During 2016-17, Indian Oil PSUs have acquired 29.9% stake in Tass-yurakh oil field and 49.9% stake in Vankorneft, Russia's second largest oil field at an investment of US$ 5.46 billion generating an equity oil of 15.18 MMTOE. Agreement was signed between ONGC Videsh and Rosneft Oil Company for cooperation in the area of education and training. Further, Indian and Russian companies are also exploring the option of laying a gas pipeline between the nations.

In another first of its kind, the Government has taken the decision of implementing daily price change in petrol and diesel across the country, with effect from 16th June 2017 as compared to the earlier fortnightly changes in price. The prices shall continue to be based on international oil rates, with the daily change in international prices getting reflected in the petrol and diesel prices in India. A pilot for this initiative was launched in five cities of Chandigarh, Jamshedpur, Puducherry, Udaipur and Visakhapatnam on 1st May 2017 and with the success in these cities, it has been rolled out across the country. The rationale behind the move is to introduce international standards in the Indian fuel retail market besides avoiding wide fluctuations in RSP while ensuring complete transparency in pricing of petrol and diesel. It is expected that companies and consumers, both shall benefit from this move. In order to ensure that the customers are well informed about the prices, several modes of communication such as mobile apps, automation at petrol pumps, LED screens at petrol pumps, SMS facility and updation of retail selling prices in the Oil PSU websites are being used.

Taking forward its mission to ensure affordable and accessible fuel, MOP&NG plans to connect 10 million households to the PNG network in the next three years. Over the last two years, 35 new cities have been approved for City Gas Distribution (CGD). Allocation of domestic natural gas for CGD networks is being extended the highest priority.

The sharp decline in oil prices over the past couple of years has been extremely beneficial to India and the Oil Companies. In order to extend the benefit, the Government has been relentlessly pursuing improvement in availability, accessibility and affordability of clean fuel together with reliability and self-sufficiency. The aggressive target of 10% import reduction in oil and gas by 2021-22 is being worked upon extensively. A multi-pronged approach is being followed, including increase in domestic production of oil and gas, promoting energy conservation and energy efficiency, encouraging demand substitution, promoting alternate / renewable fuels and improving refinery processes. The Government's strategic decisions and policy reforms in the petroleum sector are poised to bring positive results in the years to come.

Opportunities and Threats

The recovery in world GDP, albeit slow, has provided an impetus to the Oil & Gas sector. Global energy demand is driven by increasing levels of prosperity, even though the growth is to some extent mitigated by rapid gains in energy efficiency and environmental concerns.

The decline in crude prices have unveiled a plethora of opportunities and as many challenges. The reduced prices have offered obvious benefits to the consuming nations and have helped accelerate the recovery process by lowering the input cost. It has also challenged the oil companies to reduce their costs and discover a new operating paradigm. But most importantly, the fall in prices has forced technological progress and discovery of more efficient and effective methods and processes.

A more pronounced manifestation of technological advancement is in finding and developing new sources of hydrocarbons in the most challenging environments, aided by better computer-aided geological modeling. The improved approaches towards drilling, discovering, extracting, storing and transporting hydrocarbons has unlocked enormous value that were unknown or considered unviable. Shale gas/oil renders itself as a classic example of leveraging technology that has completely altered the equilibrium in favour of niche and small operators.

Technology has altered the way in which the world can chose to use energy. Electric vehicles (EV) are soon expected to become a commercially viable proposition with enhanced infrastructure to support the EV ecosystem. This migration from oil to battery operated vehicles will have a direct implication on the consumption of fuel as a source of energy and over a period of time has the potential to completely replace fuel operated vehicles.

Renewable sources of energy are growing exponentially. It is expected that half of the additional energy requirements will be met from renewable sources, together with nuclear and hydroelectric power over the next 20 years. This makes renewable sources of energy, both an opportunity as well as a threat - an opportunity, since it provides a platform to migrate towards cleaner and more efficient forms of energy and a threat as it risks the obsolescence of huge investments in conventional forms of energy. But given the increasing competitiveness of renewables and concerns over carbon emissions, slowly but surely the fuel mix is undergoing a transition.

Talent management plays crucial part of the industry. Attracting and retaining the right type of skill is increasingly becoming a huge challenge, both in technical and in managerial sector. The intrinsic safety hazards associated with this sector adversely affects the image of the industry and is a major constraint in successfully drawing the much needed pool of professionals.

Political environment world over has a major influence on the Oil & Gas sector, chiefly as most decisions pertaining to oil are of national significance. Political risk and regulatory uncertainty weigh heavily on this sector. Political variables have always been a part of the energy equation. Populism and protectionism dictate the economic decisions of the US and EU member States, while unconventional monetary policies are being pursued to stimulate growth. India and China, the fastest growing economies are grappling with regulatory reform amid a rapidly shifting global environment marked by rising volatility. Incidentally, these countries account for almost 50% of the world's consumption of primary energy.

Prices are a direct result of the demand-supply situation. While OPEC has consented to a reduced production, the actual production numbers will ultimately influence the prices, given that the existing demand will continue on a sustained basis.

Amidst emerging challenges, India has built a strong foundation for the Oil & Gas Sector. The Government has ensured that all policy matters affecting the sector are decided on priority and active steps are being taken to make the country self-sufficient. In the Budget 2017 speech on 1st February 2017, Hon'ble Finance Minister has proposed to create an integrated public sector 'oil major' which will be able to match the performance of international and domestic private sector oil and gas companies. This is the first step India has taken towards consolidation of its oil industry. Several options have been explored as India prepares to make its mark in the global Oil & Gas sector.

Notwithstanding the challenges, the opportunities that lie ahead are tremendous. Very few industrial activities have the breadth of opportunities that the petroleum sector offers to develop and deploy new technologies, promote development and wellbeing and remunerate huge sums of capital, all of these at the same time and sustainably in the short and long term.

Risks, Concerns and Outlook

India has surpassed Japan in the consumption of primary energy and now stands as the 3rd largest consumer of energy in the world registering a growth of 5.5% over the previous year. With plans on the West Coast Refinery gaining momentum, India is emerging as a refining hub. However, as India is long on refining, storage, distribution and marketing of products will have to be accurately planned.

The declining trend in oil prices continued in 2016-17. This bodes well for the Indian economy given the increased dependence on oil and petroleum products as a source of energy. The fall in prices has also kept the price of diesel under control, contributing significantly to ensuring healthy levels of inflation. The subsidy burden for the central exchequer has reduced by 19% to ₹ 27,629 crores as compared to the previous year, with the oil PSUs being fully compensated for throughout the year.

While the decline in crude prices has reduced the prices of fuel in India and thus the subsidy burden, permitting the emergence of market determined prices based on established pricing models, it has also encouraged the private players to perform more aggressively. During 2016-17, private players gained a market share of more than 10% of the overall market for petroleum products.

Robust infrastructure is a fundamental requirement for any industry and more so in the Oil & Gas sector due to the hazardous nature of the product. India has made several inroads in upstream, has an impressive refining capacity which is slated to further increase and has made significant progress in storage, especially with the strategic crude oil storage plans, a strong distribution network and reasonable road infrastructure to facilitate transportation of products.

However, there is an urgent need to enhance the import infrastructure, especially for the import of LPG. While a focused approach has been adopted to address this issue, it will be a while before India will have a comprehensive robust infrastructure.

Demonetization in November 2016 has set the stage for digitalization in the country. This has been a significant decision that was implemented by the Government of India and has catapulted the country onto a digital platform. With increasing number of digital transactions, India is getting slowly but surely accustomed to a cashless mode of payment. What remains a challenge is, given the combustible nature of petroleum products, how safely digital transactions can be completed in the petrol stations. Another challenge will be to ensure the end-to-end security of these transactions.

Another major step that is being taken by the Indian Government is with regard to roll out of GST with effect from 1st July 2017. The multi-stage, destination-based tax that will be levied on every value addition will impact the Indian Oil & Gas Industry in a unique manner, as not all petroleum products are covered under GST. This implies that there will be an incidence of non-recovery of input tax credit thus resulting in an increased cash outflow. The exact financial impact can be ascertained and analyzed only when sufficient data is available and once more clarity emerges on how such non-recoveries of input tax credit will be addressed.

India is at the threshold of a major transition. Being one of the fastest growing economies in the world with a reasonable growth in energy consumption, India is poised to take on the challenges of intensified growth. In such an environment, BPCL is very well placed to contribute to the development of the Nation. Over the years, BPCL has created tremendous value for all stakeholders and continues in its endeavor to be a leading Energy Company in the country.

PERFORMANCE

REFINERIES

MUMBAI REFINERY

During the year under review, Mumbai Refinery (MR) has achieved throughput of 13.60 MMT of crude and other feedstocks as compared to 13.41 MMT achieved in 2015-16. Refinery has achieved the highest ever throughput processing in Financial Year 2016-17.

This represents a capacity utilization of 113.3% as compared to 111.7% in the previous year. MR has also achieved 86.2% of distillate yield, which again is the highest ever achieved.

MR achieved its highest ever production of 2347 TMT of Motor Spirit an increase of 10.6% over the previous year, also highest production of 94 TMT Propylene and 920 TMT Aviation Turbine Fuel (ATF) was achieved during the year 2016-17. Further, MR was successfully able to meet 100% BS-IV grades auto fuel requirement from March, 2017 in line with Government of India's auto fuel policy.

With focused efforts towards energy conservation, MR has achieved lowest Specific Energy Consumption (SEC) of 71.4 during the year 2016-17.

Gross Refining Margin (GRM) of MR for the year was US$ 5.36 per barrel as compared to US$ 6.37 per barrel realized in 2015-16. The gross margin amounted to ₹ 3671 crores as compared to ₹ 4198 crores in 2015-16.

The lower GRM in MR for the year 2016-17 can be attributed to reduction in octroi recovery and crude/ product prices variation.

During the year 2016-17, MR adopted several initiatives to improve refining margins. Higher capacity utilization of process units, favorable crude mix to improve distillate yield, higher intake levels in Hydrocracker Unit (HCU) and Continuous Catalytic Regeneration Reformer Unit (CCR) to improve light and middle distillates, implementation of Advanced Process Control (APC) in process units and commissioning of Naphtha Hydrotreater / Isomerization (NHT/ISOM) units are the salient features of performance of MR.

On the quality control front, MR quality assurance laboratory is equipped with state-of-the art facilities and strives to achieve highest quality standards through meeting the standards of reputed external certifying agencies and accreditation bodies like National Accreditation Board for Testing and Calibration (NABL), ISO/IEC 17025, Directorate General of Civil Aviation (DGCA), Directorate General of Aeronautical Quality Assurance (DGAQA), Centre for Military Airworthiness Certification (CEMILAC) etc. The Refinery laboratory continued to perform well in the international laboratory proficiency testing scheme run by M/s ASTM International USA.

MR inspection department has successfully completed online external inspection and thermal imaging of 3 nos. furnace stacks in Fluidized Catalytic Cracking Unit (FCCU) and Diesel Hydro De-Sulfurization (DHDS) units using drones. With the help of drone images, evaluation of refractory / platform structures of the stack was done. Based on the interpreted results, maintenance work shall be carried out during planned turnaround. This innovative approach will enable inspection of equipment without taking plant outage and enhance reliability. M/s. Detect Technologies Pvt. Ltd., a start-up company, incubated by Indian Institute of Technology, Madras (IITM) was engaged for this work.

High safety standards were maintained during the year at MR leading to good all round safety performance. Many new initiatives were undertaken to emphasize the importance of safety and several contact sessions and programs were conducted on scaffolding techniques, working at height and behavior based safety training for BPCL front line officers and contractor supervisors. Live demonstrations of fall arrestor system, flash back arrestor on gas cutting sets at ISOM and Diesel Hydrotreater (DHT) project site were conducted.

MR successfully completed 26 Million man hours without “Lost Time Accident” (LTA) and all targets related to safety were met. Frequency rate of LTA was “Zero”. A total of 3843 HSSE man days training was imparted to BPCL employees during the year 2016-17. There was no reportable fire incident during the year.

Similarly, contractor employees completed 14 Million man hours without LTA in 2016-17. With an eye on contractor safety, MR imparted safety training to 45,817 contractor employees who were working on project site and turn around area. Further to strengthen and reinforce safety, 3D animated film was developed in Hindi for training contractor employees. Also a 3D animated documentary on past safety related incidents was developed in English, Hindi and Marathi language for effective dissemination on learnings to employees as a new initiative. As a part of integrated management system, MR was recertified on ISO 9001:2015, 14001:2015 and OHSAS 18001:2007 standards for Quality, Environment & Occupational health and safety management systems.

Highest importance is accorded to energy conservation efforts and MR has, a sound and effective Energy Management System, (EnMS), accredited with ISO 50001:2011 certifications by M/s DNV in place. Continuous monitoring of energy performance and keeping abreast of latest technologies for energy conservation have helped MR to achieve a robust energy performance during the year. The sustained efforts have resulted in reduction of Specific Energy Consumption (SEC), which is a measure of overall energy consumption, from 74.8 in 2015-16 to 71.4 during 2016-17. The Fuel & Loss percentage (on crude throughput) for the year 2016-17 was 5.98% as against 6.36% during 2015-16. In order to improve refinery energy performance towards global benchmark, MR participated in global benchmarking study to compare its performance with world leaders. MR was conferred with an award for 2015-16 (Jawaharlal Nehru centenary awards for energy performance instituted by MOP&NG) for having achieved lowest Specific Energy Consumption among group refineries (with composite energy factor < 5.2). Energy improvement studies are being undertaken through consultant EIL and PCRA to identify potential areas for energy conservation and efficiency improvement.

On the environmental conservation front, enhanced usage of RLNG, replacing liquid fuels with gas, has contributed to the reduction of CO_2 and SO_2 emissions from MR. Fully utilizing rain water harvesting facilities, a record 88,882 KL of rain water harvesting was achieved in 2016-17. In addition, a number of significant environmental initiatives were also undertaken as part of Environmental Management System (EMS). “Water conservation” drive assumed high priority and MR has used more than 469,000 KL of treated water in various cooling towers thereby reducing fresh raw water consumption. A new rain water harvesting facility was commissioned during 2016-17. Tree plantation (3200 trees) drive was undertaken at MIDC, Taloja, with assistance from Mumbai Waste Management Ltd. Further, AMS-1 /AMS-2 analyzers were replaced as a part of Corporate Responsibility for Environment Protection (CREP) initiative under the aegis of the Ministry of Environment & Forests. In addition, connectivity to CPCB & MPCB servers to directly transfer real time emission data (6 parameters) from Ambient Monitoring stations 1,2 & 3 has been successfully established. The New in-situ analyzers are provided in refinery furnaces stacks and real time data connectivity of analyzers (SO_2, NOx, CO and SPM) of 23 stacks has been established with CPCB server. The Installation of Tail gas treatment unit for improving efficiency of Sulphur Recovery Unit (SRU) is in progress. The Sewage Treatment Plant (STP) project, being developed jointly with Rashtriya Chemicals & Fertilizers, with a capacity to produce 15 MLD of treated water is currently in progress. The process of bio-remediation of 1200 m^3 sludge is in progress.

MR has organized several learning and development initiatives based on individual, functional and organizational needs viz. strategy workshops, functional programs, management development programs, people management skills and on the job training. A total of 9796 man days of training were organized catering to all sections of employees to upgrade their learning and skills during the year. Employees were also exposed to various technical programs and seminars organized by premier institutions in India and abroad to enhance their personal, managerial and functional expertise. A learning opportunity was provided for operating personnel by arranging a comprehensive educational program through BITS, Pilani. To inculcate culture of innovation and improvement, MR learning center has pursued “Suggestion Scheme” to encourage employees to generate ideas in various areas of the refinery. During 2016-17, learning centre received a record number of 1240 suggestions.

The Social welfare and development has been at the core of BPCL's Corporate Social Responsibility (CSR) philosophy. The company's efforts have been to bring about qualitative changes in the lives of the surrounding community through well planned and coordinated CSR initiatives. Such programs included assistance in education, vocational guidance courses and medical services at Mahul, Karjat and Washala villages near Mumbai. In its continuous endeavour to ensure quality education for the needy and poor, several initiatives such as providing scholarships to poor students, capability exploration and skill enhancement programs for talented poor children were undertaken.

MR continued with "Project UTKARSH" initiative in 25 schools covering about 560 students in and around Chembur and also one section in Mahul village covering 30 students. Majority of the students came out with flying colors in 10th standard board examinations. Scholarships were awarded to 495 deserving students from schools in Chembur, Mumbai. The financial assistance was provided to 17 students from Mahul village to pursue vocational courses at Tulsi Technical and Gurukul vocational training institutes. The assistance was extended to 10 night schools in and around Chembur by providing facilities such as Mobile Science Lab, computer lab, distribution of library books, note books, text books and nutrition for 1200 students. Basic computer training was imparted to 230 people of all age groups at Mahul village through "Community Information and Training Centre". Group Medi-claim Policies were provided to 99 fishermen families in Mahul Village consisting of 183 people for a "sum assured" of ₹ 5 lakh floating (each family).

KOCHI REFINERY

During the year under review, Kochi Refinery (KR) has achieved throughput of 11.79 MMT of crude and other feedstocks as compared to 10.71 MMT achieved in 2015-16.

KR's Gross Refining Margin (GRM) for the year was US$ 5.16 per barrel as compared to US$ 6.87 per barrel realized in 2015-16. The gross margin amounted to ₹ 3061 crores as compared to ₹ 3610 crores in 2015-16. The lower GRM for the year 2016-17 can be attributed to lower product cracks.

During the year, refinery achieved highest ever production 594.2 TMT of LPG, 6.4% higher than previous year, 2170.5 TMT of Motor Spirit 5% higher than previous year, 5532.1 TMT of High Speed Diesel, 3.7% higher than previous year and 558.6 TMT of Aviation Turbine Fuel, 16.3% higher than previous year.

Further, KR could switch over to the production of full quantity of auto fuels to BS-IV grade effective March, 2017 in line with Government of India's auto fuel policy.

As part of Integrated Refinery Expansion Project (IREP), Crude unit (CDU-III) and Diesel Hydrotreater unit (DHDT) were commissioned during 2016-17 together with mechanical completion of all other units, associated utilities and offsites facilities, as per schedule.

The Build Own Operator (BOO), M/s Air Products, who was given contract to supply hydrogen and nitrogen molecules as part of IREP project had started delivery of hydrogen from March, 2017.

KR Quality Control Laboratory continued to perform well in the international laboratory proficiency testing scheme run by M/s ASTM International USA. The Quality Control lab meets requirements of National Accreditation Board for Testing and Calibration (NABL), ISO/IEC 17025, Directorate General of Civil Aviation (DGCA), Directorate General of Aeronautical Quality Assurance (DGAQA), Centre for Military Airworthiness Certification (CEMILAC). In addition to Process, Utility and product streams monitoring, Quality Control Department also carries out Effluent Quality Monitoring, Analytical Support for Corrosion Monitoring and Blend Header Performance Monitoring, Additives Quality Evaluation, Raw Materials Inspection.

As in the past, KR demonstrated its commitment to Safety during the year. A testimony to this is the achievement of 4110 days without Lost Time Accidents till 31st March 2017 which is equivalent to 48.43 Million man hours. During the year, 2152 employees were given Fire & Safety Training and 36518 Contract Employees were given HSE Training. KR could achieve 100% Compliance of Audit Recommendations (Internal / External). New Fire station was constructed and upgrading of the equipments and facilities were done as part of the IREP project. Various Safety audits were conducted during the year for safety system improvement in Refinery.

During the year, KR implemented a number of projects focused on energy conservation and loss control. Through these projects, reduction in steam consumption, heat recovery and savings in power and fuel could be achieved. As part of using non-conventional sources of energy, solar day lighting was implemented in the Main warehouse.

KR harvested around 53,276 KL of rainwater during the year. As part of water conservation measures KR installed its first Reverse Osmosis (RO) based de-mineralized DM plant as part of its IREP project, which is expected to enable it to recycle the entire effluent generated.

KR has engaged an external NGO agency 'M/s. Plan@ Earth' for recycling the waste paper generated. KR recycled 40 tons of paper during the year, equivalent to around 681 trees.

KR sponsored Encon Clubs are instituted in seventy educational institutions spread all over Kerala. Different programmes aimed at environment protection were organized in schools and colleges of these Encon Clubs to increase the awareness of the student community in the upkeep of our environment. Another fresh initiative towards bio-diversity was developing its first butterfly park out of total five planned.

As a drive towards switching over to environment friendly lighting one of the plant lighting was completely changed to LED lights and Day lighting system implemented in warehouse and maintenance workshop.

The new ETP with advance features also completed its installation during the year. A new online pH, Oil & Grease and flow-meter is installed at the effluent outlet area of KR for continuous and effective monitoring of the quality of effluent water. An AAQMS station was installed in Vytilla Junction, Ernakulam by KR which will enable Kerala State Pollution Control Board to monitor pollution levels.

KR received Kerala State Pollution Control Board Excellence Award among Very Large Industries for substantial and sustained efforts in Pollution Control and for initiatives in environment protection in 2016. This is the tenth time in a row that KR is getting recognized by the KSPCB for its pollution control efforts. KR has been adjudged as the winner in the "Green Initiatives undertaken" category of the KMA – Excellence Awards 2017.

During the year, a series of behavioural and functional training programmes were conducted to enhance the competency of the management staff. Out Bound Training was conducted to bring about a transformation in 'individual behavioural patterns and team processes' so as to enable the team to explore, integrate and synergise their strengths by processes which align with the principles and theories of Organisational Behaviour and Management. As part of new development initiative, KR organized Motivational programme for volley ball players "Chakde BPCL" . A total of 1778 employees were given training to upgrade their learning skills and performance during 2016-17. This translates to 8582 training mandays. A separate team building/motivational programme was conducted for canteen employees. KR had also conducted live fire fighting training for the Marketing SBU staff.

In line with Hon. Prime Minister "Skill India Campaign", BPCL has set up a Skill Development Institute at Kochi with all oil PSUs as promoters.

The Institute started functioning from 12th December 2016 by training partner, non-profit organization, with two courses on Industrial Electrician and Industrial Welder.

First batch has completed the course in June 2017, with placement for more than 80% of the students in reputed companies.

As a part of Industry Academia Interaction, 482 Engg./ Management students were given opportunity to do project work/industrial training. During the year, 6 industrial visits by Govt. of India officials (MoPN&G, IFS, IPS) /Navy officers were arranged.

In view of the needs of the neighbouring areas of KR, a host of CSR projects were carried out in the thrust areas of Health, Education and Community Development. Prominent among them is the aid to set up a modern Linear Accelerator for cancer care at the Ernakulam General Hospital. The facility will be commissioned shortly.

BPCL has also reached out to thousands of people in the near vicinity through extending better facilities to schools and anganwadis. The Capability Enabling and Enhancement Programme of NGO Nanma has helped hundreds of poor students to realise their innate potential. The Home Based Rehabilitation project of NGO Adarsh helps a host of differently abled children who cannot even make it to the special schools.

Road accidents is a major problem in Kerala. Every year many lives are lost on the highways of the State due to deficiency in extending trauma care to the victims. KR has given an impetus to the Highway Safety Project of Kerala Police by facilitating ambulances.

Further in the tribal hamlets of the high reaches of Western Ghats, KR has helped the NGO Friends of Tribal Society to run one teacher schools. This initiative is helping to inspire hundreds of tribal families to send their children to mainstream schools later.

KR received OISD Award for the best Safety performance 2014-15 at Award ceremony in New Delhi on 29 Nov 2016. Outstanding Safety performance award for the year 2016 by National Safety Council (NSC)- Kerala chapter was presented to KR on 4th March, 2017.

RETAIL

PSUs control 94 % of the Retail trade. The year 2016-17 saw intense competition due to private players re-opening their mothballed retail outlets. Customer relationship on highways also saw transformational changes due to de-monetisation. BPCL continued to perform very strongly and our retail outlet forecourts and our relationships with customers continued to remain good. The focus on all round improved technologies and automation brought us good results.

The business registered at total market sale of 25.2 MMT with an overall growth of (0.54) % in the year 2016-17 against PSU growth of (0.57) %. The sales volume of MS at 6.4 MMT was 6.7 % higher than 5.9 MMT achieved last year. HSD sales volume stood at 17.6 MMT, as against 17.9 MMT last year, reflecting a de-growth of (1.8) % primarily due to the entry of private players.

In the alternate fuels segment, BPCL recorded a growth of 7.3 % on the sale of Compressed Natural Gas (CNG) and the sales volumes for the year stood at 344 TMT. Auto LPG sale was down by 4 TMT recording a sale volume of 32 TMT. Government-policy linked SKO performance stood at 803 TMT, de-growing at (22.5) %.

The Business maintained market share in MS at 27 % and dropped by (0.2) % to 27.1% in HSD in 2016-17.

The sale of premium branded fuel 'Speed' doubled, totaling up to 627 TKL in 2016-17 with a conversion of 6.9% from regular petrol. 624 Speed selling outlets were added to the network strength, taking the total Speed network to 3,528. 'Speed' was re-positioned this year, focusing on its emission lowering properties and eco-friendliness.

In 2016-17, 550 new retail outlets (NROs) were commissioned, 140 of which were in the rural market. The total retail outlet network after the annual addition stood at 13,983 at the end of 2016-17.

There were many improvements in customer-centric initiatives namely, enhanced 'Pure for Sure' (PFS), improved offerings in Allied Retail Business, Integrated Fleet Management (IFM) launch, new offerings in loyalty program, digitization and improvement in communication with customers.

At the end of 2016-17, 7,497 retail outlets across the country offer Pure for Sure (PFS) service standards. These outlets are certified by an Independent agency conforming the business promises of quality and quantity assurance in fueling. Retail outlets that not only ensure quantity and quality but surpass prevalent standards of high-tech facilities are awarded the PFS Platinum certification. As of 31st March 2017, BPCL has 1,409 PFS Platinum outlets across India, equipped with fully automated and computerized offerings monitored through CCTV, assuring the promise of purity with higher service levels.

Our In & Out stores operate at 149 retail outlets. There is a wide network of over 128 Quick Service Restaurants in alliance with leading Indian and International food chains. 425 Bank ATMs are present at our outlets. Apart from this our network also offer various services viz. Western Union and Paul Merchant Money Transfer, ICICI Lombard and Royal Sundaram two-wheeler insurance presently at 729 Retail Outlets.

There are 232 Company Owned and Company Controlled (COCO) outlets, which are our flag ship outlets. Our signature brand of COCO outlets on highways- the One Stop Trucker Shops (OSTSs), are strategically positioned on major highways, to give transporters and drivers an experience of 'a home away from home.' These outlets, in addition to fuel offer a wide gamut of facilities to the truckers.

This year the business piloted Integrated Fleet Management (IFM) on NH-8 stretch from Mumbai to Ahmedabad i.e. end-to-end services for fleet owners as well as vehicle drivers across the business value chain. As a part of Personal Travel Offerings, the "Happy Roads" pilot has been initiated in Bengaluru – Mysuru – Coorg, Bengaluru – Ooty and Bengaluru – Connoor section. 18 carefully chosen BPCL highway retail outlets will provide the customers with assured services like hygienic baby care rooms, clean toilets, impulse food racks and cold beverages along with much valued PFS & PFS Platinum promises.

After having piloted the "Rural Marketplace" project last year at Niphad Taluka, it was scaled-up to four states of Maharashtra, Uttar Pradesh, Rajasthan and Tamil Nadu this year, covering 45 retail outlets. This initiative was successful in providing focused services catering to targeted sector.

Retail made significant contribution to Government of India's initiative to promote cashless transactions. After de-monetization, we operated Cash @ POS facility at more than 2000 ROs and dispensed more than ₹ 70 Cr to the customers to facilitate Cash availability immediately after de-monetisation. POS machines have been provided at 10,037 ROs to facilitate credit/debit card transactions. Our cashless transaction has grown to 23% on cumulative basis as compared to 11.4 % before demonetization.

Prior to de-monetization, we had a total base of 7,086 loyalty customers with digital recharge. After de-monetization, through continuous engagement we were successful in adding 45,963 customers for Digital Transfers. Digital Recharge per day increased from 18 crores to 47 crores. Our field force conducted a total of 742 engagement programs after demonetization covering around 38,000 customers. Loyalty ROs saw an increase from 6,185 to 7,060 in 2016-17 over previous year. Both our Petrocard and SmartFleet programmes continue to perform very well.

In 2016-17 customers actively used social media portals of BPCL and MOP&NG to connect with us. MOP&NG also launched a dedicated social media portal, named MOP&NG e-Seva. The canvas of social media was effectively leveraged to communicate ideas and messages. SmartFleet, Brand Speed and Retail BU, now armed with exclusive social media pages, saw active participation with more than 18,000 followers.

Furthermore, initiatives like ‘Connect2Customer’ were launched to reach out to our customer. As a part of processes aimed at improving internal efficiency, mobile apps ‘Mobiconnect’ and ‘Mobeconnect’ were launched. ‘Mobiconnect’ aids in trading area analysis for internal employees and ‘Mobeconnect’ offers value add features for the dealer network. A pilot was also launched for vehicles with RFID reader ‘Smartfill’ to further aid ease in transactions at forecourt. The SmartFleet mobile app was upgraded to display vehicle number, transaction history, Retail Selling Price (RSP) for outlet, Web application updated to list and classify – PFS, highway star, COCO, OSTS ROs. Information sharing with channel partners regarding RSP change through SMS was put in place.

Fuel supplied all over India is now BS-IV compliant.

Infrastructure development remained a key focus area in 2016-17. In line with Integrated Refinery Expansion Project (IREP) plan of Kochi Refinery, additional product tankage of 1.65 lakh KL capacity along with a fully automated Tank Wagon gantry was commissioned at Irimpanam Installation. In order to meet the growing demand of Petroleum Products, Road fed depot at Haridwar was completed. Construction of the Ennore Coastal Terminal of 1.2 lakh KL tankage and 2 nos. of 8 bay gantry is in full swing.

These installations and depots implemented ‘Integrated Management System’ covering ISO 9001, ISO 14001 and ISO 18001 at all 17 locations of Western Region in the first phase. Under Sustainability Development Initiative, 14 locations were accredited with ISO 50001 (Energy Management System) certification. Also, 8 locations were accredited with 5S certification for housekeeping standards.

On the Safety and Security front, we performed well. Our focus on safety was also reflected in reduction of in-transit Tank Lorry accidents which was the lowest in the last five years. Retail Operations continuously works towards the philosophy of ‘No Safety No Operations’.

The retail business is morphing faster than ever. To meet this challenge we are constantly renewing our offerings and are confident of being ahead of the market.

INDUSTRIAL AND COMMERCIAL

Our Industrial and Commercial Business continued to grow at the highest rate among the OMCs. The business recorded sales of 4265 TMT and registered a growth of 5.74%.

The major focus during the year was on differentiation in the HSD segment by offering superior technology through Automation to its key customers. Almost 200 depots for State Transport across Karnataka were automated in record time. Their consumer pumps were also upgraded with the best technology MPDs. The I&C Business also bagged a new business and provided a fully automated Diesel Consumer Pump at Chandigarh Transport Undertaking.

Indian Railways continued to be the area of attention with commissioning of RCDs at Lalgarh under North Western Railways and technical completion of RCD, Jaipur. BPCL sells 260 TMTPA to the Railways and caters to 10.50 % of the Railway Business.

63 consumer pumps were added in Defence, Mining and Industrial sectors. Strengthening our association with Armed forces, I&C commissioned Consumer Pumps at difficult terrains in Leh also.

After successfully establishing BPC as a marketer for Petcoke and Sulphur in the Central India during the year 2016-17, I&C is fully geared towards the marketing of additional quantity of Petcoke and Sulphur which is getting added in the Southern geography post expansion of Kochi refinery. In order to be future ready, I&C signed a Mega MOU for sale of 600 TMTPA of Petcoke with the southern Cement major RAMCO. Another MOU with Chettinad Cements was inked for sale of 300 TMTPA of Petcoke.

The business unit consolidated its presence across the product portfolio in different sectors by renewing its relationship with major customers like St. Gobain, Coal India, Berger Paints, Murugappa Group, SI Group India and Asian Paints, to name a few.

Despite the 40 days shutdown at Mumbai refinery, I&C SBU managed the Bitumen sales during the peak period by entering first time into Bitumen Trading and successfully retaining their preferred supplier position in the market.

Black Oil remained a core area for volume and profits thus adding to the top and bottom line of the Corporation. With the expected closure of furnace oil production at Kochi refinery post IREP, I&C has already made alternate plans for handling FO supplies in the southern region.

BPCL and Mumbai Port Trust signed an Agreement for development and operation of Bunkering Facilities at Marine Oil Terminal, Jawahar Dweep, Port of Mumbai for providing exclusive bunkering facilities at Jawahar Dweep 2. The facility for bunkering both Furnace Oil and HFHSD was commissioned in March 2017 with the first barge loaded with Furnace Oil using Marine Loading Arm. With the commissioning of this facility, the port is destined to become a major bunkering hub in the times to come offering a first mover advantage to BPCL.

Complimenting the sustained efforts of refineries to improve product quality, I&C is geared up for selling improved Hexane in the Pharma Sector thus replacing imports and saving foreign exchange. In addition to this, the business unit is also closely monitoring the emerging market scenario in bio-diesel especially in Indian Railways and State Road Transport Undertakings.

Adding to this, the challenges imposed by deregulation and competition across the entire product portfolio and the additional production capacity getting added in Polymer Grade Propylene, HSD, Petcoke, Sulphur and niche petrochemicals post IREP require BPCL to get ready for future both in terms of increasing their market share as well retaining value at the same time.

The I&C business is thus on the edge of a summit where it is positioned to rise amidst new emerging challenges.

GAS

BPCL handled 1371 TMT of Gas in the year 2016-17 as against 1088 TMT in the previous year, a growth of approx. 26%. Out of this 265 TMT of Gas was supplied to Mumbai Refinery and 144 TMT was supplied to Kochi Refinery to meet their internal requirement. The remaining 962 TMT of Gas was supplied to various customers in Fertilizer, Power, City Gas Distribution (CGD), Steel and other industries across the country.

BPCL entered the elite club of LNG Importers in India by directly importing its maiden LNG cargo at PLL Terminal, Dahej on 30th October 2016 on the auspicious occasion of Diwali. The first cargo was imported from Shell International Trading Middle East Limited. Own imports would benefit BPCL to be competitive in the market and would also be economical to our refineries.

Around 99% of BPCL's supply has been through pipelines to its various consumers. However to take care of customers who are away from the pipelines, BPCL has also supplied around 16 TMT of LNG through Tank Trucks from Dahej to some of the customers like General Motors, Mahindra & Mahindra, Modern Insulators and Tetrapak etc. This year BPCL has also started supplying LNG by tank trucks to M/s Turbo Energy Private Limited our first customer to be fed from PLL's Kochi Terminal in the Southern Region, where the pipeline infrastructure network is yet to be fully developed.

Continuing the efforts to expand the Gas Business, BPCL has been participating actively in the bids invited by PNGRB for developing City Gas Distribution Networks. During the year, in the bid round 6 BPCL has been successful in 5 Geographical areas of North Goa, Saharanpur, Yamunanagar, Rohtak and Rupnagar. While North Goa was bid jointly with GAIL Gas Ltd, the other 4 areas were bid by BPCL alone.

LUBRICANTS

The "MAK Lubricants" brand has established itself as a strong presence across the Automotive and Industrial sectors. Apart from the domestic markets MAK lubricants has fared well beyond the shores establishing itself as a very reliable brand competing with international brands. Export business has once again demonstrated our ability to grow and expand in a challenging and severely competitive environment by recording a growth of 34 % during the year in an otherwise modestly growing global lube Industry.

In the domestic market the B2C marketing is through the Retail Outlet channel comprising of nearly 14000 petrol pumps and also the Bazaar channel comprising of over 650 active distributors who further cater to the Mechanics and Retailers in the market. The B2B marketing is catered through the Direct channel with supplies to flagship customers like Hero, TVS, Munjal Showa, Marico, Elgi Equipments & TATA Motors to name a few and many small customers.

Legislation for the roll out of BS-IV fuel norms in 2017 and BS-VI fuel norms by 2020 will be a contributing factor for technological upgradation of vehicles necessitating introduction of advanced Lubricants grades in the market. Thus the Lubricants market apart from being highly competitive with more than 30 established players has now become a very dynamic market with more advanced products being continually introduced in the market. MAK lubricants is at the forefront of capturing these new opportunities.

The lubricant business has a very strong R&D team which 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. We have obtained approvals from OEM's like Newfield and Armech which has helped lubes business achieve significant growth in the Steel sector. Moreover strong foray has been made in the Aluminum Drawing oil segment. Few grades launched in the automotive sector were MAK 4T Royal 15W50 for the premium bike segment, MAK Evolv 5W40 & 0W20 for the premium car segment. In the Non lube Agriculture segment MAK HMO KINNOW oil was launched for Kinnow orchids.

The Lubricant business inaugurated its own "Centre of Excellence" to build technical competence within and also with the Channel Partners and Customers. The Quality Assurance team has been recognized for its participation in Asia-Pacific Laboratory Accreditation Cooperation product testing program in which 53 countries have participated. This foray has established BPCL brand as a reliable and technically advanced resource for PT programs in 53 countries of the world.

Rendering support to the marketing of lubricants, the value added services to customers was a key focus area in the Retail and Bazaar channels. The value added services offered by the Lubricants business plays a key role in facilitating the sales process through appropriate services offerings to end customers. Around 1584 Retail outlets of BPCL have a 'Quick Oil Change' facility within the premises, where 2 wheeler, customers can have their engine oils changed within a time span of 7-10 minutes, through a pneumatic machine that sucks out the old oil.

"MAK Quik", a mobile application designed to capture customer details during such changes, automatically reminds the customer of his next oil change (through SMS), apart from a host of other value added facilities like information on Lubricants, recommendation of grades, booking of appointments, current promotional offers etc. In a category of low customer involvement, MAK envisages this combined set of offerings to assume the role of a game changer this year.

Many of the customers also feel the need for an Oil TOP-UP in small quantities. To cater to this varying demand, 250 Oil dispensers have been identified and positioned at potential Retail outlets. These aesthetically designed units with digital display of both quantity and price are being strategically positioned to cater to the needs of the motoring customers of the area and the products dispensed vary from Diesel Engine Oil (DEO) Lubricants to Gas engine oil Lubricants.

In the Bazaar segment, Mechanics from Non Franchise Workshops (NFW) are key influencers in the customers buying decision of Lubricants. A series of programs have been designed at various levels, to educate these set of influencers and enhance their knowledge of Lubricants, MAK SHAGUN, MAK MILAN and culminating with 'MAK Manthan'. The 'MAK Manthan' is a two days journey on Lubricants taking the mechanics through the blending process and imparting technical knowledge about the lubricants. The increased awareness on the basis for recommendation of lubricants makes these NFWs are a set of brand advocates that the MAK brand will rely upon to guide customers.

Apart from the domestic markets MAK lubricants has been strengthening the presence in the established markets of South Asia. We have been pursuing relentlessly to expand our presence beyond the frontiers of South Asia and into the advanced markets of the Middle East as well as emerging opportunities in Africa and South East Asia. We have met with consistent success in the Middle East. Subsequent to our foray in Bahrain & Kuwait during the year, we have also commenced our distribution in the state of Oman.

The MAK brand, over a period has gained traction in our neighbourhood markets of Sri Lanka, Nepal and Bangladesh. Our cutting edge and technologically superior quality product portfolio, innovative and high impact branding initiatives at point of sales and unflinching commitment to customer service have facilitated gain in market share as well as significant inroads in establishing retailer and customer base in the growing automotive segment and especially in the categories like 2W and CV.

High end Synthetic products for personal mobility segment, launched recently in the Middle East as well as South Asian markets have also been doing well and we expect to grow aggressively in this segment. MAK has lined up an aggressive plan to proliferate the market in the industrial segments in the emerging markets.

Health, Safety, Security and Environment (HSSE) practices have been strongly driven across the plants and product delivery interfaces. Extensive Training programs and Safety audits ensured nil accidents.

Our Wadilube Plant, "C" Lubes Sewree, Tondiarpet Plant, Loni Plant and Budge Budge Plant have been conferred with Energy Management System standards ISO 50001:2011.

Commercial Production of Coolants commenced at Loni Plant from Sept'2016. To strengthen the logistics & distribution network a Mini Hub at Hazira was commissioned during the year.

Leveraging the strength of the MAK brand through effective brand communication has been a key area for the business and visibility and promotion of the MAK brand was done throughout the year. Digital presence through static & animated banners in targeted sites, branding at our retail outlets, extensive outdoor marketplace branding through Wall painting, retailer boards, glow signs, etc., Participation in exhibitions (agricultural and industrial), college fests and events, bike events, rural melas and rural activations were focused upon.

Ground level visibility continued to remain a high focus initiative. Transformational branding of Retailer shops and garages has been done extensively throughout the country thus building visibility for our brand. These initiatives also helped us in establishing our presence in the highly influential mechanic / garage segment.

MAK lubricants rolled out a focused Bazaar initiative by placing exclusive manpower in 25 identified clusters to increase the spread of secondary customers and penetrate deeper in to the market. This initiative has yielded good results and brought about a big shift in the way lubricants is marketed resulting in a superior growth in the key brands portfolio and focus product groups.

Despite the adverse market conditions post demonetization, the overall sales was 303 TMT and all-time high volumes were achieved in Light liquid paraffin Oil (LLPO) sales with supplies to key customers like Marico, Bajaj and Emami. The OEM product category performed well delivering an overall growth of 7.6%.

Projections for the automotive as well as the industrial sector remains strong. MAK Lubricants has a well-planned product development strategy and network expansion strategy both in the Domestic & International markets to tap in to this growth.

An innovative research and development backbone and a good supply chain management continue to be the backbone for MAK lubricants forging ahead with world-class products and packaging. BPCL is fully geared up with new formulations and technologically advanced products in the semi-synthetic, synthetic range. We also have expertise in developing proprietary grades which are world class products as demonstrated with MAK 4T NXT. The business is fully geared to grow its market share substantially in the coming years.

LPG

Our LPG SBU registered sale of 5.5 MMT, grew in sales volume by 11.8% and increased market share by 0.30%, during the year 2016-17. The year also saw LPG business creating record performances in the areas like Customer Enrolment, Commercial Sales, Plant filling etc. Rural marketing, Technology Adoption and Capacity Enhancement were the areas of focus. The 'Pradhan Mantri Ujjwala Yojana' (PMUY) has enabled the business to extensively acquire new customers and apply technology. The use of digital technology and social media on mass scale enabled the business as never before.

Reaching out to customers by making clean cooking fuel available to the households in every part of the country assumes top most priority of LPG SBU. New customer enrolment of 91.8 Lakhs during 2016-17 has surpassed previous year enrolment of 50.9 Lakhs and thereby, taking the domestic customer base to 595 Lakhs by the end of the financial year. Second cylinders were supplied to 21.6 Lakh customers during the year. BPCL added 205 new distributors taking the total Distributor Network to 4684 as on 31.03.2017.

Under the successfully accomplished PAHAL project of Government of India, so far 170.31 million Customers have been enrolled on an Industry basis as Cash Transfer Compliant, out of which BPCL enrolled 43.37 million Customers. By March 2017, BPCL had transferred ₹ 11,404 Crores directly into customer accounts.

BPCL actively participated in the successful implementation of the PMUY and have released 53.22 Lakh connections during the year 2016-17. Propagating safe use of LPG in the rural hinterland through several modes, like Nukkad Nataks, Safety Clinics and House to House safety education by Ujjwala Suraksha Mitra, remained a focus area for BPCL.

With a view to provide efficient and friendly services to its Customers and to proactively join in the digital India program of the Government, BPCL embarked upon several Customer-centric initiatives under the guidance of the Ministry of Petroleum & Natural Gas:

• Effectively implemented the facility of 24x7 Emergency Helpline 1906 (toll free) to attend to the leakage complaints of LPG consumers.

• Smartline 1800224344 to attend to all complaints of LPG customers has since been effectively implemented.

• Launched the facility of releasing new LPG connection with on-line payment and issuance of e-SV. The facility, under Digital India initiative, was launched in Delhi on 1st May 2015 and is rolled across the country since then. Online tracking option with SMS/Email alerts to the customer at each stage enhances system efficiency, besides eliminating multiple visits to distributor's showroom by the prospective consumers for completing formalities.

• Similarly, release of Second Cylinder with on-line payment is made available.

• Refill payment facility thru on-line is made available to the all Bharatgas consumers. Further, all the Distributors in major markets are covered with POS / Wallet facilities for digital payment.

LPG Plants in BPCL continue to maintain its record of best practices in HSSE coupled with improvement in productivity and cost leadership. For the 7th consecutive year, BPCL was awarded 'Best LPG Marketing Organization' by Oil Industry Safety Directorate (OISD).

Vehicle Tracking System (VTS) was installed in all the 4500 Bulk LPG Tankers for monitoring purpose and avoiding night driving. Imparting training to Bulk LPG Tanker drivers was one of the focus areas of creating a pool of trained drivers in the area of Safety Initiative.

BPCL is progressing well towards commissioning 1.0 MMTPA LPG Import Terminal at Haldia that would take care of energy security in Eastern Region and consolidate its market presence. In order to ensure timely product evacuation in an efficient and cost effective manner, loading facilities at Bhitoni and Coimbatore plants have been augmented adequately during the year.

During the year 2016-17, BPCL achieved Plant bottling of 4922 TMT against installed capacity of 3566 TMT, thereby achieving a capacity utilization of 135% for the 50 bottling plants across the country. Significant progress has been made during the year towards setting up Green

Field LPG Bottling plants at Bokaro, Raipur, Bolangir and Vizag. BPCL has installed additional carousel at Patna LPG plant taking its installed capacity to 120 TMTPA. It is also upgrading its Baitalpur micro LPG Plant to a regular OSID-144 compliant plant which will help meet huge market demand in eastern Uttar Pradesh. Significant progress has been made in laying the cross country LPG pipeline from Kochi to Palakkad that is critical to product evacuation from Kochi Refinery. Similarly, BPCL in collaboration with OMCs, has jointly submitted bid with PNGRB for developing a 6.0 MMTPA LPG cross country pipe-line from Kandla to Gorakhpur to meet country's emerging energy demand in Central & Northern India.

AVIATION

Aviation BU has recorded highest ever sales of 1,548 TMT, an overall market share of 25.03 % and growth of approximately 21% over last year against the industry growth of 10%. In the civil segment our market share increased from 24.36% to 26.61%. There was growth in all the segments – international by 15%, domestic by 33% and defence by 5%.

Inspite of the intense competition due to surplus of ATF in the market, Aviation business could retain all major domestic and international customers with additional business from some of the leading domestic airlines like Indigo.

In defence, sales at newly commissioned IAF base at Thanjavur and Panagarh-where we constructed the Aviation Facilities and supply ATF has started contributing to defence volumes.

The Aviation Business commissioned three new Aviation Fuelling Stations- Trichy, Vijayawada civil Airports and Thanjavur IAF base. At Cochin, we have commissioned new hydrant network to cater to the flights at the newly built Terminal 3. We have also extended the hydrant line at IAF Gwalior to cater additional IAF squadrons. At Kannur Airport, where we have a 21 % equity holding, we have built Aviation Fueling Facilities. The facility will be commissioned in tandem with airport operations. BPCL has hooked up ATF tanks at Devangonthi installation to IOCL's ATF pipeline for seamless ATF supplies to new Bengaluru Airport. To strengthen our backend logistics, a new railway siding and additional ATF tanks of 9600 KL capacity have been commissioned at Irimpanam.

The Aviation business won the award by Pawan Hans to Build, Operate AFS and Supply ATF at the newly built civil helipad at Rohini, New Delhi. This is the first integrated heliport of India. We have recently started refueling non-scheduled aircrafts at the airport.

A Centre of Excellence has been started in Aviation business. The aim is to develop and acquire complete knowledge about all aspects of station management, marketing etc. and to groom the future leaders to face the challenging and dynamic business scenarios.

The business accords the highest priority to safety and environment. There was no loss time accident recorded in financial year 16-17.

BPCL has a strong position in the Aviation market. Our relationships with customers are the strongest and we are the preferred suppliers. The competition in the market is severe and is expected to grow as more and more states become Kerosene free. Today, we control almost 46% of the highly quality conscious international ATF market. We are working hard to further cement our bonds with International customers along with building new relationships in the domestic market, which will ensure that we maintain a leadership position in the market.

NEW BUSINESS INITIATIVES - CORPORATE STRATEGY & BUSINESS DEVELOPMENT (CS&BD)

New Business Initiatives (NBI), later rechristened as Corporate Strategy & Business Development (CS&BD) was set up to create a sustainable customer facing business strategy to prepare the corporation for business challenges like deregulation, competition from private players, technical innovations and disruptions. It is currently working on initiatives like BPCL First, Customer Care System, Analytics, Project Nishchay and Start-up Projects.

In 2012, at the inception of BPCL First project, the leadership had envisioned to make BPCL the most preferred brand in the oil and gas sector by adopting a customer-centric approach cutting across all channels and businesses. With 100 cities enrolled in the BPCL First initiative, we are now strongly moving towards the realisation of that vision. Over the course of the year, the organization has further strengthened the culture of cross-business collaboration and customer centricity, created during the BPCL First rollout phase. The success of BPCL First has manifested itself in improving customer satisfaction index by 9% over the previous year in 2016-17.

BPCL's Customer Care System (CCS) is a state of art, technology driven customer initiative for our customers across all the Business Unites and geographies. Consumers are presented with a unified face of BPCL and a single window to address all their concerns. Our CCS has multichannel functionality enabling customers to reach us over telephone, website, e-Seva portal ,MoP e Seva and other social media sites. The fact that 6.26 lakh interactions (complaints & queries) were registered through our SmartLine (1800224344) with nearly 100% resolution of complaints is a testimony that this platform resonates well with our consumers. CCS has received accolades on various platforms and on multiple occasions, has been presented as a benchmark to the Industry members.

Analytics journey in BPCL had commenced with formation of an Analytics team and completion of two pilot projects in Retail and LPG to find value in analytics implementation. The Analytics team, in discussions with various Business Units, has now identified broad areas in each BU which needs analytics interventions to achieve business objectives. It has further completed the process of defining the approach and roadmap for further implementation. This will further enable BPCL in its journey of data driven decision making in the times to come.

In line with the changing business environment, BPCL , through Project Nishchay, has created an integrated non fuel strategy to enhance its customer experience beyond fuel. Project Nishchay was launched in 2015 to develop the vision and business strategy for multiple non-fuels businesses with the objective of achieving growth through enhanced customer offerings. BPCL has created a bouquet of physical and digital non-fuel offerings to cater to various customer segments through the four Business themes namely Rural Market Place, Integrated Fleet Management, Personal Travel Offerings and Urban Household Solutions

Rural Market Place christened as "Umang", has been conceptualized as one stop market place for rural customers It is bringing technology closer to the heart of India making their lives easier by providing access to services like on-line Banking, Centre & State Govt to citizen Services, Agri-advisory, Online shopping etc at their nearest BPCL Retail outlets / Bharatgas distributorships .Pilots of Umang were done in three rural markets namely Niphad near Nashik, Chomu near Jaipur and Tindivanam near Villupuram .The pilot results have been encouraging, showing consistent growth in all offerings besides rub-off on fuel sales due to increased footfalls at retail outlets. The initiative is being expanded to new markets across several states

Integrated Fleet Management aims to provide end-to-end services for commercial fleet owners across the business value chain through a digital platform. Under the brand name of "Fleetgenie", the pilot was rolled out in Feb'17 on one of the major highway stretches. Through the Fleetgenie platform, we intend to offer services like business development, telematics, driver verification, road side assistance, working capital loans, basic healthcare and cash management services to the customers through a web of alliances. The initiative shall soon be extended on other highways.

Personal Travel offering – christened as "Happy Roads" , is designed as an end to end travel guide for the weekend road traveller. Happy Roads mobile application offers the core propositions of Destination discovery and Trip assurance apart from various services like Road side assistance, Self-Drive cars, Hotel accommodation, activity booking, restaurants through various partnerships . For the pilot, select BPCL retail outlets in the southern part of the country were upgraded to provide assured services like clean toilets, impulse food and cold beverages and baby care rooms along with much valued PFS promises. With rapid expansion plans to cover major destinations around the country, Happy Roads is set to create its own niche in the travel space in India.

Urban Household Solutions under the brand name "Shopongo" aims to be an omni-channel solution fulfilling regular food and grocery needs of urban customers where BPCL intends to leverage its connect with vast customer base and channel partner network . The offering is based on providing convenience, wide product assortment & assured quality, attractive pricing and timely delivery. To augment our retail capabilities, we entered into a strategic partnership with a leading retailer from the house of TATA -Trent Hypermarket Private Limited (THPL)– a JV of Trent Ltd and TESCO. A Pilot was launched with an e-commerce offering through web (www.shopongo.in) and Mobile (BPCL Shopongo app) platforms in select areas of Pune city. Initial results have been encouraging with an impressive number of orders coming from repeat customers in the first 6 months of operations.

During the year, BPCL made a strategic investment by acquiring a 21.1% stake in Fino Paytech Limited (FINO). FINO is the largest Business Correspondent in Asia and they operate an admirable financial technology platform combined with an extensive services delivery channel. This investment was in line with BPCL seeing an opportunity to participate in the Financial Inclusion Story of Rural India as well as to deploy digital initiatives to garner a larger wallet share of the customer. FINO has also recently set up a payment bank to extend its reach far and wide in the country.

BPCL has used this investment to pilot a series of financial inclusion products with a focus on the rural and highway customer. These include domestic money remittance, G2C services, digital payments and cash collections. Based on the learnings of the pilot projects, corrections have been applied and BPCL is now on the cusp of scaling up the activities to cover an extensive pan-India footprint.

HUMAN RESOURCES

For BPCL its employees are its most valued assets and our continuous investment in employees' growth and development defines our core value of "Development of People". Our investment on employees' is not only through resources but also the time commitment by senior leadership through Talent Review Panels (TRPs) for almost 51% of our management staff strength. The TRPs facilitates rich discussion around each and every management staff to discuss their Strengths, Areas of Development, their Aspirations and Engagement which culminates in the development of an Individual

Development Plan (IDP). This year onwards the IDPs of each staff have been integrated into the Performance Management System to enable staff to take complete ownership of their development with enhanced focus on self growth and staff development.

BPCL's philosophy of development involves 70% through experience, 20% through social learning and 10% through books, manuals & classroom training etc. The 70% development is enabled through an Integrated Career Development Framework (ICDF) which integrates the key growth and developmental aspects for an individual in terms of role exposure, geographic exposure, learning needs and 360 degree competency assessment and feedback. ICDF essentially is an interwoven web of key HR processes aimed at developing the careers of Management Staff in the company. The four key elements of ICDF are ASCEND (360 degree competency Assessment framework), the Learning Framework, Lateral movements and Progressions. ICDF has given a competitive edge to our employees leading to greater employability and readiness to shoulder greater responsibility with enhanced mobility through Inter-SBU movements as well as movements across regions and roles.

In order to understand and meet the aspirations & expectations of Gen Y Officers thereby ensuring high level of engagement and performance, an Employees Engagement initiative called YouNGAGE was implemented. YouNGAGE was implemented at all-India level as a dedicated platform for BPCL's Next-Gen. Through this initiative we have created a platform where business leaders meet GEN Y and address the organization expectations, facilitate inter-SBU collaboration through experiential learning, institutionalized a recognition program for the best performers amongst GEN Y, channelized their high energy by challenging their intellect, enriching their learning and ultimately making them engaged & committed employees.

We also provide unique opportunities through initiatives like 'Rytink' for employees to not only capture the critical stories and best practices that have helped BPCL in its journey so far like Project CUSECS, SAP implementation, venture into exploration, etc. but also to develop skills of individuals to write research based narratives. A well documented case study captures the organization's tacit knowledge for future generations of BPCL employees. Some of these case studies have been published by Indian and International publications like Indian Journal of Industrial Relations, Sage Publication and two case studies have been published by Ivey Publications.

BPCL has leveraged e-learning in a significant manner through its e-learning initiative 'Pitstop e-learning Energizing Minds' that covers a multitude of online learning assets that are available 24x7 at the click of a button. With over 3000 staff that are part of the Junior Management (JG A-C), Pitstop has been embraced the most by Gen Y. It offers a wide range of e- learning programs from skillsoft and Harvard Business Publishing.

Online Business Simulation is another platform offered to our young leaders to improve business acumen, enhance strategic thinking, increasing financial understanding and building leadership and teamwork in a live business environment.

BPCL is the proud recipient of CII HR Excellence Awards at National level for the year 2016, in two categories namely, Significant achievement in HR Excellence (The highest level of recognition in this edition) and Commendation for Learning & Development. This recognition reinforces our commitments towards employees' growth and development.

The total manpower strength as at 31.03.2017 was 12,484. During the financial year 2016-17, 469 Management staff were recruited in the Corporation.

EMPLOYEE SATISFACTION ENHANCEMENT

The Employee Satisfaction Enhancement (ESE) Team continued its endeavors towards ESE vision 'To be an active facilitator towards a Healthy, Productive, Vibrant and Energized workforce by working towards 360 degree wellness living up to the core purpose of energizing lives to make "BPCL – A great Place to work". ESE followed a plan of enhancing employee satisfaction through employee wellness, employee connect and prompt grievance redressal.

There were 66 grievances received. All were redressed in time. There are no open cases from past year.

ESE conducted 64 meetings and visited 41 locations to proactively interact with employees to increase awareness and get feedback. Various meetings with SBU Heads, Regional councils, Business councils, key role holders from businesses such as Territory managers, Territory coordinators, Sales Officers and Location in-charges were held. Stress Bingo technique was used for the various groups to identify role based stressors and also the coping mechanisms for the same. Manager referral sessions and sessions for retiring employees were held. Regular feedback and reporting was done to HR. Quarterly reports were presented to CFD. ESE had a meeting with C&MD and gave a detailed presentation on the ESE activities. ESE meet was organized for review and new initiatives.

International Yoga Day was celebrated by ESE at all regional offices in association with regional HRS, MR, KR and at many locations with quality programs on Yoga and Pranayam with practical demonstrations as per the protocol. More than 1700 employees participated in the Yoga programs. With focus on lifestyle related diseases like hypertension, diabetes, back and neck pain etc., Yoga sessions were organized throughout the year. With focus on awareness about healthy lifestyle, ESE organized many programs on Naturopathy, Pranic Healing, Chair Yoga, cancer awareness, mind body wellness, nutrition seminar, sound meditation, organ donation etc.

On the occasion of World Mental Health Day, 'ESE FEST' was celebrated during October with a view to connect with employees to add joy, cheer and energize lives. Various talks, events, contests and workshops were organized. Psychological well-being correlates highly with emotional and physical wellness and this can be achieved by meditation. During the fest, meditation programs were organized at Regional Offices, Refineries and many locations. The 'ESE FEST' also included 2 contests, a quiz on mental health – "Mind over Matter" and "Pen it win it".

The interdependence of emotional and physical wellbeing was highlighted through various programs on stress-management like 'Heartfulness meditation', 'Stravati', 'Meditative Pottery', 'Sound Healing', 'Mindfulness Meditation', 'Talk on Inner Engineering & Technologies for well-being, 'Building resilience to stress', 'Bollywood & stress management',' etc. Programs to create positivity and improve engagement like 'A happy self', 'Joy of work', 'The Chosen One', 'You can Win', demo by IMFPA artist were held. Book exhibitions, Organic products exhibitions, family enrichment talk, food safety talk etc were held. Program 'Know Your Happiness Quotient' was held at CO. Employees with high stress level were counseled.

World Earth Day and World Environment day were celebrated with the main objective to create awareness in employees about environment needs like water conservation, planting trees, recycling of kitchen waste/E-waste and conservation of natural resources. Workshops were arranged at Corporate Office and Chembur staff colony. Contest "Go Green" was organized based on the theme – "Trees for the Earth" for environment protection and conservation. The workshops/contest received excellent participation.

Peer counselor group was established for Eastern Region. Peer counselor workshops were held at Mumbai Refinery, Kochi Refinery & Eastern Region. The Peer counselors are an emotional support for early help to employees as emotional first aid and training sessions were organized for them. Program 'Choosing a Life Partner' was held at CO, Sewree, MR and KR for the young staff.

In order to give a boost to cashless transactions, ESE organized programs on 'Cashless Payments & BPay (with New Initiatives) and Aadhar card camp at Corporate Office, Maker Towers, Sewree, Kharghar and Mumbai Refinery. M/s. Fino PayTech Ltd. conducted the programs for assisting employees in enrolling for BPay wallet. Talks on 'Financial well -being & Digital Banking Initiatives', Financial planning, Tax planning etc were organized to help employees with cashless transactions.

ESE released four issues of theme-based quarterly e-magazine 'ESE CONNECT'. The theme being "Balance sheet of Life", "Enjoy the Change", "Emotional Intelligence" & "Power of Habit". Registrations under the Employee Assistance Program, Roshni, crossed 5000+, 232 counseling sessions and 17 manager referrals took place. 5 suicidal tendency cases were handled.

A contest 'Biggest Loser Wins' was launched for employees at Kharghar and at Gokuldham staff colony at Mumbai where guidance from experts was provided to employees for diet and exercise for 10 weeks for healthy weight-loss.

On the occasion of International Volunteering Day, ESE in association with CSR gave employees opportunity for Volunteering in some of the CSR projects in and around Mumbai. BPCL employees availed the opportunities for value education and Shramdaan at project Boond, Mokhada.

To motivate employees positively, ESE published many good write-ups and mailers through Corporate Broadcast. EAP Roshni mailers were also published like "Get Confident Go Places", "Anger Management", 'Overcoming Shyness", "Exam Stress".

ESE is connecting with employees in several ways. With a view to celebrate Life, employees are sent Greetings along with positive messages on special occasions such as Birthday, Long Service, Promotion and Retirement. This has been well received by employees who appreciate these messages and feel cared for.

ESE is also presenting a letter of acknowledgement and Gift to retiring management staff. Wherever possible these are handed over personally to the retiring staff at a function where they are encouraged to share their life and work experiences.

INTEGRATED INFORMATION SYSTEMS

IS team has always been at the forefront in technology adoption for better business process management and providing value to the business. During the year, IS team implemented several key IT enabled initiatives which added immense value to the businesses, a few major initiatives are highlighted below.

In preparation for GST implementation across the country, IS team completed the system upgrades required as a pre-requisite for GST readiness.

Real Estate site rental processes were migrated to the Business Process Excellence Centre (BPEC), set up as a shared services centre for centralizing the site rent payment processes for better governance and controls. IS team also provided the necessary system support for implementation of the new State offices setup across the country.

LPG Distributorship Selection application was further enhanced to bring better controls in the business process. Historical data on distributorship was made available in a central repository enabling analysis of data for better decision making and fulfilling critical reporting requirements.

Many improvements in the PAHAL related processes were taken up and completed as per the expectations of all the stakeholders. Value added features like online delivery confirmation at the point of sales, options for consumers to use multiple payment methods and availability of select digitized documents were implemented.

Improvements were brought about in the accounting and financial closing processes through a centralized system to plan, execute, monitor and analyze the closing process with an objective to maintain the integrity in all internal/ external reporting.

The Mobile platform launched last year was further enhanced and more value added applications were added for the convenience of employees and external community. Approvals of requests for access provisioning to production system can now be approved by employees through mobile thereby increasing productivity.

Many value added initiatives were taken up for implementation in HR during the year. Generation of Form 16 has been implemented through the SAP systems thereby eliminating the dependency on 3rd party solution and online applications were implemented for submission of Form 12C.

In order to adopt latest technology in all its operations, the team has taken up the project for developing a Cloud Deployment Strategy for the organization. This initiative is aimed at bringing agility and flexibility in the process of delivering better services to all the stake holders.

SAP GRC (Governance, Risk and Compliance) solution continues to remain a central piece in mitigating risks associated with segregation of duties and principles in system access governance.

On the infrastructure front, IS team has migrated most of the IT systems to the latest Converged IT Infrastructure thereby improving flexibility and optimizing the usage of server compute capacity. Backup infrastructure has been modernized and process of replication of data to the DR site has been improved.

In order to provide flexibility to the employees at their work place IS team has embarked on the implementation of wireless LAN and Network Access Control at select locations. This will improve mobility, high availability and faster network connectivity with enhanced security.

Several projects were taken up for improving security of IT systems like implementation of next generation fire wall (NGFW), Host Intrusion Prevention System, Vulnerability Scanner and implementation of firewall policy management.

The IS team is continuously on the look-out for adopting the latest technology in order to keep the IT systems and processes updated and agile to efficiently and effectively support the needs of the Business Units.

HEALTH, SAFETY, SECURITY & ENVIRONMENT

BPCL practices the 'Safety First, Safety Must' mantra in all the SBU's and entities. At BPCL, business policies and strategic plans are inclusive of workplace Health, Safety, Security and Environment (HSSE) along with Sustainable Development being one of the fundamental components.

To ensure safe and smooth working across all locations, monitoring and governance practices were strengthened across all the critical processes and systems. The implementation of processes and systems were reviewed to bring clarity in responsibility and accountability.

To assess Asset integrity and safety, proactive measures were taken and gaps were identified. During the year, assets owned by BPCL or third party were reviewed at all company locations, pipelines and railway siding facilities. Such a process was implemented to ensure all assets render safe operations and the necessary action plan was drawn and strictly implemented.

For capacity building and inter/intra department learning of best practices, HSSE workshop served as a connecting platform. HSSE workshops were conducted in all four regions across India covering all the locations and Refineries. Commitments were adopted for systematic improvement in all aspects of safety and security.

To ensure safety, mock drills and internal safety audits were conducted at all locations to keep everyone in a state of readiness. The recommendations for improvement were documented and implemented in a time bound manner. To avoid reoccurrences of incident, detailed root cause analysis was done and reported. To increase collaborative learning for safer operations and adoption of best practices this analysis was shared with all locations as a knowledge management initiative.

BPCL uses an online sustainability development software which is used to capture data parameters like energy, water, waste etc. across all locations and refineries in India. Environmental Footprint study has been completed at three locations to understand their impacts. The total catchment area under rain water harvesting has increased by 36.3% from 530475 m^2 to 722800 m^2. Energy efficient lighting capacity has been increased to 6.2 MW from previous year of 3.3 MW with an increase of 90.2%.

BPCL has installed cumulative 22.2 MW of Renewable Energy capacity by year end with increase of 13.3% as compared to previous year of 19.6 MW. These initiatives have resulted in annual reduction of GHG emission by 34000 Metric Tons of CO_2 equivalent.

BPCL is one of the first Indian Oil and Gas sector company to report on the Sustainability front by adopting GRI framework for Sustainability Reporting. BPCL has been publishing its Sustainability Report since 2006-2007. Sustainability Reports for the year 2007-2008 onwards have been assured by an External Assurance Provider as per AA 1000 AS (2008) and ISAE 3000 international standards of assurance.

INTERNATIONAL TRADE AND RISK MANAGEMENT

The International Trade and Risk Management (ITRM) procures indigenous crude oils as well as imports crude oils for processing by BPCL refineries. During the year 2016-17, BPCL was allotted 4.404 MMT of Mumbai High crude compared to 5.382 MMT in the year 2015-16. As the processing requirement of BPCL refineries during 2016-17 was 25.10 MMT, ITRM imported 20.17 MMT of crude oil during 2016-17, compared to 18.47 MMT during the year 2015-16.

Majority of crude oil imports were high sulphur crude oils on term basis, from Middle East Gulf region. Low sulphur crude oil grades were imported from Far East, West Africa and Mediterranean Region on term as well as on spot basis. In order to meet the increasing demand of light and middle distillates, our refineries had higher requirement of light low sulphur crude oil. The ratio of Term to Spot procurement therefore changed from 72:28 in 2015-16 to 71:29 in 2016-17.

ITRM expanded the number of its crude oil suppliers and added new grades of crude oil resulting in diversification of procurement sources. In value terms, the FOB cost of 20.17 MMT imported crude oil amounted to US$ 7.52 billion (₹ 50,528 crores) in 2016-17 as against FOB cost of 18.47 MMT imported crude amounting to US$ 6.51 billion (₹ 42,597 crores) in the previous year 2015-16. The average price paid by BPCL for the crude oil imported during the year 2016-17 was US$ 49.01 per barrel as compared to US$ 46.89 per barrel in the previous year 2015-16. These are marginally higher than the average cost of Indian basket of crude oil at US$ 47.56 per barrel in the year 2016-17 and US$ 46.18 per barrel in the year 2015-16, as 45.20% of crude oil imported by BPCL was low sulphur crude oil, whereas the share of low sulphur crude oil in the Indian basket of crude oil was only 28.97%, in the year 2016-17. The total foreign exchange outgo on account of imports of crude oil (including high sea sales and excluding high sea purchases) during the year 2016-17 was US$ 7.95 billion (₹ 53,395 crores) as against US$ 6.60 billion (₹ 42,239 crores) in the previous year 2015-16.

In addition to import of crude oil, ITRM also imported LPG, to meet domestic demand. Import of LPG increased to 2.711 MMT during the year 2016-17 compared to 2.105 MMT during the year 2015-16. The purchase value increased to US$ 1.147 billion (₹ 7688 crores) in 2016-17 compared to US$ 0.848 billion (₹ 5531 crores) in 2015-16.

The total foreign exchange outgo on account of imports of LPG (including high sea sales and excluding high sea purchases) during the year 2016-17 was US$ 1.188 billion (₹ 7941 crores) as against US$ 0.737 billion (₹ 4810 crores) in the previous year 2015-16.

ITRM used a mix of shipping options like Contract of Affreightment (COA), Time Charter (TC) and Voyage Charter (VC) tankers of different sizes to optimize shipping costs for import of crude oil and LPG. For crude oil transportation, BPCL has a COA with Shipping Corporation of India till September 2017 and two Suezmax tankers under TC. Out of the total 20.17 MMT crude oil imported by BPCL in the year 2016-17, COA vessels transported 2.95 MMT (15%), TC vessels transported 2.77 MMT (14%) and the remaining 14.45 MMT (71%) was transported by VC vessels. For import of crude oil, ITRM incurred lower freight cost of US$ 190 million (₹ 1274 crores) during the year 2016-17 compared to US$ 229.1 million (₹ 1500 crores) during the year 2015-16, due to subdued freight rates and proactive efforts by ITRM to use more TC trips, regular monitoring of the freight market, entering market for our voyages at the opportune time etc. For import of LPG during the year 2016-17, BPCL engaged 5 vessels on TC and 37 vessels on VC. The freight cost incurred on import of LPG, on both FOB and CIF basis, was US$ 146 million (₹ 978 crores) during the year 2016-17 compared to US$ 156 million (₹ 1020 crores) during the year 2015-16.

ITRM operations team handles tanker operations for imports and for coastal movement. During the year 2016-17, 163 crude oil tankers involving single-port discharge as well as 14 crude oil tankers involving two-port discharge, were handled. IT also has handled 19 daughter vessels for lighterage of crude oil. Imported crude oil was received through 103 tankers and 19 daughter vessels at Mumbai Refinery and through 88 tankers at Kochi Refinery.

On the export front, BPCL increased its exports of refined petroleum products to 2398 TMT during the year 2016-17, compared to 1801 TMT during the year 2015-16. Naphtha exports increased to 1175 TMT in the year 2016-17 compared to 1027 TMT in the year 2015-16, due to higher processing of light sweet crude oil to produce BS-IV fuels. Naphtha export realization increased to US$ 503 million in year 2016-17 compared to US$ 430 million in the year 2015-16. Fuel oil exports increased to 805 TMT in the year 2016-17 compared to 726 TMT in the year 2015-16 and its realization increased to US$ 209 million in 2016-17 compared to US$ 152 million in 2015-16. Export of Benzene however, decreased slightly to 40 TMT in 2016-17 compared to 49 TMT in 2015-16 and its realization was US$ 26 million in 2016-17 compared to US$ 30 million in 2015-16. During the year 2016-17, BPCL also exported 234 TMT of High Sulphur High Speed Diesel (HSHSD), with realization of US$ 107 million and 144 TMT of Light Diesel Oil (LDO) with realization of US$ 57 million.

The Derivatives Desk was successful in protecting operating cost of BPCL refineries by covering refinery margins through the instruments of hedging in the international market. In the wake of high volatility in dynamic global oil market, BPCL remained steadfast in its hedging activities while complying with regulatory requirements. The performance of BPCL hedging portfolio was not only better than the budget by 13.2% but also in line with the market, resulting in protection of refinery margins and cash inflows.

RESEARCH & DEVELOPMENT

BPCL's Research and Development Centers are actively engaged in developing innovative products/process technologies and cleaner fuels/fuel additives to reduce environmental footprints while improving company's profitability.

During 2016-17, BPCL Corporate R&D centre has received global recognition in the form of "Excellent Paper Award" at 23rd World Energy Congress (WEC), held during October 2016 in Istanbul, for in-house R&D efforts on methanol catalyst development. Likewise, national level accolade was received, during IIChE convention, for the joint developmental work with ICT, Mumbai on Process Intensification of Crude Oil and Vacuum Residue upgradation by Hydrodynamic Cavitation and microwave irradiation. These awards showcase the commitment and success story of BPCL-R&D in developing sustainable future.

Further, BPCL Corporate R&D Centre successfully developed and commercialized a device (dongle) named BPMARRKTM, for rapid prediction of refining characteristics of crude oils. BPCL-Corporate R&D Centre has successfully developed de-waxing catalyst and currently 12 MT catalyst is being produced commercially for replacing existing catalyst in 2017-18. Commercial scale trials for production of white oils and de-aromatized solvents in Mumbai Refinery LOBS unit, diesel lubricity additive for hydrotreated diesel stream, Column overhead corrosion inhibitor named "BHARAT NEUTRACHEM" and biodegradable metal cutting oil were successfully carried out prior to full scale commercialization. Process know-how for production of Micro Crystalline Wax (MCW) through additive route was developed and its demonstration at 250 kg scale was successfully completed at NRL.

The Product and Application development R&D has contributed significantly to the business volume and profitability through development of new grades and alternate formulations of Lube oil. This has helped in increasing our lube oil product portfolio and reducing our input cost.

BPCL R&D centers have acquired significant knowledge in the areas of synthetic fuels, synthetic lubricants and super adsorbent polymers. The centers have filed more than 85 patent applications in the last 10 years and aspire to commercialize new products every year on a sustainable basis. During 2016-17, BPCL-R&D centers have filed 3 Indian and 4 international patent applications and obtained 3 patents (1 India and 2 in other countries).

To develop new technologies through fundamental research and innovation, BPCL R&D continued to collaborate with academia and other knowledge partners for fulfilling the company's vision of being a truly innovative and technology driven company. In this context, BPCL-R&D centers continued research collaborations with a number of leading research institutes and made substantial progress in 2016-17. Some of these include IIP, ICT, EIL, BITS Goa, Delhi University while international partnerships with PSE-UK, NTNU-Norway, CSIRO-Clayton, RMIT and University Melbourne-Australia have established platform for development of cutting edge technologies for future.

EXPLORATION AND PRODUCTION OF CRUDE OIL AND GAS

Bharat PetroResources Limited (BPRL) has participating interest (PI) in twenty two blocks of which twelve are located in India and ten overseas, along with equity stake in two Russian entities holding licence to four producing blocks in Russia. Seven of the twelve blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP) and five blocks were awarded under the recently concluded discovered small fields bid round 2016. Of the overseas blocks, six are in Brazil and one each in Mozambique, Indonesia, Australia and Timor Leste. The blocks of BPRL are in various stages of exploration, appraisal, pre-development and production. The total acreage held by BPRL and its subsidiaries is around 23,878 sqkm of which approx 76% is offshore.

The PI in respect of Blocks in India and Australia are held directly by BPRL. The PI of 20% in Block-JPDA 06-103, in Timor Leste is held by BPRL's wholly owned subsidiary company, i.e. Bharat PetroResources JPDA Limited in India. Further, BPRL has three wholly owned subsidiary companies located in Netherlands, Singapore and India. The subsidiary located in Netherlands, i.e., BPRL International BV, in turn has three wholly owned subsidiary companies viz. BPRL Ventures BV, BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV. BPRL Ventures BV has 50% stake in IBV Brazil Petroleo Limitada, which currently holds PI ranging from 20% to

40% in six blocks in offshore Brazil. In the Financial year 2016-17, BPRL has formed a wholly owned subsidiary located in Singapore, i.e. BPRL International Singapore Pte Ltd (BISPL). BISPL alongwith Oil India Ltd and Indian Oil Corporation Ltd has formed two Joint Venture Companies as Special Purpose Vehicles (SPV) i.e. Taas India Pte Ltd and Vankor India Pte Ltd in May 2016 with BPRL International Singapore Pte Ltd holding 33.0 % stake in each of SPV to hold stakes in the Companies in Russia.

In Russia, BPRL along with Oil India Limited (OIL) and India Oil Corporation Ltd (IOC), jointly referred to as the Indian Consortium (IC) entered into definitive agreements for the Vankor transaction in June 2016 after completion of due diligences on 2nd June 2016. Similar agreement for Taas transaction was executed in March 2016. Subsequently, the proposal for Cabinet Committee of Economic Affairs (CCEA) approval for the Russian acquisition was submitted to the Government of India on 12th July 2016 and approval for the same was accorded.

BPRL along with OIL and IOC, through a joint venture company formed by their wholly owned subsidiaries in Singapore, completed on 05th October 2016 two transactions, viz. acquisition of 23.9% shares of the charter capital of JSC Vankorneft, a company organised under the laws of the Russian Federation, which is the owner of Vankor and North Vankor Field licenses from Rosneft Oil Company (Rosneft), a National Oil Company of Russia and acquisition of 29.9% of the participatory share in charter capital of LLC Taas Yuryakh Neftegazodobycha ("TYNGD") from LLC RN Razvedka I Dobycha, a wholly owned subsidiary of Rosneft.

Currently Rosneft holds about 50.1% shares in JSC Vankorneft, ONGC Videsh Ltd (through its subsidiary) holds 26% shares of JSC Vankorneft and IC of Oil India Limited, BPRL and Indian Oil Corporation Limited (through subsidiary companies) holds the remaining 23.9%. In TYNGD, presently, Rosneft (through subsidiary) holds 50.1% share, BP (through a subsidiary) holds 20% share and IC (through subsidiary companies) holds the remaining 29.9% stake.

Vankor field, located in East Siberia is Russia's second largest field by production and accounts for around 4% of Russian production. During the year 2016, the Vankor field produced approx. 20.71 MMT tons of oil and 9 BCM of gas. TYNGD is currently producing approx. 1.1 MMTPA of oil and is expected to ramp up the oil production to 5 MMTPA of oil by 2021.

Both the acquisitions strengthen BPRL's existing E&P portfolio and is consistent with its strategic objective of adding high quality international assets to its portfolio.

In Mozambique, BPRL, through its overseas subsidiary company, holds 10% participating interest (PI) in the Mozambique Area 1 block. The other consortium members in the block are Anadarko 26.5% (operator), Beas Rovuma Energy Mozambique Limited (OVL-OIL) (10% PI), ONGC Videsh Limited (10%), PTTEP AI (8.5% PI) and Mitsui E&P Mozambique Area 1, Limited (20% PI). The balance 15% PI is with Empressa Nacional de Hidrocarbonetos E.P (ENH), the National oil Company of Mozambique.

Mozambique LNG is emerging as a future leader in the global LNG industry as it works to develop an LNG facility on the Afungi peninsula in Cabo Delgado province. With approximately 75 trillion cubic feet of recoverable natural gas discovered in the Offshore Area 1, the Mozambique LNG Project represents an extraordinary opportunity to meet increasing world demand for a sustainable, reliable and cleaner source of energy. The partnership is planning an initial development of approximately 12 MMTPA (2x6 MMPTA onshore liquefaction trains) and a site plan that will facilitate future expansions of more than 50 MMPTA. Mozambique's favourable central geographic location means the country is well positioned to meet the needs of customers in the Atlantic and Asia-Pacific markets plus tap into the growing demand for energy in the Middle East and Indian sub-continent. The partnership is committed to working collaboratively with Mozambican communities and government officials to safely develop these natural gas resources in a manner that protects the environment, encourages additional foreign investment and contributes to the long-term economic stability of the region.

The development plan for the project has been submitted to Mozambique Government in Dec 2016 and discussions to arrive at an aligned position are in progress.

With the support of the Mozambican Government, the partnership continues to advance the project to a Final Investment Decision (FID) and have made progress toward delivering the key elements required for FID. The key agreements including the marine concessions are approved by the Council of Ministers and the execution of the marine concession agreements would mark the completion of the core components of the legal and contractual framework that provide stability to the project throughout its economic life and supports continued equity investment and access to project finance.

The Mozambican Government has approved the resettlement plan in Dec 2016 which entails construction of the resettlement village and livelihood restoration programs. The operator is presently working on permits and licenses. Construction would commence on receipt of these.

On the marketing front, negotiations are in progress to arrive at Sales and Purchase Agreements with key strategic buyers and completion of these would determine the timing of FID.

Despite Mozambique's current macroeconomic situation, the project financing activities are continuing with engaged lenders who have indicated strong support for project financing debt of approximately 2/3 of the capital required.

The project will take FID once the three elements – legal and contractual framework, offtake agreements and project financing are fully in place.

In Brazil, in the Sergipe Alagoas basin, all the minimum work program activities for the two exploration periods in these blocks have been completed. During the exploration periods, four discoveries of Oil & Gas i.e. 'Barra', 'Farfan', 'Cumbe' and 'Barra#1' have been made in this concession. Presently, the consortium is carrying out activities in four appraisal plans namely "Barra", "Farfan", "Cumbe" & "Verde" and the area under "Papangu" appraisal plan, in SEAL-M-569 block has been relinquished after completing the firm activities. During appraisal, two additional oil and gas discoveries have been made.

ANP has approved the proposal for extension of all BM-SEAL-11 appraisal plans upto 1st Dec 2020.

The Operator is taking steps for assessing reservoir extent including extended well testing. Petrobras has formed Joint Working Team to interact closely for expediting the Sergipe Project development.

In the Potiguar basin, during the first exploration period (2006- mid 2014), the minimum commitment activities have since been completed, including drilling of one exploration well called "Ararauna" in POT-M-760. Based on the oil and gas shows observed in Ararauna well, ANP has approved Ararauna Appraisal Plan, covering both the blocks in BM-POT-16 concession, consisting of firm commitment of drilling one well & G&G studies. Regulator ANP has approved the postponement of deadline of Ararauna Appraisal Plan till November 2021.

There are number of sizable prospects identified based on the old 3D seismic data interpretation. To mature these prospects to drilling, consortium is in process to acquire new 3D seismic data for better understanding of fault entrapment. The planned new 3D seismic study will help to reduce the risk/ uncertainty involved in fault entrapment.

In the Campos basin, during the exploration periods, Wahoo discovery was announced. After the completion of the exploratory periods in Nov 2010 the consortium decided to move on to Appraisal phase. Under the Appraisal plan drilling of two firm Appraisal wells, screening of Development concepts, Pre-FEED engineering studies on identified facility options were completed. ANP has, in March 2016, approved the extension of Wahoo Appraisal Plan from September 30, 2015 to November 30, 2018.

The consortium is in process to study various available options before any firm commitment is made towards field development. The objective is to address all the uncertainties involved in the project to facilitate a commercially viable field development option.

In Indonesia, a Subsidiary of BPRL, i.e. BPRL Ventures Indonesia BV, has Participating Interest (PI) of 12.5% in Nunukan Block PSC. Other Joint Venture (JV) partners are PT Pertamina Hulu Energi with 64.5% PI as Operator; and Videocon Indonesia with 23% PI. There has been discovery of oil and natural gas in Badik 1 well and hydrocarbon discovery confirmed in all appraisal wells. The Plan of Development (POD) for Nunukan PSC in Indonesia has been approved by both the Regulator SKKMigas and the Ministry of Energy and Mineral Resources, Govt. of Indonesia.

The activities pertaining to FEED for the Nunukan block were deferred in lieu of exploration of an additional prospect (Parang) in order to create additional value for the approved Plan of Development and to meet market requirements. Accordingly, the Operator proposed to drill an additional prospect to augment the reserves and production. Subsequently, an exploration well was spud in a new prospect – Parang, which led to discovery of Oil and Gas.

In Timor Leste, BPRL through its wholly owned subsidiary Bharat PetroResources JPDA Limited currently holds 20% Participating Interest (PI) in the Block JPDA 06-103. The other consortium members are Videocon JPDA 06-103 Limited & GSPC JPDA Limited, both holding 20% PI, Pan Pacific Petroleum (JPDA 06-103) Pty Limited holding 15% PI, Oilex Limited (as Operator) holding 10% PI and Japan Energy E&P JPDA Pty Limited holding 15% PI in the said block.

The Joint Venture (JV) had submitted its request to ANP the regulator of East Timor, for termination of PSC without claim or penalty. ANP rejected the request and delivered its notice to terminate the PSC imposing Contractors Liability upon Termination. JV, while accepting the termination, requested for negotiation to amicably settle the contractor's liabilities upon termination and the same is still under consideration.

In India, Under NELP-IX bid round, BPRL led consortium has been awarded on-land block CB-ONN-2010/8, in Cambay basin. BPRL is the Lead Operator with 25% Participating Interest (PI) and the other consortium partners are GAIL (India) Ltd - 25% PI (Joint Operator), Engineers India Ltd (EIL) - 20% PI, BF Infrastructure Ltd (BFIL) - 20% PI and Monnet Ispat & Energy Ltd (MIEL) - 10% PI. As Lead Operator of the block, BPRL has completed the committed Work Programme for 2016-17 without time and cost overrun by drilling & testing of four wells and associated G&G activities. During testing, two wells (PA#01 & PA#02) flowed oil (API 29^0) @ 25-30 bbl/day to the surface on self-flow, confirming the presence of producible hydrocarbon from the reservoirs.

The above discoveries have been approved by Directorate General of Hydrocarbon (DGH). The Declaration of Commerciality (DOC) of these discoveries has been submitted as per 'Format-C' to MOP&NG/ DGH on 28.03.2017.

BPRL has PI of 40% in on land Block CY-ONN-2002/2 in Cauvery Basin wherein ONGC is Operator. In the said Block, post discovery of MD#3 well, the consortium has completed drilling of two appraisal wells MD-5 and MD-6. The first appraisal well, MD-5 flowed Gas from both basement and Kamalapuram formation and the second appraisal well MD-6 flowed oil/gas from Kamalapuram formation. The Field Development Plan (FDP) of the Block has been approved by MoP&NG and accordingly grant of Petroleum Mining Lease (PML) for 140 sq.km. of Block area is in final stages of approval with Tamil Nadu State Government. As on 31st March 2017, the consortium completed drilling of three Development wells MDDA, MDDB and MDDC. All the three development wells successfully flowed hydrocarbons during trial production. Initial revenues from the Madanam block have commenced.

BPRL has PI of 20% in an on land Block, CY-ONN-2004/2 wherein ONGC is Operator. The consortium has completed drilling of two appraisal wells for the discovery well PN-8. The Consortium completed the MWP commitments in block by completing the drilling of one exploratory well (PN-11) in exploration Phase II. Post approval of Declaration of Commerciality (DOC), the Field Development Plan (FDP) of the block for PN-8 discovery has been submitted which is being reviewed by DGH.

BPRL has PI of 25% in RJ/ONN/2005/1 on land Block in Rajasthan as Joint operator with Hindustan Oil Exploration Company Ltd . Indian Molasses Company (IMC) is the other partner in the Block. Minimum Work Program (MWP) activities related to acquisition, processing and interpretation of 2D / 3D seismic data have been completed in this Block. The Operator has submitted proposal to relinquish the block and the consortium is awaiting for MoPNG/DGH decision for further way forward in the block.

In Cambay basin block CB-ONN-2010/11, BPRL is the Joint operator in the block in Cambay Basin along with GAIL India Ltd as the Lead Operator with a PI of 25% each. During 2016-17 the consortium has completed site preparation and drilling of 5 exploratory wells. Testing of first exploratory well (Dugari-1) got completed with the testing of 3 identified Objects. Based on the testing results the Operator has submitted 'FORMAT A' to DGH which is under consideration.

In Assam basin block AA-ONN-2010/3, BPRL is having a PI of 20%. OIL with a PI of 40% is the Operator of the block and ONGC is other partner with PI of 40 %. Processing and interpretation of Seismic data has been completed and the consortium is in the process of finalizing the location for the committed one MWP well.

In shallow water off shore block, MB-OSN-2010/2 in Mumbai basin, BPRL is having a PI of 20%. OIL with a PI of 50% is the Operator of the block and HPCL is other partner with PI of 30 %. The Seismic Data which was interpreted in-house as well as by independent consultants showed that the prospectivity of the block is not encouraging to proceed with further exploration in the block, hence it was decided to relinquish the block. The proposal for relinquishment of the block has been submitted by the Operator to DGH and the same is under consideration.

In Australia, BPRL currently has a PI of 27.803% in Block EP - 413 (on land) in consortium with Norwest Energy NL, (Operator) and ARC Energy, 100 % subsidiary of Australia Worldwide Exploration. This Block is being explored for Shale gas/tight gas. As a part of the Renewal Phase work commitment, acquisition of 3D seismic data has been carried out over 105 sq kms of the block area. The processing and interpretation of 3D Seismic data that was acquired earlier has been completed during the year. The work commitments of permit year 3 have been swapped by the work commitment of permit year 4. The permit is currently due to expire on 22nd February 2020.

Recently, BPRL has taken steps towards revenue generation by acquiring equity stake in Russian entities operating producing assets. As a result, the portfolio mix of BPRL has moved from that of Exploration, Appraisal and Pre-development stage to one which includes Producing assets. Today, BPRL has assets from Exploration to Appraisal to Pre-development and with stakes now in producing assets. BPRL had a successful exploration campaign in its maiden operatorship block located in Cambay basin with two discoveries being notified to Directorate General of Hydrocarbons. BPRL is moving up the Hydrocarbon value chain and has enhanced its skill base through Operatorship. In order to enhance and complement the existing in-house skills, BPRL has inducted senior G&G staff during the year.

BUSINESS PROCESS EXCELLENCE CENTRE (BPEC)

Business Process Excellence Centre (BPEC) was set up where transactional processes that are common across businesses are standardized and consolidated on to a process platform, in order to gain efficiency and effectiveness. This Centre provides business services to the entire organization, enabling field force to concentrate on core activities. The processes implemented at BPEC resulted in improved governance and control for BPCL as a whole.

BPEC completed its one year of operation during the year. BPEC processed closed to 4.5 lakh invoices amounting to

₹ 10,000 crores during FY 2016-17. BPEC took within its wings various other Accounts Payable related processes like NEFT payments, Site Rent Payments, Vendor Master Governance, TDS/ Service Tax Compliance and Transport payments process. Another critical activity in Accounts Payable is expected to be migrated in the coming year. With the migration of these processes, major activities related to Accounts Payable domain have now been brought under the umbrella of BPEC. Going forward BPEC is further expanding its scope to include Accounts Receivable process.

During the year, BPEC had the privilege of hosting esteemed dignitaries & guests including Additional Secretary & Financial Advisor, MoP&NG; Independent External Monitors and Statutory Auditors. During their visits, the dignitaries & guests expressed their views with regard to how BPCL had put up a forward looking & robust system in this futuristic facility keeping in mind the interest of the Vendors/Customers. BPEC Analytics team has initiated Business analytics with a pilot project in LPG which was appreciated by the Management & the recommendations immediately implemented for realizing value for the business. Also, BPEC Analytics team started using ACL (Audit Command Language) extensively for Audit and Analytics. Coming year is going to be very exciting for the BPEC with GST presenting a new set of challenges as well as limitless opportunities in the areas of analytics to generate value for the stakeholders.

BRAND & PUBLIC RELATIONS

The core purpose of BPCL has been encapsulated in “Energizing Lives”, the positioning of the brand. As the custodians of the brand, the strategy of the Brand & Public Relations Department has been to build and manage a strong brand image reflecting Bharat Petroleum's core values viz. Innovation, Care and Reliability and ingraining these values in every aspect of its activities.

Bharat Petroleum’s popular in-house People First initiative, the Brand Quiz Baadshah Contest, entered the India Book of Records for ‘the largest online participation of employees in a quiz programme by a single organisation’. Institutionalized in 2007, the Brand Quiz Baadshah Contest aimed at energising employees, enhancing their brand and business knowledge and making each and every one a BPCL Brand Ambassador. After two rigorous online rounds, selected teams qualified to written and live rounds, before participating in a grand finale, which had a single team representing each Region/Refinery. This year, 5408 employees out of a total strength of 12019 participated in the online quiz round, constituting a whopping 44% participation. Moreover, the participants included all segments of employees - 1408 workmen, 3500 management and 500 clerical staff - proving beyond doubt the phenomenal success of this employee engagement initiative.

Bharat Petroleum has launched a new initiative, BPC Tarang, which is a daily in-house radio service customized specially for BPCLites, bringing news, views and interviews. With the tagline of 'Meri Awaaz Suno' and the catchy slogan of 'Engage, Energise and Entertain', the core objective of BPC Tarang is to provide a unifying communication platform for employees across various locations of BPCL. The initiative is aimed at reinforcing a sense of oneness, community and shared goals across the BPCL family. BPC Tarang leverages the power of music and radio to create a unique high-traction tool for internal communication, providing tales of achievements, celebrating successes, highlighting activities and updating knowledge on the company. It serves to reach out to all the employees of the Corporation and connect with them, so that they are in touch with the BPCL pulse through the radio.

BPC Tarang can be accessed anytime, anywhere and on any device like the mobile, tab and laptop, including MobiConnect. Programmes include management capsules on topics like a positive attitude, work life balance, celebration of festivals, birthday dedications to artistes/actors, national/international days like World Environment/Cancer Day, 'Did You Know' trivia, employee song requests.

BPC Tarang has been hailed as a wonderful employee engagement initiative, with all levels of employees being energized through regular interviews. Business leaders' interviews add inspiration, while the interviews of mid-management, youth and non-management employees, including labour staff provide insights on their persona. The music entertains staff, adds vibrancy to their work day and energises their lives.

Various digital initiatives and campaigns have helped Bharat Petroleum swiftly create and consolidate our presence on social media. Digital content for enhancing Brand BPCL were planned and promoted through the official handles on Twitter, Facebook, LinkedIn and You Tube. “Insights” of respective BUs from Business Leaders were cross promoted on all platforms and also posted on the website. Through several “People-first initiatives” we empowered our own people to express their thoughts about BPCL as their “Great Place to Work” and also “Dream Company”. In an exclusive video-series, we also invited our network partners to share why they are “Proud to Partner” with Bharat Petroleum. The journals were also transformed into digital mode for active social media sharing. With active support from all SBUs, Brand BPCL could develop authentic digital assets and also initiate a positive social media culture with a strong organic following.

The Online Reputation Management (ORM) system was activated post revamp of the Corporate Website and enhancement of social media presence. With the ORM tool, BPCL is equipped to monitor and respond to around 20000 conversations across the Internet every month. The ORM facility entails monitoring feedback, suggestions and complaints and also generating reports on parameters like demographics and sentiment analysis. The ORM assures 24 x 7 tracking of conversations basis specific keywords identified by BPCL. With customers shifting to the conveniences of digital and social media, complaints raised via these modes are given top priority and the role holders across businesses ensure all open conversations are addressed immediately and closed within 48 hours. Competitor information and insights are also tracked on a daily basis with the ORM tool.

Ministry of Petroleum & Natural Gas appreciated the strength and reach of the ORM mechanism experimented by Bharat Petroleum and advised key role-holders of Corporate Communications of Oil Companies to have exclusive portals for managing Oil & Gas sector complaints. BPCL has been assigned as coordinator for this Digital Initiative which is called “MoPNG e-Seva” launched on Twitter and Facebook. This service is for handling complaints in the Oil & Gas sector and particularly those escalated to Hon’ble Minister of Petroleum & Natural Gas and the Petroleum Ministry.

At the PETROTECH Exhibition held in December 2016 at New Delhi, BPCL showcased opportunities for investments, the world class facilities and expansion plans of our Businesses and Refineries, our cutting edge technologies, R&D and innovations, as well as our marketing initiatives in automation and customer connect activities at its striking pavilion. The BPCL pavilion was visited by many senior delegates from India and abroad, who appreciated the significant role played by BPCL in the growth of the Indian Energy Sector. Engagement activities running at our pavilion included Nukkad Natak emphasizing the importance of PMUY, Selfie Pledge using digital modes for cashless fuel purchase, Online Quiz and Puzzle Zone. BPCL’s grand pavilion at the Vibrant Gujarat Global Trade Show 2017, held in January 2017 at Gandhinagar, also attracted many notable dignitaries from all over the world.

BPCL sponsored the prestigious Ramnath Goenka Excellence in Journalism Award organized by The Indian Express, where great stories in both print and electronic media by journalists were recognized.

As a good corporate citizen, BPCL has sponsored many events and participated in many major conferences like NIPM’s Annual National Conference, the Oil Spill Global Conference & Exhibition, Water Conservation Research Association, North East ASEAN summit, Refinery Technology Meet by Centre for High Technology, National Convention of Company Secretaries, Quest for Excellence organized by ICAI, Forensic Medicon and National Summit for the Energy Sector - Transforming HR held by Birla Institute of Management Technology.

As a corporate working towards uplifting the weaker sections of society, BPCL regularly contributes to various fund-raising events organized by NGOs and cultural events organized by various associations like the Shanmukhananda Fine Arts & Sangeetha Sabha, The National Society for the Blind and the All India Catholic University Federation for education of street children.

On the sports front, BPCL has sponsored various tournaments such as the 15th Delhi International Open Grandmasters Chess Tournament, 4th edition of 'The Indian Crossword League (IXL), the All India Football Tournament, the 9th Delhi State Para Athletic & Power Lifting Championship and the Mumbai district level Kho Kho Championship.

In addition, BPCL has sponsored many college festivals to encourage the youth to participate in cultural activities and organize such events on campus, such as Delhi College of Arts and Commerce, Indian Institution Of Industrial Engineering (IIIE), St. Xavier’s College, Sir JJ School of Arts, IIT Delhi, IIM Trichy, IIM Bangalore, Tata Institute of Social Science (TISS) and KJ Somaiya Medical College and Research Centre.

AWARDS & RECOGNITION

In the prestigious Fortune Global 500 list for 2016, BPCL’s rank is 358. BPCL’s rank is 583 in the Forbes Global 2000 list for 2017, a significant leap from the 650 rank of 2016. For its outstanding global, financial and industry performance, BPCL has been ranked among the top 20 Oil and Gas Refining and Marketing companies in the Platts Top 250 Global Energy Company Rankings for 2016. BPCL ranks 3rd in Oil & Gas Refining and Marketing in the Asia/Pacific Rim, 7th in Oil & Gas Refining and Marketing globally and 11th in overall performance in the Asia/Pacific Rim. On an overall global performance, BPCL has been ranked 35th.

BPCL was declared as the winner of “SAP ACE Awards 2016” under the Category “Leveraging Analytics Large Enterprises” for implementation of “Migration to BW on HANA” system. SAP ACE (Award for Customer Excellence) is a customer awards process that recognizes & rewards

SAP customers who have implemented and leveraged SAP solutions well.

Based on a study conducted in 217 of the ET – 500 companies by Futurescape and IIM – Udaipur; BPCL has been ranked 9th in the "The Best Companies for CSR" list amongst 167 private companies and 50 public sector companies. The ranking was on the basis of four main pillars: Governance, Disclosures, Stakeholder engagement and Sustainability. BPCL is the only PSU figuring in the top 10 list and it also tops the list for Business Responsibility across sectors. BPCL has featured among the "Top 10 Companies for CSR" list for the second year in a row.

BPCL Uran Terminal received the Certificate of Merit from National Safety Council (NSC) – Maharashtra Chapter for Meritorious Performance in Industrial Safety during 2015 in Storage Handling and Distribution of Petroleum Products industrial group. Bakania LPG Plant also bagged the 'Shrestha Industry Award' for the year 2015 from NSC for the third consecutive year. NSC, Tamil Nadu Chapter, which organizes State Level Health & Safety Awards, has selected our Chennai LPG Plant for an Appreciation Award in recognition of its commitment and efforts in promoting Safety, Health & the Environment.

BPCL has been felicitated with the Special Commendations "Oil & Gas Pipeline Transportation–Company of the Year 2015" Award in August 2016 for the special efforts and excellent overall performance in the growth of pipeline infrastructure and capacity utilization for transportation of hydrocarbons. This was conferred upon the Mumbai-Manmad-Bijwasan Pipeline, connecting commercial & national capitals of India and meeting energy needs of our valued customers in six states en-route.

Mumbai Refinery was awarded the prestigious Petrotech 2016 trophy for the 'Replacement of Old Crude & Vacuum Distillation Units by CDU 4' project. BPCL Staff Colony, Chembur made its mark in the Swachh Society Awards-2016, initiated by the ICICI Bank, by winning the 'Swachh Society Award in Large Society category as a Winner (Silver)' amongst 7093 residential societies.

Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA) has given Awards to Industries who have made maximum efforts to reduce energy consumption. In the Industrial category (having connected load up-to 1 MW), the 2nd prize was received by Lucknow LPG Plant and the 3rd prize by Allahabad LPG Plant. BPCL was commended with the Confederation of Indian Industry (CII) 'Supply Chain and Logistics Excellence' (SCALE) Awards - Exemplary position under the Oil, Gas and Petroleum Category.

Mumbai Refinery made its mark in the 'Global Performance Excellence Award (GPEA) 2016, conducted by the Asia Pacific Quality Organization (APQO), by winning the 'Quest for Excellence' Award. This is the Third Award amongst the 'Large Manufacturing Category' under GPEA. Mumbai Refinery bagged three INSSAN awards viz. the Best Suggestion, Best Slogan (English) and Best Slogan (Hindi) at the 27th INSSAN convention.

Confederation of Indian Industry (CII) conferred on BPCL the 'Significant Achievement in HR Excellence' Award for the year 2016 – the highest level of recognition in this edition, at the 7th National HR Excellence Award Confluence. BPCL has scored the highest amongst all the companies that participated in this edition. BPCL also bagged the Award for Learning & Development and was the only organization recognized by CII in this category.

Mumbai Refinery received the prestigious Construction Industry Development Council (CIDC) Viswakarma Award-2017 in the category of 'Best Construction Project' for its NHT/ISOM Project. Kochi Refinery also received the CIDC Viswakarma Award 2017 in the category 'Achievement Award for Construction Health, Safety & Environment.' These awards recognize the work of individuals and organizations, to encourage truly successful efforts that have made a mark on the industry in terms of delivering better outputs & processes and creating higher benchmarks for the industry to help in nation building. Mumbai Refinery's commitment towards sustainability was recognized by it receiving the 'Apex Award' (Highest) under the prestigious 'India Green Manufacturing Challenge (IGMC) – 2016' conducted by the International Research Institute for Manufacturing (IRIM).

Kochi Refinery has won the Exemplary Performance Award under 'Integrated Water Management' Category for 'BPCL Township', Kochi Project in the awards instituted by Green Rating for Integrated Habitat Assessment (GRIHA Council) along with The Energy and Resources Institute (TERI).

BPCL Corporate R&D Centre received "Innovation Award 2015/16 -Best Innovation in R&D" instituted by Ministry of Petroleum and Natural Gas for development of "BPMARRK" - An Innovative methodology for prediction of detailed refining characteristics of crude oil".

Mumbai Refinery Medical Center Team received the Global HR Excellence Award under the category "Award for Managing Health at Work" during the Silver Jubilee year Conference of World HRD Congress. Mumbai Refinery has been conferred the "Challenger's Award" under the prestigious "Sustainability 4.0 Awards-2017" conducted jointly by Frost & Sullivan and TERI (The Energy & Resources Institute), as a recognition for its Sustainability initiatives.

BPCL's Integrated Data Centre (IDC) Infrastructure case study was adjudged as the Winner amongst 200 tough competitors in the 'Data Center Design Management' category of awards organized by NDTV & UBS Transformance at the NDTV Data Centre Summit and Awards at ITC Gardenia, Bengaluru.

Mumbai Refinery's Employee Health Management System entry was awarded the First Prize in the 5th International Best Practice Competition, conducted by the Centre for Organizational Excellence Research, New Zealand.

BPCL's Annual Report has been awarded the First Prize at the prestigious SCOPE Corporate Communication Excellence Awards 2016. Petro Plus, our in-house magazine, won the Second Runner-up prize at the celebrated in-house Communication Excellence Awards 2016. BPCL also won the Silver Award for Petro at the 56thAnnual Awards of the Association of Business Communicators of India.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Corporation has a robust internal control system (including Internal Financial Controls over Financial Reporting) that facilitates efficiency, reliability and completeness of accounting records and timely preparation of reliable financial and management information. The internal control system ensures compliance with all applicable laws and regulations, facilitates in optimum utilization of resources and protect the Corporation's assets and investor's interests. The Corporation has a clearly defined organizational structure, well documented decision rights and detailed manuals and operating procedures for its business units and service entities to ensure orderly and efficient conduct of its business. The internal control systems (including Internal Financial Controls over Financial Reporting) are reviewed on an ongoing basis and necessary changes are carried out to align with the changing business requirements.

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

The Corporation's independent Audit function, consisting of professionally qualified persons from accounting, engineering and IT domains, review the business processes and controls to assess the adequacy of internal control system through risk focused audits. The Internal Audit Department plans the annual audit plan to cover each and every aspect of the business. The audit reports published by the Internal Audit Department are shared with the Statutory Auditors who review the efficacy of internal financial controls. Key business process changes have been reviewed by internal team before implementation.

The Audit Committee of the Board regularly reviews significant findings of the Internal Audit Department covering operational, financial and other areas and provides guidance on internal controls.

ANNEXURE A

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

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy

Energy conservation efforts received continuous focus and are one of the key focus areas of BPCL Refineries, both in terms of improvement in operations/maintenance as well as development of new projects. Continuous monitoring of energy consumption and hydrocarbon loss is undertaken using sophisticated instruments, periodical audits, global benchmarking and data acquisition system. Elaborate and systematic energy accounting and Management Information Systems are the hallmark of Refinery operations.

As a part of Oil & Gas Conservation Campaign 2017, M/s. Centre for High Technology had organized a detailed “Steam Leak & Boiler Efficiency Survey” in the Refineries along with industry experts. In addition, various awareness programs on the Oil Conservation theme were conducted, both inside & outside the refinery.

Besides excellence in the refining process, Mumbai Refinery is keenly focusing on areas of energy conservation and environment management.

MUMBAI REFINERY

The following energy conservation and loss control measures were adopted by Mumbai Refinery during the year 2016-17 which have resulted in significant fuel savings:

- Sustained operation of heat integrated, energy efficient, state-of-the-art CDU 4 unit throughout the year.
- Use of energy saving LED lamps.
- Survey of PSV/PCV to identify passing valves and rectification to reduce flare loss.
- Periodical Survey of Compressed air and Nitrogen leaks and rectification.
- Implementation of Advance Process Control (APC) schemes in CDU 4, NHT, CCR units.
- Implementation of Advance Process Control (APC) in High Efficiency Boilers (HEB) and “Online Utility Planner and Optimizer”, a first of its kind in the country.
- Implementation of “Steam Trap & Leak Management” project to achieve zero steam leaks in RMP Complex.
- Provision of Plate Type heat exchangers for Sour Water Stripper (SWS) and Amine Treating Unit (ATU) during turnaround (March 2016) to reduce steam consumption in reboilers.
- Augmentation of heat exchanger network in CDU 3 for improved heat recovery to overcome process bottleneck (Implementation of pinch study recommendation).
- Pinch Analysis study to improve pre-heat of crude in CDU 3 (Revamp).
- Replacement of conventional steam ejector in VDU 3 by LRVP arrangement.
- Installation of Condensate recovery in BBU.
- Replacement of ETP Blower with latest PM blower for power saving.
- Double Wall Column (DWC) has been commissioned, as part of ISOM unit, to achieve significant reduction in energy consumption.

Relentless efforts towards energy conservation on a sustained basis have resulted in significant saving of energy and natural resources. BPCL Mumbai Refinery has a very robust and effective Energy Management System (ENMS) accredited with ISO 50001:2011 certification and is one of the first refineries to achieve this landmark certification in India.

KOCHI REFINERY

During the year 2016-17, Kochi Refinery implemented a number of projects focused on energy conservation and loss control. Through these projects, reduction in steam consumption, heat recovery and savings in power and fuel could be achieved. The highlights are given below:

- Reduction of HP steam consumption through decreasing the minimum governing speed of Recycle Gas Compressor anti-surge control valve in VGO HDS unit.
- Commissioning of heat recovery from CDU 3 overhead vapors as crude preheat improvement.
- Stopping a few fin fan coolers, pumps and air blowers resulting in power saving.
- Reduction of minimum circulation flow in certain streams.
- Heat recovery by DM water addition in condensate recovery system in VGO-SRU resulting in fuel savings.
- Reducing reboiler steam in Sour Water Stripper column and reducing purge steam to burners.

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

Mumbai Refinery

During the Financial Year 2016-17, solar power generation was 53681 KWHR. New facilities capable of generating 330 KWHR are being pursued.

Kochi Refinery

As part of our commitment to improve utilization of renewable sources of energy, KR installed 36 nos. of Solar Day-lighting systems in its Main Warehouse. This could help in switching off fluorescent tubes resulting in annual power savings to the tune of 16 MWHR.

(iii) The capital investment on energy conservation and estimated savings:

Mumbai Refinery

Sr. No.	Details of energy conservation equipments and division	Capital investments in ₹ Crores	Energy savings (type; unit; total amount; rate / unit)	Remarks, if any
1	Replacement of steam ejector by vacuum pump in crude distillation unit (LRVP).	Part of RMP Revamp	Steam savings=40 MT/D (Rate = ₹ 2,180 / MT)	Steam Consumption reduced
2	Heat Recovery from diesel stream in HCU - provision of steam generator	Part of RMP Revamp	Steam savings=125 MT/D (Rate = ₹ 2,180 / MT)	Due to heat integration
3	Steam leak & steam trap management in RMP complex	3.5	Steam savings=120 MT/D (Rate = ₹ 2,180 / MT)	Steam Loss reduced
4	Provision of Plate type heat exchangers in ARU & SWS	2.9	Steam savings=55 MT/D (Rate = ₹ 2,180 / MT)	Steam Consumption reduced
5	Provision of PM blower in ETP	1.2	Power savings=100 KWHR (Import Power rate = ₹ 9.34 /KWHR)	Power consumption reduced
6	Provision of LED bulbs for lighting	0.44	Power savings=50 KWHR (Import power rate = ₹ 9.34 /KWHR)	Power consumption reduced
7	Maximize heat recovery and energy conservation during the design of new projects such as ISOM/DHT. Divided wall column has been used in the design of ISOM unit to save energy	ISOM Project	Fuel Savings = 14 MT/D (Rate = ₹ 18,712 / MT)	Fuel consumption in furnace reduced

Sr. No.	Details of energy conservation equipments and division	Capital investments in ₹ Crores	Energy savings (type; unit; total amount; rate / unit)	Remarks, if any
8	Commissioning of Advance process control in CCR in Reactor circuit	4	LSHS Saving = 6.5 MT/D (Rate = ₹ 18,712 /MT)	Fuel & Steam consumption reduced
9	Advance process control in Boilers & Aspen Utility Planner	2.1	LSHS savings = 2.3 MT/D (Rate = ₹ 18,712 /MT)	Due to reduction of steam header pressure & excess O_2 to boiler

Kochi Refinery

Sr. No.	Details of energy conservation equipments and division	Capital investments in ₹ Crores	Energy savings (type; unit; total amount; rate / unit)
1	Reduction of HP steam consumption by 1.45 MT/HR through decreasing the minimum governing speed of VGO HDS RCG Compressor anti-surge control valve.	Nil	Fuel, 909.55 MT/year, ₹ 140.9 lacs/year, ₹ 15,491/MT
2	Commissioned heat recovery from CDU 3 overhead vapors as crude preheat improvement resulting in fuel saving of 1.97 MT/HR.	4.07	Fuel, 2,479.76 MT/year, ₹ 384.13 lacs/year, ₹ 15,491/MT
3	Stopped VH-E-12 B (stripper overhead fin fan) in VGO HDS unit resulting in power saving of 24.4 KWHR.	Nil	Electricity, 202.03 MW, ₹ 18.26 lacs/year, ₹ 9.04/KWHR
4	Reduced VH-P-03 minimum circulation flow from 125 to 100 MT/HR resulting in power saving of 41.1 KWHR.	Nil	Electricity, 340.31 MW, ₹ 30.76 lacs/year, ₹ 9.04/KWHR
5	Stopped one FD fan in VGO HDS heaters VHH01/2 resulting in power saving of 24.4 KWHR.	Nil	Electricity, 202.03 MW, ₹ 18.26 lacs/year, ₹ 9.04/KWHR
6	Operating single combustion air blower among DSC 001 A/B/C in DHDS unit resulting in power saving of 165.18 KWHR.	Nil	Electricity, 1,321.44 MW, ₹ 119.46 lacs/year, ₹ 9.04/KWHR
7	Stopping second LSD pump in DHDS unit resulting in power saving of 77.74 KWHR.	Nil	Electricity, 621.92 MW ₹ 56.22 lacs/year, ₹ 9.04/KWHR
8	Reducing VH-P-10 C minimum circulation flow from 21 to 16.5 MT/HR resulting in power saving of 20.6 KWHR.	Nil	Electricity, 170.57 MW, ₹ 15.42 lacs/year, ₹ 9.04/KWHR
9	Stopping VW-EA 11A (SWS 2nd column pump around fin fan cooler) resulting in power saving of 18.96 KWHR.	Nil	Electricity, 157.07 MW, ₹ 14.2 lacs/year, ₹ 9.04/KWHR
10	Reduced reboiling steam (LP) in VW-V-02 (VGO SWS 2nd column) from 2.6 to 1.8 MT/HR.	Nil	Fuel, 463.22 MT/year, ₹ 71.76 lacs/year, ₹ 15,491/MT
11	Replacing conventional lighting in plants, Control Rooms, substations, and office rooms resulting in power saving of 251.8 KWHR.	0.5855	Electricity, 919.07 MW, ₹ 83.08 lacs/year, ₹ 9.04/KWHR
12	Heat recovery by DM water addition in condensate recovery system in VGO SRU resulting in .025 MT/HR of fuel savings.	Nil	Fuel, 207 MT/year ₹ 32.07 lacs/year ₹ 15,491/MT

B. TECHNOLOGY ABSORPTION

MUMBAI REFINERY

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

1. CCG Gasoline stream filter (G002 A/B) commissioned and processed gasoline heavy cut for the first time in NHT/CCR resulting in additional feed of 200 MT per day to CCR during RMP turnaround.
2. CDU 4 APC has been successfully commissioned on 27th December, 2016. There are 8 controllers in the unit as all the controllers are on. Pass balancing in CDU heater has resulted in reducing the deviation (of 8 passes) to 2°C as compared to difference of 10°C. earlier in CDU heater.
3. Benefits of implementation of APC in Boiler House are approx. ₹ 1.32 lakhs/day. This is due to:
   i) Reducing the steam header pressure by 0.1 Kg leads to a savings in fuel oil consumption of ~4 MT/D.
   ii) The average excess O_2 has reduced from 5.84% average baseline to 3.38% post APC control, equivalent to 4.2 MT/D
4. Divided wall column was provided instead of conventional column in ISOM unit which resulted in saving of 300 MT/D of steam

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

(a) The details of Technology imported; and (b) the year of Import

Technology	Year of Import
• NHT / CCR unit licensed by M/s. Axens IFP Group Technologies, France	2009
• NHT / ISOM unit licensed by M/s. GTC Technology, USA	2013
• LRVP in Vacuum column of two crude units	2016

(b) Has technology been fully absorbed?

Yes.

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

Not Applicable.

KOCHI REFINERY

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

1. CLO Filter in FCCU: Kochi Refinery is the first Indian PSU refinery to install the Clarified Oil (CLO) filtration system supplied by the General Atomics Group USA. The CLO filtration is designed to reduce the catalyst fines content in FCCU CLO product from 4000 ppm to 100 ppm so as to route the CLO product directly to the Plant Fuel tanks.
2. Autoloader in FCCU: FCCU auto catalyst loader system was commissioned on 31st March 2017. The system was supplied by M/s Intercat and is designed to add FCCU fresh catalyst on a continuous basis to the regenerator for maintaining the activity of the system inventory. This system design gives the refiner all the benefits of a reliable, low maintenance, extremely accurate catalyst addition system with the minimum of moving parts for maximum reliability.

3. Octane booster trial in MS: Octane booster trial was conducted at Kochi Refinery and the economic benefit was evaluated. After successful trial, the economic benefit observed that the cost of Naphtha upgraded through the trial was ₹ 1.11/Litre higher than the RTP of MS, considering the marketing margin of ₹ 1.69 /Litre for MS.

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

(a) The details of technology imported: and (b) the year of import

Technology		**Year of Import**
i.	VGO HDT Unit licensed by M/s Shell Global, USA	2013
ii.	TGT Unit licensed by M/s CB&I, USA	2013
iii.	NHT ISOM Unit licensed by M/s UOP, USA	2013
iv.	Hydrogen Generation Unit licensed by M/s Technip KTI, Netherlands, build own and operate by M/s Air Products, USA	2013 (*)
v.	Nitrogen/ Oxygen Generation Unit licensed by M/s Air Products, USA	2013 (*)
vi.	Acrylic Acid Unit licensed by M/s Air Liquide E&C, Germany	2016
vii.	Oxo Alcohol Unit licensed by M/s JM Davy Process Technology, UK	2016
viii.	Acrylates Unit licensed by M/s Mitsubishi Chemical Corporation, Japan	2016

(*) Units erected on Build Own and Operate (BOO) basis by M/s Air Products, USA

(b) Has the technology been fully absorbed ?

Technologies (i) to (ii) have been fully absorbed.

Technology (iii) is under commissioning stage. Technologies (vi) to (viii) are for the Propylene, Derivative, Petrochemical Project which are under construction stage.

(c) If not absorbed, areas where absorption has not taken place, reasons thereof and future plans of action,

Not applicable.

iii. Expenditure on R&D during 2016-17

(₹ in Crores)

Expenditures	**2016-17**
Capital Expenditure	16.70
Revenue / Recurring Expenditure	32.78
Total	49.48

RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D has been carried out by the Company :

1. Development of Aromatic Free Solvent.
2. Development of indigenous desalter technology.
3. Development of CFD model for CCU reactor to address fluid flow related issues.
4. Development of novel Cross-Flow Hydroprocessing Reactor configuration.
5. Development of advanced real time dynamic model and soft sensors development for monitoring and online optimization.
6. Development of Divided Wall Column (DWC) technology.

7. Development of viscosity correlation models.
8. Development of Drag Reducing Agent (DRA) formulations.
9. Development of process for olefins maximization through FCCU.
10. Development of Bharat Neutrachem (Corrosion inhibitor for column overhead systems).
11. Development of catalyst for slurry phase residue hydroprocessing.
12. Development of Coke and fouling mitigation strategies while processing waxy/non waxy / asphaltenic / non asphlatenic crude oils.
13. Development of cost effective Gasoline Sulphur reduction additive for FCCU.
14. Development of Diesel lubricity improver additive.
15. Development of indigenous cost effective dewaxing catalyst for LOBS production.
16. Development of superabsorbent polymers.
17. Development of catalyst and process for hydro conversion of vegetable oil to diesel and jet fuels.
18. Development of catalyst for Hydrodesulfurization of Light gas oil feed.
19. Development of Biodegradable lubricants for cutting oil application.
20. Process for production of white oils.
21. Gasification & Pyrolysis of coal/biomass.
22. Benzene valorization through niche chemical production.
23. Valorization of Petroleum Sludge.
24. High Performance Engine oil for 4 Stroke 2 Wheelers.
25. Low Viscometrics Synthetic Engine oil for High performance passenger cars.
26. Eco-friendly Granite Cutting oil.
27. Screw Compressor oil.
28. Defence specific oil.
29. Alternate formulations for existing products.

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

1. For quick prediction of refining characteristics of crude oils, an intelligent device (dongle) named BP MARRK TM has been launched based on innovative methodology. It minimizes the time required to predict or estimate the assay composition of any hydrocarbon stream. BP MARRK TM has been presented to ASTM for its usage as a new standard for crude oil yield estimation.
2. Novel DWC configuration has been developed for effective naphtha splitting, which is capable of providing high quality feed to the ISOM and CCR units. This offers higher separation efficiency and high Octane barrels with low energy penalty.
3. The commercial trial of in-house developed dewaxing catalyst recipe has been planned at MR 12 MT of catalyst has been produced that will substitute imported catalyst inventory at an estimated cost reduction of 200%.
4. Proof of concept for converting benzene to biphenyl via cyclohexylbenzene has been demonstrated. This will offer a more lucrative alternate of Benzene evacuation at refineries.

5. BPCL-CRDC and Sewree-R&D successfully developed biodegradable metal cutting oil formulation using bio-diesel as a feedstock. This development would provide an opportunity to valorize bio-diesel while mitigating environmental issues.

6. Gasoline Sulphur Reduction (GSR) catalyst was developed and demonstrated at MR successfully. Process for the manufacturing of 120 ton catalyst for regular use in MR-FCC is in progress. This will help in addressing the disposal problem of E-Cat.

7. Model development for coke and fouling mitigation while processing waxy/non waxy/asphaltenic/non asphlatenic crude oils, reduced crude oil, vacuum gas oil and vacuum residue is being done. The developed model is envisaged to assist additive selection / process optimization.

8. Development of indigenous desalter technology in collaboration with EIL under CHT sponsored project.

9. Development of novel Cross-flow hydroprocessing reactor configuration wherein multi scale facilities have been developed and cold flow studies are in progress to evaluate hydrodynamic parameters vis-à-vis conventional trickle bed reactor under identical conditions. The developed technology will be superior in terms of conversion, energy efficiency and economics.

10. A novel multi-tubular methanol reactor system for synthesis of methanol from syngas has been designed, fabricated and demonstrated in lab scale. It is planned to undertake scale up activity jointly with participating institutions of India/Australia for further development. This will assist in monetizing flared gases from various sites.

11. Dynamic model in one of the Crude Distilation units (CDU) of MR, Crude Assessor Model and Steady State CDU optimizer model has been developed and demonstrated for MR. Crude Assessor Model and offline Steady state optimization models installed.

12. Drag Reducing Agent (DRA) formulations have been developed as import substitutes for pipeline transport of distillates.

13. High performance engine oil for 4 Stroke 2 wheelers would offer better engine cleanliness to motorcycles and help in generating new business.

14. Low Viscometric Synthetic Engine oil for high performance passenger cars would offer fuel economy benefits thereby preserving precious petroleum resources, besides helping in generating new business.

15. Eco-friendly granite cutting oil is a colourless, odourless product with negligible aromatics and sulphur content; provides better visibility of cutting tools during operation and would offer better lubricity and heat dissipation characteristics during the hardest stone cutting. This would help us in generating new business.

16. Screw compressor oil would deliver excellent oxidation & thermal resistance and exceptional equipment protection, prolonging the life of system components and reliability for Screw air compressors operating under severe conditions and help in generating new business.

17. Defence specific engine oil would expand BPCL's product portfolio of Defence grades and would give Defence another viable option for their new generation vehicles/equipment.

18. Alternate formulation for existing grades would provide operational flexibility, besides reducing the input cost of respective grades.

3. Future R&D Plans

1. Development of effective product and process for diesel additives.

2. Development of delayed coker unit.

3. Development of optimum catalyst dosage for slurry residue hydroprocessing.

4. Development of niche products such as acrylic acid, propylene oxide etc.

5. Development of energy efficient domestic LPG burner.
6. Development of Intensified reactor for bio-diesel/hydroprocessing reactor.
7. Development of biodegradable packages.
8. Production of high-quality white oil for cosmetic and specialty chemicals.
9. Lignocellulosic biomass into value added products.
10. Monetization of associated gas streams into value added products.
11. CO_2 capture and valorization from refinery PSA off gas.
12. Enhancement of performance of refinery heat exchanger through tube inserts.
13. Synthetic Lubricants – PAOs / Esters / Glycols – for various futuristic applications.
14. Process improvement in 2nd generation lignocellulosic biomass processing for ethanol production.
15. Valorization of refinery streams and development of additives for reduction of sulphur in petcoke.
16. Valorization of used Lubes & Greases and Cutting Oils.
17. Valorization of VGO to Naphthenic base stocks.
18. Selection and regeneration of potential ionic liquid for hydroprocessing.
19. On-purpose butadiene production from n-butane.
20. High Performance Engine oil compatible with Ethanol blended petrol (up to E85) for 4 Stroke 2 wheelers.
21. Synthetic Engine oil for High performance passenger cars.
22. High performance Hydraulic Oil.
23. Cutting oil for new generation materials.
24. Fully synthetic transmission fluid for passenger cars.
25. Water resistant grease for Industrial applications.
26. Alternate formulations for existing products.

C) Foreign Exchange Earnings/Outgo

The details of foreign exchange earnings & outgo are given below:- (₹ in Crores)

	2016-17	**2015-16**
Earnings in Foreign Exchange - Includes receipt of ₹1,277.23 Crores (previous year ₹ 1,003.91 Crores) in Indian currency out of the repatriable funds of foreign airline and ₹ 54.54 Crores (previous year ₹ 53.93 Crores) of INR exports to Nepal and Bhutan of I&C and Lubes Customers	**9,788.58**	7,137.95
Foreign Exchange Outgo - on account of purchase of Raw Materials, Capital Goods, Chemicals, Catalysts, Spare Parts, International Trading Activities	**62,084.76**	50,701.31

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

"We are a Model Corporate Entity with Social Responsibility" is one of the vision statements of Bharat Petroleum Corporation Limited (BPCL). BPCL recognises its responsibility towards the community and has contributed over the years towards the goal of achieving sustainable development. As per the Companies Act 2013, we have our CSR policy and guidelines in place, and the highlights of the same are as below:

- In every Financial Year, at least 2% of the average net profits of the Company made during the three immediately preceding Financial Years will be earmarked for undertaking CSR activities.
- We have a CSR Committee of the Board headed by an Independent Director, which regularly reviews and monitors all CSR projects.
- A triple bottom line and robust governance structure with a dedicated team of CSR professionals, strives towards identifying and implementing impactful social projects, which are in alignment with the areas specified under Schedule VII of the Companies Act, 2013 of which the Company takes up CSR projects largely in the 5 core thrust areas of :
  - Education
  - Water Conservation
  - Skill Development
  - Health/Hygiene and
  - Community Development.

The details of the CSR policy and projects and programme are available on the website of the Company www.bharatpetroleum.in

2) The composition of the CSR Committee : The CSR Committee of the Board comprises-

1. Shri Rajesh Kumar Mangal, Chairman of the Committee – Independent Director
2. Shri Anant Kumar Singh, Government Nominee Director
3. Shri P. H. Kurian, Government Nominee Director (Up to 18.04.2017)
4. Shri S.P Gathoo, Director (HR)
5. Shri P. Balasubramanian, Director (Finance) (Up to 30.04.2017)
6. Shri Paul Antony, Government Nominee Director (w.e.f. 29.05.2017)
7. Shri K. Sivakumar, Director (Finance) (w.e.f. 01.05.2017)

3) Average net profit of the Company for the last three Financial Years : ₹ 7,957.09 Crores

4) Prescribed CSR Expenditure for 2016 -17 : ₹ 159.14 Crores

5) Details of CSR Spend during the Financial Year 2016-17

a. Total Amount to be spent : ₹ 218.21 Crores (including the carry forward of ₹ 59.07 Crores of Financial Year 2015-16)

b. Amount unspent : ₹ 127.23 Crores

c. Details of the manner in which the amount was spent : Enclosed in Attachment

6) In case the Company has failed to spend the two per cent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

Sustainability and Corporate Social Responsibility have been deeply rooted with BPCL's business strategy, which drives the sustainable initiatives focused on 'energising lives' of the marginalised section of society. BPCL's CSR initiatives are directed by a project based approach in line with the guidelines issued by Department of Public Enterprises and Ministry of Corporate Affairs, Government of India. BPCL has been following an institutionalised approach in identifying, implementing, sustaining and monitoring CSR projects to maximise the sustainability, scalability and transparency.

BPCL weighs its performance by its Triple Bottom Line contribution towards nurturing economic, social and environmental stability. Throughout the journey, BPCL has piloted several projects in the development sector, Pan India. A Multi-stakeholder approach is adopted by involving targeted communities, collaborating with government and non-government organisations, academic institutions and others in the process of effecting strategic CSR initiatives. Project outcome and impact evaluation have exhibited that projects have triggered positive outcome and established a sense of community ownership in the broader social context. Today through an institutionalised planning process, partnership with expert agencies and effective community engagement, BPCL is ready for scaling them up across districts/geography. Just as, BPCL has progressively scaled up its outreach, it has also steadily increased its spending with enhanced responsible business operations - However keeping a fragile balance between "Delivering & Spending'.

BPCL provided a budget of ₹ 159.14 Crores in 2016-17 and BPCL has allocated the entire budget for various projects in identified thrust areas mentioned above including Swachh Bharat- Swachh Vidyalaya initiatives. In addition, BPCL has carried forward ₹ 59.07 Crores unspent budget from Financial Year 2015-16.

Against the above allocation of ₹ 159.14 Crores and carry forward amount of ₹ 59.07 Crores, an expenditure of ₹ 90.98 Crores was incurred. The shortfall from the stipulated prescribed spends is on account of the following reasons:

1. In the beginning of the Financial Year, BPCL strategized to commit funds for major projects within identified thrust areas that were envisaged to begin in the Financial Year 2016-17. For e.g. 'Waste to Fuel' Project, Project for 'Making Madurai Meenakshi Temple - A Swachh Iconic Place', maintenance of toilet blocks and others. Due to delay in administrative procedures, these are anticipated to be completed in the coming year.
2. Significant shared value creation in the development sector becomes constructive and concrete through efficient implementation partners, sustained long term and continued intervention. Majority of its projects span between one to five years. A number of projects were approved in the 2nd, 3rd and 4th quarters of the Financial Year 2016-17 with implementation spread over one to two years. Furthermore, as per BPCL's CSR Policy, projects are executed in a project mode with payments being linked to achievement of key deliverables. The actual expenditure against approved projects rolls beyond the Financial Year. Hence, payments for projects committed during the reported Financial Year, will be released over the subsequent months. However, since most of these projects are being executed in a dynamic environment, encompassing various stakeholders, project completion does tend to get delayed.
3. CSR as a practice has exponentially bringing with it an increasing demand of transparency. Over the years, BPCL has been focusing on continuous improvement in social, environmental and economic performance that are both measurable and sustainable. This is also reflected in its CSR projects due to an established diligence process for approving the projects. Hence, BPCL does not disburse funds on projects which are not 'sustainable' or not delivering 'results'.

   As a responsible Corporate BPCL's constant endeavour is to complete projects which have been initiated while ensuring the impact envisioned. In the process funds may have to be carried forward, sometimes even reallocated. The CSR funds that were unspent in the financial year 2016-17, despite being allocated, for the reasons mentioned above are being carried forward to the next year and will be rightfully spent/ reallocated as the case may be.

   BPCL commits to continue enabling inclusive growth as a core component of sustainable development through focused and proactive social projects. BPCL strives to align its CSR initiatives with missions of National importance and sustainable development goals.

7) Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Sd/-	Sd/-	Sd/-
K. Sivakumar	**S.P. Gathoo**	**Rajesh Kumar Mangal**
Director (Finance)	Director (HR)	Chairman – CSR Committee

Date: 24.07.2017

5(c) Details of the manner in which the amount was spent

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise in ₹	Amount spent on projects or programs in ₹		Cumulative expenditure upto the reporting period ₹	Amount spent: Direct or implementing agency
						Direct Expenditure	Programs Overhead		
1	BOOND - Rain water harvesting project Mokhada	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Other	Dist Palghar, Maharashtra	6,26,18,267	1,13,78,061	-	4,20,57,046	Implementing agency
2	BOOND - Rain water harvesting project -Tuticorin		Local	Dist Tuticorin, Tamil Nadu	2,53,60,684	38,22,341	-	1,14,24,316	Implementing agency
3	BOOND- Rain water harvesting project in Bharatpur		Local	Dist - Bharatpur, Rajasthan	4,72,49,430	27,09,206	-	2,47,55,225	Implementing agency
4	BOOND - Rain water harvesting project -Kolar Ramanagara		Local	Dist - Kolar & Ramanagara, Karnataka	3,02,64,000	40,99,920	-	1,35,26,520	Implementing agency
5	Extending medical care to the urban poor	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Other	Dist Kozhikode, Kerala	36,58,000	26,47,897	-	36,57,897	Implementing agency
6	Healthcare facilities in Homeopathy Hospital Thiruvaniyoor		Local	Dist Ernakulam, Kerala	32,35,000	11,26,856	-	30,67,856	Implementing agency
7	Homeopathy clinic providing services to the Mahul community.		Local	Dist Mumbai, Maharashtra	2,20,836	2,20,836	-	2,20,836	Implementing agency
8	Healthcare project for tribal Mother & Child		Other	Dist Mysore, Karnataka	20,64,400	2,60,799	-	19,68,634	Implementing agency
9	Health insurance for Fishermen & spouses		Local	Dist Mumbai, Maharashtra	25,23,296	21,94,170	-	21,94,170	Implementing agency
10	Restoration of Primary Health Centre at Penugollu		Other	Dist Vishakhapatnam, Andhra Pradesh	98,00,000	79,20,000	-	89,00,000	Implementing agency
11	Supporting purchase of x-ray machine & Charitable dispensary		Local	Dist Chennai, Tamil Nadu	22,00,000	6,00,000	-	22,00,000	Implementing agency
12	Cataract surgeries for tribals		Other	Dist Dhenkanal-Angul-Jajpur-Kendrapara-Jagatsinghpur-Nayagarh, Odisha	10,00,000	2,50,000	-	7,46,800	Implementing agency
13	Project Aarogya - Medical Camps in Mahul & Washala		Local	Dist Mumbai & Thane, Maharashtra	4,31,655	52,430	-	3,72,951	Implementing agency
14	Supporting construction of Anganwadis in Thiruvaniyoor Grama Panchyat		Local	Dist Ernakulam, Kerala	21,86,000	3,30,868	-	11,30,868	Implementing agency
15	Support to Highway Safety Scheme of Kerala Police for accident victims		Other	Districts Kannur, Kollam and Trichur	40,08,042	40,02,120	-	40,02,120	Implementing agency
16	Providing water purifier and cooler for school children in 8 schools at Sidhpur		Local	Dist Patan, Gujarat	5,83,664	4,64,160	-	4,64,160	Implementing agency
17	Support Medical camps through mobile medical units and diagnostic equipment		Local	Dist Dehradun, Uttarakhand	53,69,000	51,03,500	-	51,03,500	Implementing agency
18	Anganwadi Nutrition Programme in Thiruvaniyoor Grama Panchyat		Local	Dist Ernakulam, Kerala	23,46,875	5,21,095	-	5,21,095	Implementing agency
19	Noon meal Nutrition Programme in Thiruvaniyoor Grama Panchyat		Local	Dist Ernakulam, Kerala	40,89,843	6,13,473	-	6,13,473	Implementing agency
20	Anganwadi Nutrition Programme in Vadavucode Puthencruz Grama Panchyat		Local	Dist Ernakulam, Kerala	43,73,063	6,54,703	-	6,54,703	Implementing agency
21	Cancer care at Government General Hospital		Local	Dist Ernakulam, Kerala	1,00,00,000	90,00,000	-	90,00,000	Implementing agency
22	Civil works at Narayan School		Local	Dist Mumbai, Maharashtra	1,1,00,000	4,13,967	-	4,13,967	Direct

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise in ₹	Amount spent on projects or programs in ₹		Cumulative expenditure upto the reporting period ₹	Amount spent: Direct or implementing agency
						Direct Expenditure	Programs Overhead		
23	Swachha Bharat - Swachha Vidyalaya Sanitation Block including maintenance cost		Other	Dist - Sehore-Badwani and Mandla, Madhya Pradesh	20,59,58,250	-59,07,613	-	5,75,59,067	Direct or Implementing agency
24	Swachha Bharat - Swachha Vidyalaya Sanitation Block including maintenance cost		Other	Dist - Patna, Araria, Katihar, Muzaffarpur, Khagariya and Bhojpur, Bihar	11,54,25,551	19,20,428	-	6,97,05,111	Direct
25	Swachha Bharat - Swachha Vidyalaya Sanitation Block including maintenance cost		Other	Dist - Sambalpur, Balasore, Sonepur, Bargarh, Khordha, Mayurbhanj, Sundergarh and Deogarh, Odisha	26,95,21,590	15,37,857	-	10,09,99,386	Direct or Implementing agency
26	Swachha Bharat - Swachha Vidyalaya Sanitation Block including maintenance cost		Other	Dist Rangareddi and Medak, Telangana	12,18,70,632	15,29,032	-	8,17,19,608	Direct
27	Swachha Bharat - Swachha Vidyalaya Sanitation Block including maintenance cost		Other	Dist Surguja, Chhattisgarh	14,64,79,125	15,36,386	-	3,72,86,386	Implementing agency
28	Sanitation Block Construction in Schools & College		Other	Dharwad	99,62,082	57,70,403	-	57,70,403	Direct
29	Cleanliness and Sanitation activities at Madhurai Meenakshi Temple surrounding under Swachh Bharat Clean India Mission Iconic Places		Other	Madurai	11,36,25,000	2,27,25,000	-	2,27,25,000	Implementing agency
30	Establishing 5 school libraries in Govt Municipal schools	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local	Dist Mumbai, Maharashtra	10,94,256	1,31,152	-	9,26,118	Implementing agency
31	Improve quality of education in 14 rural govt schools		Local	Dist Coimbatore, Tamil Nadu	35,46,717	5,29,312	-	30,55,429	Implementing agency
32	Computer education, setting up a library & reading room for children/youth		Other	Dist Coorg, Karnataka	11,87,500	1,18,750	-	11,87,500	Implementing agency
33	Ekalvidyalaya One teacher schools for primary education of tribals		Other	Dist Idukki, Wayanad, Kerala	20,00,000	20,00,000	-	20,00,000	Implementing agency
34	Teacher training in Universal active Maths		Local	Dist Mumbai, Maharashtra	26,65,044	1,91,573	-	9,55,569	Implementing agency
35	Home based rehabilitation training for differently abled children		Local	Dist Ernakulam, Kerala	51,40,800	18,17,673	-	36,72,142	Implementing agency
36	Computer Assisted Learning (CAL) (Mumbai, Jaipur & Solapur)		Local	Dist Mumbai, Solapur, Maharashtra, Jaipur - Rajasthan	4,78,61,710	1,38,23,600	-	3,97,97,900	Implementing agency
37	Quality education for tribal students		Other	Dist Sundargarh, Odisha	35,91,500	7,08,022	-	35,81,222	Implementing agency
38	Utkarsh Classes & Vocational Skilling		Local	Dist Mumbai, Maharashtra	1,07,21,570	1,36,065	-	98,43,302	Implementing agency
39	Computer Assisted Learning (CAL) for Mahul students		Local	Dist Mumbai, Maharashtra	43,20,948	8,09,380	-	24,57,113	Implementing agency
40	Saksham - Teacher & School Leader Training Project (Primary & Upper Primary)15-16		Local	Dist Mumbai, Maharashtra	38,67,864	8,71,132	-	13,71,132	Implementing agency
41	20 libraries in government schools		Local	Dist - Mumbai, Maharashtra & Delhi	41,43,363	3,53,819	-	40,97,515	Implementing agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise in ₹	Amount spent on projects or programs in ₹		Cumulative expenditure upto the reporting period ₹	Amount spent: Direct or implementing agency
						Direct Expenditure	Programs Overhead		
41	Akshar -Read India project in Nandurbar & Sagar		Other	Dist - Nandurbar & Sagar, Maharashtra & Madhya Pradesh	9,34,99,751	-20,50,541	-	7,02,11,914	Implementing agency
42	Akshar - Read India project in Jaipur & Dausa		Other	Dist - Jaipur & Dausa, Rajasthan	2,76,31,395	28,43,649	-	2,43,80,547	Implementing agency
43	Secondary Education project to help academically weak students		Other	Dist -Raigarh, Maharashtra	30,25,890	3,16,572	-	29,88,297	Implementing agency
44	Education program & therapeutic rehabilitation for the differently abled		Other	Dist Thane, Maharashtra	21,75,600	8,17,200	-	8,17,200	Implementing agency
45	Science education - Solur Ramanagar Project		Local	Dist Bangalore, Karnataka	1,28,73,937	16,05,024	-	93,31,929	Implementing agency
46	BPC KOHINOOR educational scholarship to meritorious and economically deserving students		Local	Dist Mumbai, Maharashtra	96,33,600	38,40,000	-	92,01,600	Implementing agency
47	Placement linked Vocational skilling of unemployed youth in Telangana & AP		Local	Dist Warangal- Vijayawada & Visakhapatnam, Andhra Pradesh & Telengana	1,96,33,000	51,90,000	-	1,55,70,000	Implementing agency
48	Science education -Mumbai		Local	Dist Mumbai, Maharashtra	21,44,040	5,31,519	-	19,21,539	Implementing agency
49	Capability enhancement and Enabling programme for students of government schools		Local	Dist Ernakulam, Kerala	36,20,300	9,03,421	-	35,45,630	Implementing agency
50	Jyothi Education Project -providing entrance coaching to the underprivileged children for professional education		Local	Dist Ernakulam, Kerala	24,00,000	24,00,000	-	24,00,000	Implementing agency
51	Enhancement of facilities at government schools in Vadavucode Puthencruz Grama Panchayat		Local	Dist Ernakulam, Kerala	29,37,000	29,17,076	-	29,17,076	Implementing agency
52	Smart Learning Project Kochi City		Local	Dist Ernakulam, Kerala	32,92,500	32,77,500	-	32,77,500	Implementing agency
53	Proposal for support of night schools in Mumbai with NGO Masoom		Local	Dist Mumbai, Maharashtra	49,71,390	42,25,682	-	42,25,682	Implementing agency
54	Approval for 'Utkarsh' project for education and vocational skilling of 63 underpriviledged students from Mahulgaon		Local	Dist Mumbai, Maharashtra	4,09,116	1,21,858	-	2,98,488	Implementing agency
55	Proposal to continue support of Project 'UTKARSH' for education and vocational training of underpriviledged students from 25 schools in Chembur 2016-17		Local	Dist Mumbai, Maharashtra	42,48,593	30,11,105	-	30,11,105	Implementing agency
56	Supporting Computer Asisted Learning Project (CAL) in low income schools at Washala.		Local	Dist Thane, Maharashtra	89,55,382	8,54,087	-	8,54,087	Implementing agency
57	Solar Energy system in RKM Higher Secondary school, T Nagar Chennai		Other	Dist Chennai, Tamil Nadu	14,17,495	14,17,495	-	14,17,495	Implementing agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise in ₹	Amount spent on projects or programs in ₹		Cumulative expenditure upto the reporting period ₹	Amount spent: Direct or implementing agency
						Direct Expenditure	Programs Overhead		
58	Improvement in learning levels of students in Lachhda		Other	Dist Sundergarh, Odisha	5,12,000	1,28,254	-	3,84,254	Implementing agency
59	Dance and Theatre training in 2 underprivileged schools		Local	Dist Mumbai, Maharashtra	9,85,000	1,97,000	-	1,97,000	Implementing agency
60	Saksham - Teacher & School Leader Training Project (Primary & Upper Primary) 2016-17		Local	Dist Mumbai, Maharashtra	26,42,645	5,00,000	-	5,00,000	Implementing agency
61	Providing educational support to 150 cancer affected children		Local	Dist Mumbai, Maharashtra	9,73,800	86,160	-	86,160	Implementing agency
62	Supporting diploma in automobile & computer engineering for underprivileged		Other	Dist Chennai, Tamil Nadu	94,50,000	16,00,000	-	76,00,000	Implementing agency
63	Remedial education for Children in 20 slums of Bhubaneswar		Local	Dist Khurda, Odisha	49,88,944	12,38,920	-	12,38,920	Implementing agency
64	Improve quality of education in 13 rural govt schools		Local	Dist Coimbatore, Tamil Nadu	35,80,152	7,16,030	-	7,16,030	Implementing agency
65	Career Counselling to girl students-EduConnect at Hissar		Local	Dist Hisar, Haryana	35,70,845	18,93,262	-	18,93,262	Implementing agency
66	Third Party evaluation of Akshar Read India Project in Nandurbar, Sagar, Jaipur & Dausa		Other	Dist Nandurbar in Maharashtra, Dist Sagar in Madhya Pradesh, Dist Jaipur & Dausa in Rajasthan	13,57,363	8,19,684	-	8,19,684	Implementing agency
67	Computer Assisted Learning (CAL) project with BMC schools		Local	Dist Mumbai, Maharashtra	2,33,46,485	18,90,071	-	18,90,071	Implementing agency
69	Skill Development for autistic students		Local	Dist Mumbai, Maharashtra	46,74,000	14,16,258	-	31,90,958	Implementing agency
69	Support to Skill Development Institute of Bhubaneswar		Local	Dist Khurda, Odisha	1,50,00,000	1,50,00,000	-	1,50,00,000	Implementing agency
70	Contribution to Skill Development Institute Visakhapatnam		Local	Dist Visakapatnam, Andhra Pradesh	1,50,00,000	1,50,00,000	-	1,50,00,000	Implementing agency
71	Contribution to Skill Development Institute Kochi		Local	Dist Ernakulam, Kerala	4,50,00,000	4,50,00,000	-	4,50,00,000	Implementing agency
72	Supporting Contribution to Hydrocarbon Sector Skill Council		Local	New Delhi	1,50,00,000	50,00,000	-	50,00,000	Implementing agency
73	Supporting for placement linked vocational training centre for leprosy affected youth		Local	Dist Nashik in Maharashtra, Dist Janjgir-Champa in Chattisgarh, Dist Faizabad in Uttar Pradesh	90,72,000	54,43,200	-	54,43,200	Implementing agency
74	Skill development & employment opportunities for unemployed street youth		Local	Dist Mumbai, Maharashtra	21,43,000	19,28,700	-	19,28,700	Implementing agency
75	Vocational skilling of unemployed youth		Local	Dist Wardha, Butibori in Maharashtra	10,30,000	-2,76,600	-	2,38,400	Implementing agency
76	Supporting Vocational Skilling Project for youth in mahul, Mumbai		Local	Dist Mumbai, Maharashtra	2,69,350	92,342	-	92,342	Implementing agency

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Local area or other	State & District where project or program was undertaken	Amount Outlay (Budget) project or programwise in ₹	Amount spent on projects or programs in ₹		Cumulative expenditure upto the reporting period ₹	Amount spent: Direct or implementing agency
						Direct Expenditure	Programs Overhead		
77	Setting up of a book library in Mahul Community centre	Rural development projects	Local	Dist Mumbai, Maharashtra	2,47,040	50,392	-	1,31,444	Implementing agency
78	Upgradation of facilities at Malpe Fishing Harbour		Local	District Udupi, Karnataka	75,00,000	38,73,584	-	59,32,443	Implementing agency
79	500 bio gas units for underprivileged families		Other	Dist Sindhudurg, Maharashtra	37,02,000	12,49,000	-	17,49,000	Implementing agency
80	Solar Street lighting in villages		Other	Dist Badhoi, Uttar Pradesh	5,00,000	3,09,400	-	4,84,400	Implementing agency
81	Supply & Installation of Handpumps at Khiri Lakhimpur		Local	Dist Lakhimpur Khiri, Uttar Pradesh	9,64,106	1,92,821	-	1,92,821	Implementing agency
82	Project for Installation & Commissioning of Solar Lights at Shravasti		Local	Dist Shravasti, Uttar Pradesh	9,84,810	1,96,075	-	1,96,075	Implementing agency
83	Support for Permanent Community Centre Building for Medical Centre at Meyyur Village		Other	Dist Chennai, Tamil Nadu	45,72,000	41,14,000	-	41,14,000	Implementing agency
84	Contribution towards LPG Connections for BPL households		Other	Pan India	32,81,00,000	32,81,00,000	-	32,81,00,000	Implementing agency
85	Contribution for LPG to BPL households for FY 2016-17		Other	Pan India	31,82,00,000	31,82,00,000	-	31,82,00,000	Implementing agency
86	Maintenance charges of Community Development Activity Centre		Local	Dist Mumbai, Maharashtra	36,000	36,000	-	36,000	Implementing agency
87	Community Development Activity at Mahul		Local	Dist Mumbai, Maharashtra	2,23,608	2,23,608	-	2,23,608	Implementing agency
88	Kunnathunadu Gramaprabha Rural Lighting Project		Local	Dist Ernakulam, Kerala	24,66,000	24,66,000	-	24,66,000	Implementing agency
89	Livelihood Enhancement Project in Cheepumkal		Other	Dist Kottayam, Kerala	11,10,000	3,05,527	-	11,10,000	Implementing agency
90	Street Lighting Project - Chalakudy		Local	Dist Ernakulam, Kerala	48,50,000	48,50,000	-	48,50,000	Implementing agency
91	Repair of Balwadi-Raichi wadi at Washala		Local	Dist Thane, Maharashtra	2,77,000	2,52,072	-	2,52,072	Direct
92	Water supply from tank near HPCL depot & Amarnath Basti, Rourkela		Local	Dist Sundargarh, Odisha	49,59,000	32,56,552	-	32,56,552	Direct
93	Angul Panchamahal Potable Water Scheme		Local	Dist Sundargarh, Odisha	10,00,000	9,68,001	-	9,68,001	Direct
94	Bharat Connect, Volunteering Initiatives & other capacity building activities	Capacity Building	Other	Dist Palghar, Mumbai Maharashtra	-	9,73,442	-	9,73,442	Direct
95	Travelling/Miscellaneous/ Admin expenses	Admin expenses	Local	Across India	-	-	13,12,808	-	Direct or Implementing agency
				Grand Total	**90,98,12,582**				

Sd/-
K Sivakumar
Director (Finance)

Sd/-
S.P. Gathoo
Director (HR)

Sd/-
Rajesh Kumar Mangal
Chairman – CSR Committee

ANNEXURE C

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES(SC), SCHEDULED TRIBES(ST) AND OTHER BACKWARD CLASSES(OBC) AS ON 1ST JANUARY, 2017 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR 2016

NAME: BHARAT PETROLEUM CORPORATION LIMITED

Groups	Representation of SCs/STs/OBCs (As on 1.1.2017)				Number of appointments made during the calendar year 2016										
					By Direct Recruitment				By Promotion			By Other Methods			
	Total number of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group-A	5967	936	372	915	452	63	29	101	58	6	-	3*	-	-	1
Group-B	2637	378	135	257	-	-	-	-	141	16	3	3**	-	-	-
Group-C	2209	340	140	403	30	3	2	18	97	15	2	-	-	-	-
Group-D(Excluding Safai Karamcharis)	1752	327	133	262	58	6	2	40	-	-	-	-	-	-	-
Group-D (Safai Karamcharis)	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12567	1983	780	1837	540	72	33	159	296	37	5	6	-	-	1

* 3 Sportspersons recruited in Group 'A'

** 3 Sportspersons recruited in Group 'B'

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCHEDULED CASTES(SC), SCHEDULED TRIBES(ST) AND OTHER BACKWARD CLASSES(OBC) IN VARIOUS GROUP 'A' SERVICES AS ON 1ST JANUARY, 2017 AND NUMBER OF APPOINTMENTS MADE IN THE SERVICE IN VARIOUS GRADES DURING THE CALENDAR YEAR 2016

NAME : BHARAT PETROLEUM CORPORATION LIMITED

JG	Pay Scales (in ₹)	Representation of SCs/STs/OBCs (as on 01.01.2017)				Number of appointments made during the calendar year 2016										
						By Direct Recruitment				By Promotion			By Other Methods			
		Total Number of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A	24900-50500	1356	187	85	319	443	63	29	100	58	6	-	3*	-	-	1
B	29100-54500	1277	178	80	260	7	-	-	1	-	-	-	-	-	-	-
C	32900-58000	1185	208	90	190	1	-	-	-	-	-	-	-	-	-	-
D	36600-62000	952	172	71	103	1	-	-	-	-	-	-	-	-	-	-
E	43200-66000	608	135	32	36	-	-	-	-	-	-	-	-	-	-	-
F	51300-73000	379	45	14	7	-	-	-	-	-	-	-	-	-	-	-
G	51300-73000	126	6	-	-	-	-	-	-	-	-	-	-	-	-	-
H	51300-73000	54	4	-	-	-	-	-	-	-	-	-	-	-	-	-
I	62000-80000	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J	75000-100000	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K	80000-125000	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	5967	936	372	915	452	63	29	101	58	6	0	3	0	0	1

* 3 Sportspersons recruited in Group 'A'

ANNUAL STATEMENT SHOWING REPRESENTATION OF THE PERSONS WITH DISABILITIES IN SERVICE AS ON 1ST JANUARY, 2017 AND DIRECT RECRUITMENT / PROMOTION DURING THE CALENDAR YEAR 2016

NAME : BHARAT PETROLEUM CORPORATION LIMITED

Groups	NUMBER OF EMPLOYEES (as on 01.01.2017)				DIRECT RECRUITMENT - 2016							PROMOTION - 2016						
					NO. OF VACANCIES RESERVED			NO. OF APPOINTMENTS MADE				NO. OF VACANCIES RESERVED			NO. OF APPOINTMENTS MADE			
	TOTAL	VH	HH	OH	VH	HH	OH	TOTAL	VH	HH	OH	VH	HH	OH	TOTAL	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	5967	5	8	69	5	4	4	452	1	2	10	-	-	-	58	-	-	1
'B'	2637	10	5	51	-	-	-	-	-	-	-	-	-	-	141	2	1	2
'C'	2209	11	11	20	-	-	1	30	-	-	1	-	-	-	97	1	2	-
'D/DS'	1754	4	4	21	1	1	-	58	-	-	1	-	-	-	-	-	-	-
TOTAL	12567	30	28	161	6	5	5	540	1	2	12	-	-	-	296	3	3	3

(i) VH stands for Visually Handicapped (persons suffering from blindness or low vision)

(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment)

(iii) OH stands for Orthopaedically Handicapped (persons suffering from locomotor disability or cerebral palsy)

There is no reservation for persons with disabilities in case of promotion to Group 'A' and 'B' posts. However, persons with disabilities can be promoted to such posts, provided the concerned post is identified suitable for persons with disabilities.

There are no promotions within Group 'D'.

ANNEXURE D

REPORT ON CORPORATE GOVERNANCE

1) Company's philosophy on Code of Governance

Bharat Petroleum Corporation Limited's ("the Company") corporate philosophy on Corporate Governance has been to ensure fairness to the Stakeholders through transparency, full disclosures, empowerment of employees and collective decision making.

2) Board of Directors

As per the Articles of Association of the Company, the number of Directors shall not be less than three and not more than sixteen.

As on 31st March 2017, the BPCL Board comprised 11 Directors represented by 5 Whole-time (Executive) Directors including Chairman & Managing Director, 2 Part-time (Ex-Officio) Directors (Government Directors) and 4 Part-time (Non-official) Directors (Independent Directors). The Company has taken up the matter with the Government of India for nomination of additional 3 Independent Directors with at least one woman Director as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("the Listing Regulations").

During the Financial Year 2016-17 all meetings of the Board and the Annual General Meeting were chaired by the Chairman & Managing Director.

None of the Non-Executive Directors of BPCL had any pecuniary relationship / transaction with the Company during the Financial Year.

The Directors neither held membership of more than 10 Committees nor acted as Chairperson of more than 5 Committees as specified in Regulation 26 of the Listing Regulations and Clause 3.3.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises across all the companies in which they were Directors.

The required information as indicated in Part A of Schedule II of Regulation 17(7) of the Listing Regulations and Annexure IV to Guidelines on Corporate Governance for Central Public Sector Enterprises were made available to the Board of Directors.

Details regarding the Board Meetings, Annual General Meeting, Directors' attendance thereat, Directorships and Committee positions held by the Directors are as under:

Board Meetings

Twelve Board Meetings were held during the Financial Year 2016-17 on the following dates:

11.04.2016	26.05.2016	27.07.2016	31.08.2016
21.09.2016	24.10.2016	11.11.2016	18.11.2016
21.12.2016	16.01.2017	09.02.2017	23.03.2017

The Board has reviewed the compliance of all laws applicable to the Company.

The Board has adopted a Code of Conduct for the Directors and also for the Senior Management of the Company and the same has been posted on the website of the Company. There is a system in the organization of affirming compliance with Corporate Governance by the Board Members and Senior Management Personnel of the Company. A declaration of compliance signed by Chairman & Managing Director of the Company is enclosed with this Annual Report.

Particulars of Directors including their attendance at the Board /Members' Meetings during the financial year 2016-17

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies (as on 31st March, 2017)	Memberships held in Committees as specified under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Whole-time Directors		**No. of Meetings Attended**	**%**			
Shri D. Rajkumar Chairman & Managing Director (w.e.f. 1.10.2016)	B.Tech (IIT, Madras); PGDM from IIM, Bangalore	7	100*	Not applicable	Chairman: 1. Numaligarh Refinery Ltd. 2. Bharat Oman Refineries Ltd. Director: 1. Bharat PetroResources Ltd. 2. Petronet LNG Ltd.	Audit Committee: Chairman Bharat PetroResources Ltd.
Shri S. Varadarajan Chairman & Managing Director (up to 30.9.2016)	A.C.A., A.I.C.W.A	5	100*	Attended	Chairman: 1. Numaligarh Refinery Ltd. 2. Bharat Oman Refineries Ltd. Director: 1. Bharat PetroResources Ltd. 2. Petronet LNG Ltd.	Audit Committee: Chairman Bharat PetroResources Ltd.
Shri S. P. Gathoo Director (Human Resources)	M.PM (PG. Master's Degree in Personnel Management), Fellow of LEAD	11	91.67	Attended	Chairman: 1. Petronet India Ltd. 2. Petronet CCK Ltd.	Audit Committee: Member Petronet CCK Ltd.
Shri P. Balasubramanian Director (Finance)	A.C.A.	12	100	Attended	Director: 1. Bharat Oman Refineries Ltd. 2. Bharat PetroResources Ltd.	Audit Committee: Member Bharat PetroResources Ltd. Stakeholders' Relationship Committee : Member Bharat Petroleum Corporation Ltd.
Shri B. K. Datta Director (Refineries) (up to 31.7.2016)	B.E. (Chem.)	3	100*	Not applicable	Director: 1. Bharat Oman Refineries Ltd. 2. Bharat PetroResources Ltd.	Audit Committee: Member Bharat PetroResources Ltd.
Shri S. Ramesh Director (Marketing)	B.Sc. (Honors), M.B.A.	12	100	Attended	Chairman: 1. Matrix Bharat Pte. Ltd. 2. Indraprastha Gas Ltd. Director: 1. Bharat Stars Services Pvt. Ltd. 2. Bharat Stars Services (Delhi) Pvt. Ltd.	-
Shri R. Ramachandran Director (Refineries) (w.e.f. 1.8.2016)	B. Tech (Chem.)	9	100*	Attended	Director: Bharat Oman Refineries Ltd.	-

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies (as on 31st March, 2017)	Memberships held in Committees as specified under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015
Non Executive Directors a) Part-time (Ex officio)		**No. of Meetings Attended**	**%**			
Shri Anant Kumar Singh Additonal Secretary & Financial Advisor, MOP&NG	I.A.S., LLB, M. Phil & Ph.D (Physics)	10	83.33*	Did not attend	Director: 1. Indian Strategic Petroleum Reserves Ltd. 2. GAIL (India) Ltd.	-
Shri.P. H. Kurian Principal Secretary (Industries & IT) Government of Kerala	I.A.S	-	-	Did not attend	Director & Chairman: 1. Malabar Cements Ltd. 2. Transformers & Electricals Kerala Ltd. 3. Rubber Park India Pvt. Ltd. 4. ICICI KINFRA Ltd. 5. Kottayam Port and Container Terminal Services Pvt. Ltd. Director: 1. The Kerala Minerals & Metals Ltd. 2. Kerala State Information Technology Infrastructure Ltd. 3. Kerala State Ind. Development Corp. Ltd. 4. Apollo Tyres Ltd. 5. INKEL Ltd. 6. Smart City (Kochi) Infrastructure Pvt. Ltd. 7. Nitta Gelatin India Ltd. 8. Kerala Academy for Skills Excellence 9. Marine Products Infrastructure Development Corporation Pvt. Ltd. 10. Symphony TV & Entertainments Pvt. Ltd. 11. Indian Institute of Information Technology Kerala 12. Information and Communication Technology Academy of Kerala 13. PTL Enterprises Ltd.	-

Names of the Directors	Academic Qualifications	Attendance out of 12 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Companies (as on 31st March, 2017)	Memberships held in Committees as specified under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Non Executive Directors b) Part-time (Independent)		**No. of Meetings Attended**	**%**			
Shri Rajesh Kumar Mangal	F.C.A.	12	100	Attended	Director: 1. Rishi Corporate Services Pvt. Ltd. 2. NMDC Ltd.	Audit Committee: Chairman Bharat Petroleum Corporation Ltd.
Shri Deepak Bhojwani	I.F.S, L.L.B., B.Com	10	83.33	Attended	-	Audit Committee: Member Bharat Petroleum Corporation Ltd.
Shri Gopal Chandra Nanda	I.P.S.	10	83.33	Attended	-	Audit Committee: Member Bharat Petroleum Corporation Ltd. Stakeholders' Relationship Committee: Chairman Bharat Petroleum Corporation Ltd.
Shri Vishal V Sharma (w.e.f. 9.2.2017)	B.Sc. (Physics), EPBM from IIM, Calcutta	2	100*	Not Applicable	Director: Free Press House Ltd.	Audit Committee: Member Bharat Petroleum Corporation Ltd.

* Percentage computed by considering the meetings attended with the total meetings held during the Director's tenure.

Note: 1. Shri Deepak Bhojwani, Non-Executive Independent Director holds 1,425 equity shares in the Company as on 31st March 2017. No other Non-Executive Director holds any Shares in the Company.

2. Details of familiarization programmes imparted to the Independent Directors are available on the website of the Company: https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx

3) Board Committees

A) Audit Committee

BPCL took the initiative to introduce Corporate Governance in the organisation during the year 1996 itself, by constituting an Audit Compliance Committee. The said Committee was reconstituted and renamed as Audit Committee in the year 2000 and the role, powers and functions of the Audit Committee were specified and approved by the Board.

As on 31st March 2017, the Audit Committee comprised four Part-time (Independent) Directors. The quorum for the meetings of the Committee is two members.

Presently, the Committee comprises Shri Rajesh Kumar Mangal, Part-time (Independent) Director as the Chairman; Shri Deepak Bhojwani, Part-time (Independent) Director; Shri Gopal Chandra Nanda, Part-time (Independent) Director and Shri Vishal V Sharma, Part-time (Independent) Director (who was inducted as member on his appointment w.e.f. 09.02.2017), as the members. All the members possess the requisite knowledge of Finance & Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

Shri J. Dinaker, Executive Director (Audit) is actively involved with the meetings of the Audit Committee besides attending and participating at the said meetings. In addition, other Whole-time Directors also attend the meetings. The Statutory Auditors and Cost Auditors are invited to attend and participate at the meetings for relevant Audit Committee Agenda.

The role of the Audit Committee covers all matters specified in Regulation 18 read with Part C of Schedule II of the Listing Regulations, Section 177 of the Companies Act, 2013 and Guidelines on Corporate Governance for Central Public Sector Enterprises.

The role and responsibilities of the Audit Committee include the following:

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2) Recommending to the Board the fixation of audit fees;

3) Approval of payment to Statutory Auditors for any other services rendered by them;

4) Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

    a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

    b) Changes, if any, in accounting policies and practices and reasons for the same.

    c) Major accounting entries involving estimates based on the exercise of judgment by Management.

    d) Significant adjustments made in the financial statements arising out of audit findings.

    e) Compliance with listing and other legal requirements relating to financial statements.

    f) Disclosure of any related party transactions.

    g) Qualifications in the draft audit report;

5) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;

6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document, prospectus, notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7) Reviewing and monitoring the Auditor's independence and performance, and effectiveness of the audit process;

8) Approval or any subsequent modification of transactions of the Company with related parties;

9) Scrutinizing of inter-corporate loans and investments;

10) Valuation of undertakings or assets of the Company, wherever it is necessary;

11) Evaluating internal financial controls and risk management systems;

12) Reviewing, with the Management, performance of the Statutory and Internal Auditors and adequacy of the internal control systems;

13) Reviewing the adequacy of the Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14) Discussing with the Internal Auditors any significant findings and follow up thereon;

15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16) Discussing with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17) Looking into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors;

18) Reviewing the functioning of the Whistle Blower mechanism;

19) Reviewing the follow up action on the audit observations of the C&AG audit;

20) Reviewing the follow up action taken on the recommendations of the Committee on Public Undertakings (COPU) of Parliament;

21) Provide an open avenue of communication between the Independent Auditor, Internal Auditor and the Board of Directors;

22) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

23) Carrying out any other function as mentioned in the 'Terms of reference' to the Audit Committee.

Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

1) Management discussion and analysis of financial condition and results of operations;

2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

4) Internal audit reports relating to internal control weaknesses;

5) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;

6) Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

   a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).

b. Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7);

7) The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company;

8) Certification/declaration of financial statements by the Chief Executive/Chief Finance Officer.

Ten meetings of the Audit Committee were held during the Financial Year 2016-17 on the following dates:

11.04.2016	26.05.2016	27.07.2016	23.08.2016	31.08.2016
21.09.2016	11.11.2016	16.01.2017	09.02.2017	20.03.2017

Attendance at the Audit Committee Meetings:

Names of the Members	No of meetings attended	%*
Shri Rajesh Kumar Mangal, Chairman	10	100%
Shri Deepak Bhojwani, Member	7	70%
Shri Gopal Chandra Nanda, Member	9	90%
Shri Vishal V Sharma, Member (w.e.f. 09.02.2017)	1	100%*

* Percentage computed by considering the meetings attended with the total meetings held during the Director's tenure.

The Committee at its meetings held on 31st August, 2016, 11th November, 2016, 9th February, 2017 reviewed the Quarterly, Half Yearly, Year to date Financial Statements as on 30th June 2016, 30th September 2016 and 31st December 2016 respectively. Further, Annual Financial Statements as on 31st March 2017 were reviewed by the Committee at its meeting held on 29th May, 2017, before the same were submitted to the Board for approval.

As of 31st March, 2017, BPCL had five unlisted Indian Subsidiary Companies i.e. Numaligarh Refinery Ltd. (NRL), Bharat PetroResources Ltd. (BPRL), Bharat PetroResources JPDA Ltd. (Wholly owned subsidiary of BPRL), Petronet CCK Ltd. (PCCKL) and BPCL-KIAL Fuel Farm Pvt. Ltd. and five Foreign Subsidiaries i.e. BPRL International BV (subsidiary of BPRL), BPRL Ventures BV, BPRL Ventures Mozambique BV, BPRL Ventures Indonesia BV (subsidiaries of BPRL International BV) and BPRL International Singapore Pte. Ltd.(BISPL) which was incorporated by BPCL, as a wholly owned subsidiary in Singapore on 12.05.2016 for projects relating to Russia. Further, BISPL has along with subsidiaries of Oil India Ltd. and Indian Oil Corporation Ltd. incorporated two joint venture companies i.e. Vankor India Pte. Ltd. and Taas India Pte. Ltd. on 20.05.2016 and on 23.05.2016 respectively in Singapore. BISPL is holding 33% stake in each of the Joint Venture Companies.

These Subsidiary Companies do not fall under the category of ‘Material Subsidiary incorporated in India’ under the Listing Regulations and Department of Public Enterprises (DPE) Guidelines on Corporate Governance. Financial Statements of the Subsidiary Companies including investments made, if any, are reviewed by the Audit Committee/ Board. The performance of the Subsidiary Companies and the minutes of their Board meetings are placed at the Board meetings of the Company. Any significant transactions or arrangements entered into by the Subsidiary Companies are also reported to the Board of Directors of the Company.

B) Project Evaluation Committee

The Board has constituted a Project Evaluation Committee (PEC) on 29th March, 2011 comprising of two Part-time (Independent) Directors, one Part-time (Ex-Officio) Director and Director (Finance), for evaluating and recommending for Board approval, projects costing over ₹ 150 Crores.

During the Financial Year 2016-17, the Committee was re-constituted on 09.02.2017 by appointing Shri Vishal V Sharma, Part-time (Independent) Director as a Member. As on 31st March, 2017, the Project Evaluation Committee comprised Shri Deepak Bhojwani, Part-time (Independent) Director as Chairman of the Committee and Shri Rajesh Kumar Mangal, Part-time (Independent) Director; Shri P. H. Kurian, Part-time (Ex-Officio) Director;

Shri P. Balasubramanian, Director (Finance) and Shri Vishal V Sharma, Part-time (Independent) Director as Members of the Committee. Subsequently, on relinquishment of office by Shri P. H. Kurian, Part-time (Ex-Officio) Director and superannuation of Shri P. Balasubramanian, Director (Finance), the Committee was reconstituted by inducting Shri Paul Antony, Part-time (Ex-Officio) Director and Shri K. Sivakumar, Director (Finance) as the Members in their place on 19.04.2017 and 01.05.2017 respectively.

PEC will evaluate, guide implementation, monitor, review and assess deliverables, provide recommendations and advice to Board for projects costing over ₹ 150 Crores including investments in Subsidiaries / Joint Ventures.

Seven meetings of the Project Evaluation Committee were held during the Financial Year 2016-17 on the following dates:

11.04.2016	27.07.2016	31.08.2016	24.10.2016
21.12.2016	09.02.2017	20.03.2017	-

Attendance at the Project Evaluation Committee Meetings:

Names of the Members	No of meetings attended	%*
Shri Deepak Bhojwani, Chairman	5	71
Shri P. H. Kurian, Member	1	14
Shri P. Balasubramanian, Member	7	100
Shri Rajesh Kumar Mangal, Member	7	100
Shri Vishal V Sharma, Member (w.e.f. 09.02.2017)	1	100*

* Percentage computed by considering the meetings attended with the total meetings held during the Director's tenure.

C) Nomination and Remuneration Committee

The Nomination and Remuneration Committee formulates and reviews policies related to remuneration / perquisites / incentives within the parameters of Guidelines issued by the Government of India.

BPCL being a Government Company, appointment / nomination of all the Directors is made by the President of India through the Ministry of Petroleum & Natural Gas including fixation of remuneration of Whole time Directors and Employees. As on 31.03.2017, the Nomination and Remuneration Committee comprised four Part-time Directors as Members with Director (Human Resources) and Director (Finance) being invitees. Shri Vishal V Sharma, Part-time (Independent) Director was appointed as a Member w.e.f. 09.02.2017. Presently, the Committee comprises Shri Deepak Bhojwani, Part-time (Independent) Director as the Chairman of the Committee and Shri Gopal Chandra Nanda, Part-time (Independent) Director, Shri Anant Kumar Singh, Part-time (Ex-Officio) Director and Shri Vishal V Sharma, Part-time (Independent) Director as the Members. During the Financial Year 2016-17, one meeting was held on 23.03.2017 which was attended by all Members. BPCL is a Government Company and as per MCA circular, exemptions have been given to Government Companies from the applicability of Section 178(2),(3),(4) of the Companies Act, 2013.

D) Stakeholders' Relationship Committee

The role of the Stakeholders Relationship Committee is to specifically look into the redressal of grievances of shareholders, debenture holders (and other security holders) including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc.

As on 31st March, 2017 the Stakeholders' Relationship Committee comprised Shri Gopal Chandra Nanda, Part-time (Independent) Director as Chairman and Shri P. Balasubramanian, Director (Finance) as the Member.

The Committee, at its meeting held on 09.02.2017, which was attended by all the Members, reviewed the services rendered to the Shareholders / Investors including response to complaints / communications and expressed its satisfaction on the performance of the Investors Relation Department of the Company.

Subsequently, on superannuation of Shri P. Balasubramanian, the Committee was reconstituted by inducting Shri K. Sivakumar, Director (Finance) as the Member on 01.05.2017. Further, the Committee was reconstituted by inducting Shri Deepak Bhojwani, Part-time (Independent) Director as a Member on 29.05.2017. Presently, the Committee comprises Shri Gopal Chandra Nanda, Part-time (Independent) Director as the Chairman and Shri K. Sivakumar, Director (Finance), Shri Deepak Bhojwani, Part-time (Independent) Director as the Members.

The Company Secretary acts as the Compliance Officer for matters related to investor relations.

During the Financial Year 2016-17, 15 complaints received from investors through SEBI and NSE which were attended to and resolved on a priority basis.

All valid share transfer requests received during the year were duly processed and approved within the stipulated period. There was no share transfer request in physical form pending as on 31st March 2017.

E) Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has re-constituted the Corporate Social Responsibility Committee on 21.07.2014.

Presently, the Committee comprised one Part-time (Independent) Director, two Part-time (Ex-Officio) Directors, Director (Finance) and Director (Human Resources) as Members.

The terms of reference of the Corporate Social Responsibility (CSR) Committee broadly comprise:

1) In every Financial Year, utilizing at least 2% of average net profits of the Company made during the three immediately preceding financial years towards CSR activities as specified in Schedule VII of the Companies Act, 2013;

2) Providing guidance and suggestions on CSR activities to the CSR role holders and to monitor its progress, bringing greater transparency and experience in the execution of CSR activities of the Company etc.

As on 31st March,2017, Shri Rajesh Mangal, Part-time (Independent) Director was the Chairman of the Committee and Shri Anant Kumar Singh, Part-time (Ex-Officio) Director; Shri P. Balasubramanian, Director (Finance); Shri S. P. Gathoo, Director (Human Resources); Shri P. H. Kurian, Part-time (Ex-Officio) Director were the Members. Subsequently, on superannuation of Shri P. Balasubramanian, the Committee was reconstituted by inducting Shri K. Sivakumar, Director (Finance) as a Member on 01.05.2017. Further, on relinquishment of office by Shri P. H. Kurian, the Committee was reconstituted by inducting Shri Paul Antony, Part-time (Ex-Officio) Director as a Member on 29.05.2017. Presently, the Committee comprises Shri Rajesh Mangal, Part-time (Independent) Director as the Chairman of the Committee with Shri Anant Kumar Singh, Part-time (Ex-Officio) Director; Shri K. Sivakumar, Director (Finance); Shri S P Gathoo, Director (Human Resources) and Shri Paul Antony, Part-time (Ex-Officio) Director as the Members.

Eight meetings of Corporate Social Responsibility Committee were held during the Financial Year 2016-17 on the following dates:

27.07.2016	31.08.2016	11.11.2016	18.11.2016
21.12.2016	16.01.2017	09.02.2017	23.03.2017

Attendance at the Corporate Social Responsibility Committee Meetings:

Names of the Members	No of meetings attended	%
Shri Rajesh Mangal, Chairman	8	100
Shri Anant Kumar Singh, Member	8	100
Shri P. Balasubramanian, Member	8	100
Shri S. P. Gathoo, Member	7	87.50
Shri P. H. Kurian, Member	1	12.50

F) Risk Management Committee

Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 requires the Company through its Board of Directors to constitute a Risk Management Committee. In compliance thereto, the Board had constituted the Risk Management Committee on 12.11.2014. The Committee comprised Shri Rajesh Mangal, Part-time (Independent) Director as Chairman; Shri S. Ramesh, Director (Marketing); Shri B. K. Datta, Director (Refineries) and Shri P. Balasubramanian, Director (Finance) as the Members. Subsequently, on superannuation of Shri B. K. Datta and Shri P. Balasubramanian, the Committee was reconstituted by inducting Shri R. Ramachandran, Director (Refineries) and Shri K. Sivakumar, Director (Finance) as Members on 01.08.2016 and 01.05.2017 respectively. Subsequently, the Committee was further reconstituted by inducting Shri Vishal V Sharma, Part-time (Independent) Director on 29.05.2017 as an additional Member.

Presently, the Committee comprises Shri Rajesh Mangal, Part-time (Independent) Director as Chairman; Shri S. Ramesh, Director (Marketing); Shri R. Ramachandran, Director (Refineries); Shri K. Sivakumar, Director (Finance) and Shri Vishal V Sharma, Part-time (Independent) Director as the Members.

Four meetings of the Risk Management Committee were held in the Financial Year 2016-17 on following dates which were attended by all Members during their tenure in the Financial Year:

26.05.2016	27.07.2016	21.12.2016	20.03.2017

The role and responsibilities of the Risk Management Committee include the following:

1) Review and recommend the risk management plan comprising risks assessed and their mitigation plans, identification of corporate level risks and their mitigation plans for approval of the Board with the recommendation by the Audit Committee;
2) Review and recommend the Risk Management Report consisting of status of risk mitigation plans (including reporting of risks by businesses) to the Audit Committee/Board;
3) Review and recommend the statement to be published in the Board's Report indicating development and implementation of the risk management policy for the Company;
4) Review and recommend any other proposal in relation to Risk Management to be put up to the Audit Committee/Board.

G) Sustainable Development Committee

The terms of reference of the Sustainable Development Committee are to oversee, approve, provide budgetary allocation and monitor the projects covered under Sustainable Development projects as part of the business plan of the business units and involves an enduring and balanced approach to environmental responsibilities and includes reviewing of the 'Business Responsibility Report' on a half yearly basis and to place this report to the Board for information on an annual basis.

In line with DPE Guidelines on Sustainable Development, the Board re-constituted the Sustainable Development Committee on 21.07.2014. During the year 2016-17, the Committee comprised Shri Gopal Chandra Nanda, Part-time (Independent) Director as Chairman; Shri S. Ramesh, Director (Marketing) and Shri B. K. Datta, Director (Refineries) as the Members. Subsequently, on the superannuation of Shri B. K. Datta, the Committee was reconstituted on 01.08.2016 by inducting Shri R. Ramachandran, Director (Refineries) as a Member. Further, the Committee was reconstituted on 09.02.2017 by inducting Shri Vishal V Sharma, Part-time (Independent) Director as a Member. Subsequently, the Committee was reconstituted by inducting Shri Rajesh Kumar Mangal, Part-time (Independent) Director as a Member on 29.05.2017.

Presently, the Committee comprises Shri Gopal Chandra Nanda, Part-time (Independent) Director as Chairman and Shri S. Ramesh, Director (Marketing); Shri R. Ramachandran, Director (Refineries); Shri Vishal V Sharma, Part-time (Independent) Director and Shri Rajesh Kumar Mangal, Part-time (Independent) Director as Members.

During the Financial Year 2016-17, one meeting was held on 27.07.2016 which was attended by all the Members during their tenure in the Financial Year.

H) Separate Meeting of Independent Directors

During the Financial Year 2016-17, one separate meeting of Independent Directors was held on 20.03.2017 which was attended by all Members during their tenure in the Financial Year, wherein the Independent Directors reviewed various parameters for assessing the quality, quantity and timelines of flow of information between the Company, Management and the Board to effectively and reasonably perform their duties.

4) Remuneration to Directors

BPCL being a Government Company, appointment and remuneration of Whole-Time Directors are determined by the Government through the Ministry of Petroleum & Natural Gas. The Part-time (Ex-Officio) Directors do not receive any remuneration from the Company. The Part-time (Independent) Directors received sitting fees of ₹20,000 for each Board/Audit Committee/other Committee Meetings attended by them till 31.08.2016. Subsequently, their sitting fees were increased to ₹ 40,000 w.e.f. 01.09.2016 for each of the Board/Audit Committee/other Committee Meetings attended by them considering the activities involved. Performance Linked Incentives are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.

Details of remuneration paid / payable to the Whole-time Directors during the Financial Year 2016-17 are as follows :-

Names of Directors	All elements of remuneration packages of the Directors i.e. salary, benefits, bonus, pension etc.				Total
	Salary & allowances	Contribution to Provident Fund & other funds	Other benefits & perquisites	Performance Related Pay	
	₹	₹	₹	₹	₹
Shri S. Varadarajan Chairman & Managing Director (up to 30.09.2016)	11,77,020	4,98,074	59,71,609	20,57,553	97,04,256
Shri D. Rajkumar Chairman & Managing Director (w.e.f. 01.10.2016)	12,72,543	5,88,371	3,28,355	4,55,891	26,45,160
Shri S. P. Gathoo Director (Human Resources)	23,64,977	7,88,730	12,96,838	18,94,947	63,45,492
Shri P. Balasubramanian Director (Finance)	22,67,814	7,52,058	18,03,237	17,86,749	66,09,858
Shri B. K. Datta Director (Refineries) (up to 31.07.2016)	7,35,788	3,87,706	55,30,280	15,75,294	82,29,068
Shri S. Ramesh Director (Marketing)	22,13,327	7,46,511	27,55,476	10,74,660	67,89,974
Shri R. Ramachandran Director (Refineries) (w.e.f. 01.08.2016)	14,41,175	5,58,709	6,61,467	2,65,895	29,27,246
Total	**1,14,72,644**	**43,20,159**	**1,83,47,262**	**91,10,989**	**4,32,51,054**

Service Contracts : As per terms & conditions of appointment communicated by the Administrative Ministry (i.e. from the date of taking over charge of the post or till the date of superannuation or until further orders, whichever is earlier);

Notice period : Three months.

The Company has not introduced any Stock Options Scheme. Shri Deepak Bhojwani, Non-Executive Independent Director holds 1425 equity shares in the Company as on 31.03.2017. No other Non-Executive Director holds any Shares in the Company. For attending the meetings of the Board/Committees during the Financial Year 2016-17, Part-time (Independent) Directors were paid sitting fees as given below:

Name of the Director	Amount (₹)
Shri Rajesh Mangal	14,20,000
Shri Deepak Bhojwani	10,20,000
Shri Gopal Chandra Nanda	10,00,000
Shri Vishal V Sharma	2,40,000

5) General Body Meetings

a. The details of Annual General Meetings during the last three years are given below:

Meeting details	Date and Time of the Meeting	Venue
61st Annual General Meeting	18th September, 2014 at 10:30 a.m.	Rama and Sundri Watumull Auditorium Kishinchand Chellaram College (K.C.College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020
62nd Annual General Meeting	9th September, 2015 at 10:30 a.m.	
63nd Annual General Meeting	21st September, 2016 at 10:30 a.m.	

b. The details of Special Resolutions passed in the previous three Annual General Meetings are given below:

Meeting details	Date and Time of the Meeting	Special Resolutions passed at the Meeting
61st Annual General Meeting	18th September, 2014 at 10:30 a.m.	-
62nd Annual General Meeting	9th September, 2015 at 10:30 a.m.	1. Approval of Private Placement of Non-Convertible Bonds/Debentures and/or Other Debt Securities; 2. Approval of Material Related Party Transactions.
63rd Annual General Meeting	21st September, 2016 at 10:30 a.m.	1. Approval of Private Placement of Non-Convertible Bonds/Debentures and/or Other Debt Securities; 2. Approval of Material Related Party Transactions.

c. The details of Special Resolution passed during 2016-17 through Postal Ballot are given below:

During the Financial Year 2016-17, Postal Ballot Notice dated 21st April, 2016 containing Special Resolution for increase in limit of total shareholding of all Registered Foreign Institutional Investors (FIIs) put together from 24% up to 49% of the paid-up equity share capital of the Company was circulated to the Members of the Company. The Special Resolution was accordingly passed by requisite majority, the result of which was announced on 2nd June, 2016.

d. Person who conducted Postal Ballot: The Company appointed Mrs. Ragini Chokshi, Practising Company Secretary (C.P. No. 1436), Partner of Ragini Chokshi & Co. as Scrutinizer for conducting the Postal Ballot indicated in (c) above and remote e-voting process in a fair and transparent manner.

e. Presently, there is no Special Resolution proposed to be conducted through Postal Ballot. However, the Special Resolution with regard to approval of Private Placement of Non-Convertible Bonds/Debentures and/or other Debt Securities is proposed at the ensuing Annual General Meeting (AGM). E-voting and ballot form/polling paper option will be provided to the Members to cast their vote on AGM agenda items in the AGM.

f. The procedures prescribed for conducting Postal Ballot in terms of Section 110 and other applicable provisions of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 including any statutory modification or re-enactment thereof have been followed for the Postal Ballot conducted for the resolution mentioned above.

6) Means of Communication of Financial Performance

In order to give wider publicity and to reach the Members and other investing public across the nation, the half-yearly and quarterly results were published in various editions of leading newspapers having wide circulation such as The Economic Times, The Times of India, Maharashtra Times, Business Standard, Financial Express, Hindu Business Line, Nav Bharat, Free Press Journal, Nav Shakti, Mint, etc. Reports on Limited Review of the Financial Results for the quarters ended 30th June 2016, 30th September 2016, 31st December 2016 were obtained from the Auditors of the Company and filed with the Stock Exchanges. The Financial Statements for the first quarter ended June 2016, half year ended September 2016, third quarter ended December 2016, were sent to all Shareholders at their registered addresses/email IDs as the case may be.

The periodic financial results of the Company are also displayed on the website of the Company at www.bharatpetroleum.in and the websites of BSE and NSE.

7) General Shareholders'/Members' information:

SEBI has included BPCL shares for compulsory trading in dematerialised form.

Annual General Meeting Date, Time and Venue	:	Tuesday, 12th September, 2017 at 10.30 a.m. at Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C.College), 124, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.
Financial Year	:	BPCL follows the Financial year from April to March. The Unaudited Results/Audited Results for the four quarters/ year end were taken on record by the Board and published on the following dates :

Period	Date of Board Meeting	Date of Publication	Unaudited/Audited
Apr-Jun 2016	31 Aug 2016	01 Sept 2016	Unaudited
Jul-Sep 2016	11 Nov 2016	12 Nov 2016	Unaudited
Oct-Dec 2016	09 Feb 2017	10 Feb 2017	Unaudited
Jan-Mar 2017	29 May 2017	30 May 2017	Unaudited
FY 2016-17	29 May 2017	30 May 2017	Audited

Dividend Payment Dates	:	The Board of Directors at its meeting held on 09.02.2017 and 23.03.2017 approved declaration of Interim Dividends (I & II) of ₹19.50 & ₹ 12.00 per equity share respectively for face value of ₹ 10/- each for the Financial Year 2016-17. The Company has paid the above dividends on 06.03.2017 and 30.03.2017 respectively. The Board has recommended final dividend of ₹ 1/- per equity share of ₹ 10/- each for consideration of the Members at the ensuing Annual General Meeting. If approved by the Members, the same will be paid within 30 days from the date of declaration.
Date of Book Closure	:	Monday, 12th June, 2017 to Tuesday, 13th June, 2017 (both days inclusive), for the purpose of determining the names of Members / Beneficial Owners who would be entitled for dividend.
Listing on Stock Exchanges & Security Code	:	The Company's shares are listed on the following Stock Exchanges:

Name of Stock Exchange	Security Code/Symbol
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001.	500547
NSE Ltd. Exchange Plaza, Plot No. C/1 Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	BPCL

The Listing Fees has been paid for the year 2017-18 to both the above Exchanges.

ISIN Number	:	For National Securities Depository Ltd. (NSDL) & Central Depository Services India Ltd. (CDSL) for equity shares	: INE029A01011
Market Price Data	:	High, low during each month in the last financial year	: Please see Annexure I
	:	Performance in comparison to broad based indices i.e.BSE100	: Please see Annexure II
Registrar and Transfer Agents	:	Shri Benjamin Rajaratnam General Manager (Capital Issues Division), Data Software Research Co. Pvt. Ltd. 19, Pycrofts Garden Lane, Off. Haddows Road, Nungambakkam, Chennai- 600 006	Ph: +91-44-2821 3738/2821 4487 Fax: 91-44-2821 4636 Email: bpcl@dsrc-cid.in

Share Transfer System	:	A Committee comprising two Whole-time Directors considers the requests for transfer / transmission of shares, dematerialisaton of shares etc. A Committee comprising four Directors i.e. two Whole-Time Directors and two Part-time Directors considers request for issue of share certificates. Transfers in physical form are registered after ascertaining objections, if any, from the transferors; and no valid transfer applications are kept pending beyond the stipulated period of fifteen days. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories viz., NSDL and CDSL within 15 days.

Distribution of shareholding as on 31st March, 2017 :

Shareholder	No.of Shares Held	% of holding
1) Government of India	79,44,00,240	54.93
2) Government of Kerala	1,24,44,444	0.86
3) BPCL Trust for Investments in Shares	13,49,14,948	9.33
4) Mutual Funds/UTI	5,90,63,052	4.08
5) Financial Institutions/Banks	17,51,256	0.12
6) Insurance Companies	3,67,61,860	2.54
7) Foreign Institutional Investors	32,57,71,271	22.53
8) Bodies Corporate	3,40,70,817	2.36
9) Others	4,69,90,608	3.25
Total	**1,44,61,68,496**	**100.00**

Distribution of shareholding on number of shares held by Shareholders and shareholding pattern are given in Annexure III.

Dematerialisation of shares and liquidity

Out of the shares held by the Shareholders, 98.92% are held in dematerialised form and balance in physical form as on 31st March, 2017.

The Company has not issued any GDRs /ADRs/ Warrants etc.

Plant Locations

Mumbai Refinery	:	Bharat Petroleum Corporation Ltd., Mahul, Mumbai 400 074
Kochi Refinery	:	Bharat Petroleum Corporation Ltd., Ambalamugal, Kochi 682 302
Lubricant Plants	:	Bharat Petroleum Corporation Ltd., Wadilube Installation, Mallet Road, Mumbai – 400 009
		Bharat Petroleum Corporation Ltd. 24, Parganas, Budge – Budge 743 319
		Bharat Petroleum Corporation Ltd. 35, Vaidyanatha Mudali street, Tondiarpet, Chennai-600 081.

Address for Correspondence

The Secretarial Department
Bharat Petroleum Corporation Ltd.
Bharat Bhavan No.I, Ground Floor,
4&6,Currimbhoy Road,
Ballard Estate,
Mumbai 400 001.
Tel No. 022 – 2271 3170/2271 3435
Fax. No. 022 – 2271 3759/
022-2271 3688
Email : ssc@bharatpetroleum.in

General Manager (Capital Issues Division),
Data Software Research Co. Pvt. Ltd.
19, Pycrofts Garden Lane,
Off. Haddows Road, Nungambakkam,
Chennai- 600 006
Ph: +91-44-2821 3738/2821 4487
Fax: 91-44-2821 4636
Email : bpcl@dsrc-cid.in

Investors' Service Centre

BPCL's Investors' Service Centre (ISC), by Data Software Research Co. Pvt. Ltd., our Registrar & Share Transfer Agents, has been functioning at the Registered Office of the Company at the following address:

Data Software Research Co. Pvt. Ltd. (DSRC)

C/o. Bharat Petroleum Corporation Ltd.

Bharat Bhavan No.1, Ground Floor,	Tel. No. 022 – 2271 3170
4 & 6 Currimbhoy Road,	Fax. No. 022 – 2271 3759/022-2271 3688
Ballard Estate, Mumbai 400 001	Email : z_dsrc@bharatpetroleum.in

This centre has been effectively catering to the needs of the Members / Investors located in western region. It coordinates with DSRC based at Chennai and facilitates our efficient investor complaint redressal mechanism.

For any assistance/information on share related matters such as transfer / transmission of shares, issue of duplicate share certificates, dividend etc., or for redressal of any grievance in this regard, Members / Investors located in western region/other places may get in touch with ISC at the above address.

Further, BPCL has designated an exclusive e-mail ID: ssc@bharatpetroleum.in for the purpose of communication from Members including investor complaints.

8) Management Discussion & Analysis Report

A detailed chapter on Management Discussion & Analysis is attached to the Directors' Report.

9) Other Disclosures:

a. Except where the Company has incurred expenses on behalf of subsidiaries/joint ventures as co-promoter and the same are recoverable from the subsidiaries/joint venture companies, there were no transactions of material nature that may have potential conflict with the interests of the Company at large. The details of 'Related Party Disclosures' are shown in Notes forming part of Accounts. To the extent applicable, the designated Member of the Audit Committee reviewed the related party transactions and the same were placed before the Audit Committee.

b. The Company has complied with all mandatory requirements of the erstwhile Equity Listing Agreement entered into with Stock Exchanges/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance except for non-compliance under Regulation 17(1)(a)/(b) of the Listing Regulations & clause 2.2 & 3.1.4 of the Guidelines issued by DPE relating to the condition of having at least one woman director as on 31st March, 2017 and half of the Board of Directors shall comprise of Independent Directors.

   Since the Company is a Government Company, the regulators were informed of the action being initiated at the Ministry stating that non-compliance was not intentional and compliance was only within the control and powers of the Administrative Ministry / Government of India. All endeavours were made by the Management for compliance.

c. BPCL has also implemented the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

d. Details of compliances with mandatory requirements and adoption of the non-mandatory requirements: The Company has been adhering to the provisions of the laws and guidelines of regulatory authorities including SEBI and covenants in the agreements with the Stock Exchanges and Depositories. There was no instance of non-compliance of any provisions of law, guidelines from regulatory authorities and the matters related to capital markets during the last three years except as stated above.

In addition to compliance of mandatory requirements, the Company has fulfilled the following discretionary requirements as specified in Part E of Schedule II of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

i) Shareholders Rights: The Company has adopted requirements with regard to sending of quarterly / half yearly financial results to the Members of the Company.

ii) The Company has moved towards a regime of Standalone and Consolidated Financial Statements with unmodified audit opinion.

e. The web link for policy for determining 'material' subsidiaries is as follows: https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx.

f. The web link for policy on dealing with related party transactions is as follows: https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx.

g. Disclosure of commodity price risks and commodity hedging activities: The Company has adopted Risk Management Policy framework. Accordingly, the Company periodically informs the Board Members about the risk assessment and procedures for minimizing the risks.

h. BPCL nominates Directors for relevant training programmes/seminars conducted by reputed Institutions/ SCOPE/IICA etc. Further, strategy workshops are held to deliberate strategic issues, policy decisions etc.

i. CEO and CFO Certification: The Chairman & Managing Director and Director (Finance) have certified to the Board in accordance with Part B of Schedule II of Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for the Financial Year 2016-17.

j. Disclosures with respect to demat suspense account/unclaimed suspense account: No Shares are kept under demat/unclaimed suspense account.

k. There are no items of expenditure in the books of accounts, which are not for the purpose of Business. Further no expenses were incurred which were personal in nature and incurred for the Board of Directors and Top Management. Office & Administrative expenses and financial expenses constitute 0.56% and 0.22% of the total expenses respectively for the Financial Year 2016-17. There is a slight decrease in Finance Expenses in the Financial Year 2016-17 as compared with the Financial Year 2015-16 (from 0.27% to 0.22%) mainly because of reduction in finance expenses coupled with increase in total expenses. There is decrease in Office and Administrative expenses as % of total expenses (from 0.65% to 0.56%) mainly due to increase in total expenses.

l. 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in BPCL' & the 'Code of Conduct to Regulate, Monitor and Report Trading for Prevention of Insider Trading in the Securities of BPCL': Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company had earlier adopted the 'Code of Conduct, Procedure and Disclosures for Prevention of Insider Trading in the Securities of Bharat Petroleum Corporation Limited' and 'Code of Corporate Disclosure Practices'. The Company Secretary was the Compliance Officer for implementation of the said Codes.

Consequent to introduction of SEBI (Prohibition of Insider Trading) Regulations, 2015 which replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in Bharat Petroleum Corporation Limited' and 'Code of Conduct to Regulate, Monitor and Report Trading for Prevention of Insider Trading in the Securities of Bharat Petroleum Corporation Limited' in the Board meeting held on 13th May, 2015. The Company Secretary has been appointed as the Compliance Officer and Chief Investor Relations Officer for implementation of the said Codes.

m. In line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has implemented the following policies: 1. Policy on Preservation of documents; 2. Policy on materiality of events or information and they are disclosed on website of the Company under the link: https://bharatpetroleum.com/About-BPCL/Our-Policies.aspx.

Annexure I

BPCL MARKET PRICE DATA						
April 2016- March 2017	**BSE Ltd.**			**NSE Ltd.**		
	High (₹ per share)	**Low (₹ per share)**	**Monthly Volume (No. of shares)**	**High (₹ per share)**	**Low (₹ per share)**	**Monthly Volume (No. of shares)**
April*	994.2	879	15,55,407	994.75	878.552	2,04,24,409
May*	1,024.4	882.95	18,46,701	1,024.7	881.15	2,64,32,793
June*	1,077.9	922	20,87,576	1,078	969.15	2,49,23,077
July*	**1,152.45**	**543.25**	43,94,720	**1,156**	**543.6**	4,97,30,391
August	616.55	559	39,03,844	617.7	558	8,26,04,518
September	630	563.45	33,47,377	628.6	563.1	5,70,24,655
October	694.75	615.55	20,39,386	687.95	615	3,53,01,986
November	679.9	600	24,50,530	679.85	621.15	8,07,49,189
December	645.65	599	37,50,571	645	598.15	4,86,47,419
January	726	635	24,85,324	726.8	636.6	3,80,71,813
February	735	663.25	30,87,798	733	662	4,30,17,943
March	677	615.9	49,50,551	676.9	615.25	5,91,50,004

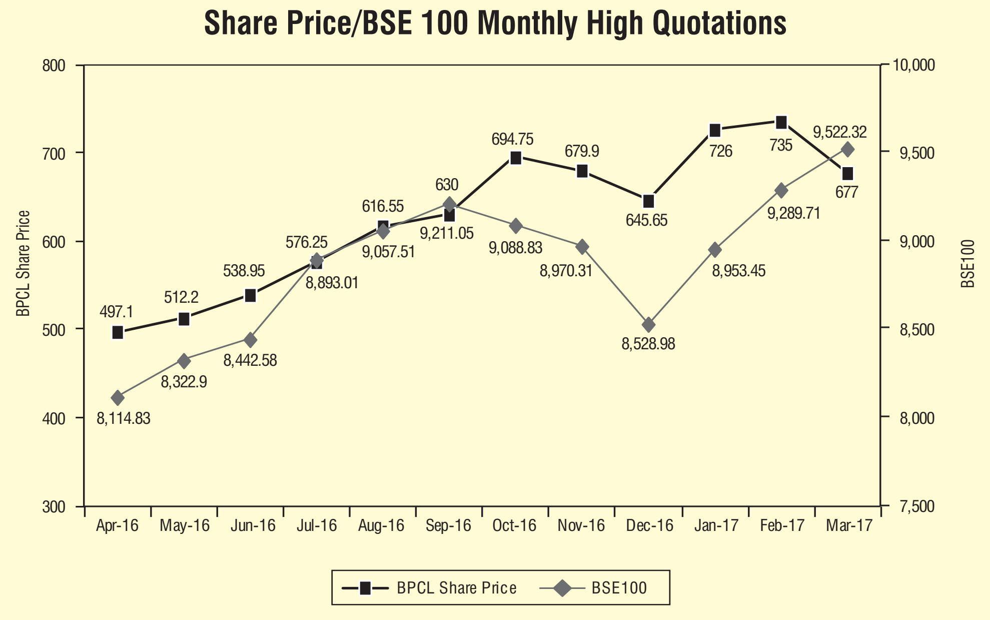
* Pre Bonus Price

The Record date for issue of Bonus equity shares in the ratio of one Bonus equity share for every one equity share held was 14.7.2016.

MARKET CAPITALISATION / SHARES TRADED DURING 1ST APRIL 2016 TO 31ST MARCH 2017		
	BSE	**NSE**
No of Shares traded	3,58,99,785	56,60,78,197
No. of Shares	1,446,168,496	1,446,168,496
Highest Share Price (₹)	1,152.45 (12.07.2016)	1,156 (12.07.2016)
Lowest Share Price (₹)	543.25 (12.07.2016)	543.60 (13.07.2016)
Closing Share price as on 31st March, 2017 (₹)	648.95	649.85
Market Capitalisation as on 31st March, 2017 (₹ Crores)	93,849.10	93,979.26

Annexure II

BPCL MARKET PRICE MOVEMENT IN COMPARISON TO BSE 100 INDICES

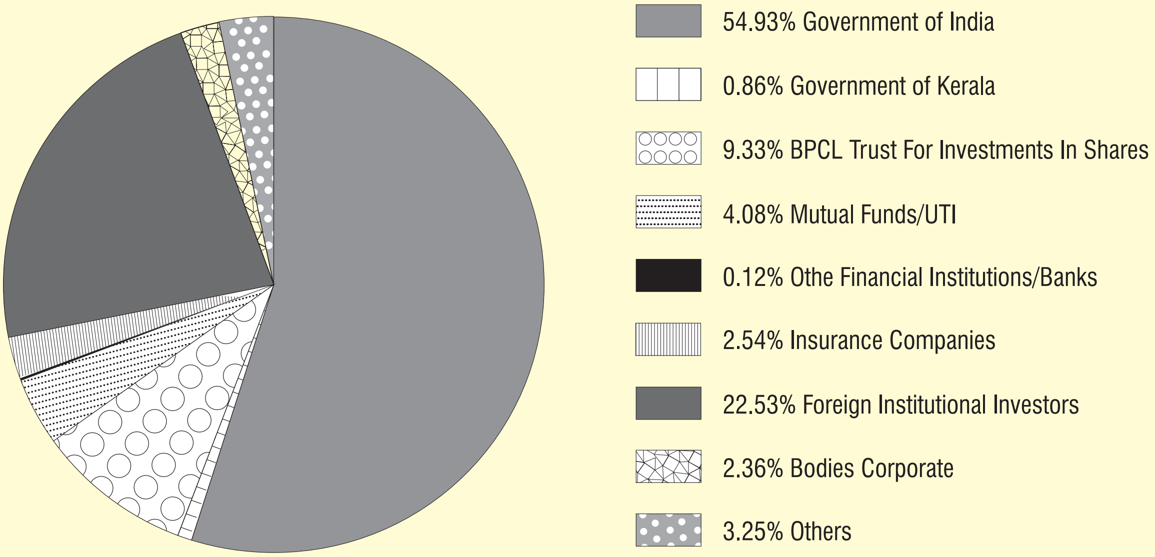


Note: pre bonus share price (1:1) adjusted

Annexure III

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017			
NO. OF. EQUITY SHARES HELD	**NO. OF MEMBERS**	**NO. OF SHARES**	**% OF TOTAL**
UPTO 5,000	1,23,730	3,23,29,900	2.24
5,001 TO 10,000	545	39,19,142	0.27
10,001 TO 50,000	578	1,38,01,515	0.95
50,001 TO 1,00,000	203	1,41,32,969	0.97
1,00,001 TO 5,00,000	317	7,83,42,690	5.42
5,00,001 TO 10,00,000	88	6,24,94,389	4.32
10,00,001 TO 20,00,000	67	9,42,28,224	6.52
20,00,001 TO 30,00,000	24	5,80,16,375	4.01
30,00,001 AND ABOVE	27	1,08,89,03,292	75.30
TOTAL	**1,25,579**	**1,44,61,68,496**	**100.00**

SHAREHOLDING PATTERN OF BPCL AS ON 31st MARCH, 2017 (PERCENTAGE)



CODE OF CONDUCT

DECLARATION

I hereby declare that all the Board Members & Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors for the year ended 31st March, 2017.

Sd/-
D. Rajkumar
Chairman & Managing Director
Bharat Petroleum Corporation Limited

Place : Mumbai
Date : 24.07.2017

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Bharat Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company") for the year ended March 31, 2017, prescribed in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI 'LODR').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of SEBI LODR except for non-compliance under Regulation 17(1)(a) & (b) of SEBI LODR relating to the condition of having at least one woman Director and half of the Board of Directors to comprise of Independent Directors, which were not met during the year.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Sd/-
Ragini Chokshi
Partner
C.P. No. 1436/ FCS No. 2390

Place: Mumbai
Date: 24.07.2017

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Bharat Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Petroleum Corporation Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 (" the Guidelines"), issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in provisions as specified in the Guidelines issued by DPE except for non-compliance in terms of clause 2.2 & 3.1.4 of the Guidelines with regard to appointment of at least one woman Director and half of the Board of Directors to comprise of Independent Directors, which were not met with during the period.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Sd/-
Ragini Chokshi
Partner
C.P. No. 1436/ FCS No. 2390

Place: Mumbai
Date: 24.07.2017

BUSINESS RESPONSIBILITY REPORT 2016-2017

About this report

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Reports of the top five hundred listed entities based on market capitalization at the BSE and NSE shall contain a Business Responsibility Report (BRR) describing the initiatives taken by the Company from an environmental, social and governance perspective which includes BPCL.

The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs') released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI.

Section A: General Information about the Company	
1. Corporate Identity Number (CIN) of the Company	L23220MH1952GOI008931
2. Name of the Company	Bharat Petroleum Corporation Limited
3. Registered address	Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001
4. Website	https://www.bharatpetroleum.in
5. E-mail id	ssc@bharatpetroleum.in
6. Financial Year reported	2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	**Group** : 192 **Class** : 1920 **Sub-class** : 19201 **Description** : Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals **Group**: 192 **Class** : 1920 **Sub-class** : 19203 **Description** : Bottling of LPG/CNG **Group**: 192 **Class** : 1920 **Sub-class** : 19209 **Description** : Manufacture of other petroleum products (includes petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)
8. List three key products/services that the Company manufactures/provides (as in balance sheet):	The Company produces and supplies primary fuels including (but not limited to): • High Speed Diesel • Motor Spirit (petrol) • Liquefied Petroleum Gas (LPG)
9. Total number of locations where business activity is undertaken by the Company **i. Number of International Locations (Provide details of major 5)** **ii. Number of National Locations**	BPCL does not undertake any direct operations at its international locations. Only the subsidiaries have overseas operations. 1. Refineries: 2 (Mumbai and Kochi) 2. Retail (Installations/Depots/TOPs): 83 3. LPG Bottling Plants: 51 4. Lube Blending Plants: 3 5. Aviation Locations/Fuelling Stations/on-wheels: 43 6. Head Office: 1 and Regional Offices: 4
10. Markets served by the Company - Local/State/National/International/	Local ☑ /State ☑ / National ☑ / International ☑

Section B: Financial Details of the Company	
1. **Paid up Capital (INR)**	₹ 1,311.25 Crores (After net off of ₹ 134.92 Crores against BPCL Trust Investment in Shares)
2. **Total Turnover (INR)**	₹ 2,42,047.82 Crores
3. **Total profit after taxes (INR)**	₹ 8,039.30 Crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	The total spending on CSR for the year 2016-17 is 1.13% of profit after tax.
5. **List of activities in which expenditure in 4 above has been incurred**	BPCL's CSR activities are carried out in the following focus areas: • Education • Water Conservation • Skill Development • Health/Hygiene • Community Development
Section C: Other Details	
1. **Does the Company have any Subsidiary Company/ Companies?**	Yes, BPCL has ten subsidiaries- five are Indian and five are foreign subsidiaries. The list is as follows: **Indian:** • Numaligarh Refinery Ltd. • Bharat PetroResources Ltd. (BPRL) • Bharat PetroResources JPDA Ltd. [Subsidiary of BPRL] • Petronet CCK Ltd. • BPCL-KIAL Fuel Farm Pvt Ltd. **Foreign:** • BPRL International B.V. in the Netherlands • BPRL Ventures B.V. in the Netherlands • BPRL Ventures Mozambique B.V. in the Netherlands • BPRL Ventures Indonesia B.V. in the Netherlands • BPRL International Singapore Pte. Ltd. in the Singapore
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?**	No; as subsidiary companies operate in different geographies/business domain and are driven by their own policies.
3. **Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**	No other entities that the Company does business with, participate in the BR initiative of the Company. However, during the registration of suppliers and contractors, BPCL conducts scrutiny of certain parameters pertaining to NVG principles.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The review and implementation of the BR policies are the responsibility of the Sustainable Development Committee of the Board of BPCL. The details of the Committee members as on 31.03.2017 are given below:

DIN Number	Name	Designation
06441034	Shri G. C. Nanda, Chairman of the Committee	Independent Director
07049995	Shri R. Ramachandran	Director (Refineries)
07164250	Shri S. Ramesh	Director (Marketing)
01213441	Shri Vishal V Sharma	Independent Director

b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	M Venugopal
3.	Designation	Company Secretary
4.	Telephone number	022- 2271 3440
5.	e-mail id	ssc@bharatpetroleum.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

<table>
<tr><th>S.No</th><th>Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>1</td><td>Do you have a policy/policies for...</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>2</td><td>Has the policy been formulated in consultation with the relevant stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>-</td><td>Y</td><td>Y</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Does the policy conform to any national /international standards? If yes, specify?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">Various policies at BPCL conform to different applicable statutes/ guidelines/ rules etc. issued by GOI, and updated from time to time. Industry practices, national/ international standards are kept in view while formulating polices.</td></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>-</td><td>Y</td><td>Y</td></tr>
<tr><td colspan="9">Different policies are approved by the Board/ Competent Authorities as per delegation of power.</td></tr>
</table>

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	Refer table below @								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

@ Web-link for the policy:

NVG Principle	Web-link
Principle 1: Ethics, transparency & accountability	https://bharatpetroleum.com/images/files/CodeOfConduct_BPCL.pdf
Principle 2: Sustainability in life-cycle of product	Company's Internal web (Intralink)
Principle 3: Employee well-being	Company's Internal web (Intralink)
Principle 4: Stakeholder engagement	https://www.bharatpetroleum.com/images/files/BPCL_SDR%202015_2016-.pdf
Principle 5: Promotion of human rights	Company's Internal web (Intralink)
Principle 6: Environmental protection	https://www.bharatpetroleum.in/sustainability/health,-safety,-security-&-environment/security-policy.aspx
Principle 7: Responsible public policy advocacy	https://www.bharatpetroleum.com/PDF/Citizen_Charter.pdf
Principle 8: Inclusive growth	Company's Internal web (Intralink)
Principle 9: Customer value	https://www.bharatpetroleum.com/PDF/Citizen_Charter.pdf

2A. If answer to S. No. 1 against any principle is 'No', please explain why: (Tick up to 2 options)

S. No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles.	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The Company does not have financial or manpower resources available for the task.									
4.	It is planned to be done within next 6 Months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify).									

3. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)

BPCL has constituted the 'Sustainable Development Committee of the Board' which reviews the sustainability initiatives every 3-6 months and provides directions for further improvement.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. BPCL has been publishing its BRR as a part of its Annual Report. In addition, BPCL is also publishing its GRI Framework based Sustainable Development Report (SDR) every year since financial year 2007-08. The Sustainable Development report for the past years are available at: https://www.bharatpetroleum.in/Sustainability/Sustainability-Reports.aspx

Section E: Principle-wise performance

Principle 1: *Ethics, Transparency and Accountability*

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

Yes. The policy formulated by BPCL on ethics, prevention of corruption and bribery covers BPCL's entire operations. BPCL's Group Companies/ Joint Ventures are separate legal entities having their own policies and procedures and are not covered by BPCL's policy on ethics, bribery, corruption and human rights.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the financial year 2016-17, 15 investor complaints have been received through SEBI and NSE (SEBI-14, NSE-1) which were all attended to and resolved on priority basis.

Further, during the financial year 2016-17, a total of 3,66,927 Customer complaints have been received and 3,66,920 complaints have been resolved during the year.

BPCL has in place a robust and easily accessible Customer Care System (CCS) enabling customers to provide their feedback, complaints or suggestions. In financial year 2016-17, over 6 lakh interactions have been received and all are resolved over an average closure time of 2 days.

Principle 2: *Sustainability in the life-cycle of the Product*

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

BPCL has been constantly investing its efforts in ensuring that the usage of its products is done in a safe and efficient manner. BPCL ensures that they do not pose unintended harm to the environment and to persons involved during their production, transportation, consumption or disposal.

Some of BPCL's products with enhanced environmental performance include:

- BS IV Motor Spirit
- BS IV HSD
- 10% Ethanol blended Motor Spirit
- 5% Biodiesel blended HSD

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

As per auto fuel vision and policy 2025, BS IV is progressively available across the country since April 2017. Supply of low sulphur transportation fuels (MS / HSD) have resulted in lowering the negative impact on the environment.

In line with the Ministry of Petroleum & Natural Gas Gazette Notification for selling of Ethanol blended Motor Spirit with Ethanol up to 10%, BPCL has undertaken maximization of blending of Ethanol in Motor Spirit. Ethanol is an oxygen-enhancing additive that helps Motor Gasoline burn cleaner, thus reducing air pollution due to lesser harmful emissions such as Carbon Monoxide (CO). It also results in reduction in the use of crude oil, a non-renewable resource and dependence on import of petroleum products, thereby saving valuable foreign exchange for the country.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

In line with the Govt. of India Biodiesel blending program, BPCL has undertaken the blending of 5% Biodiesel in HSD at selected locations. Biodiesel is a fuel manufactured from non–edible/ edible oils. Biodiesel substantially reduces unburnt Hydrocarbon, CO and particulate matter.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so

Yes. The Oil and Gas sector is vulnerable to threats like depletion of resources and geopolitical uncertainties. The Company has long and short term contracts in place for its crude oil procurement. BPCL has diversified its Global Crude Oil supply from various sources and efforts are made for optimisation of the Crude Basket and minimisation of inventories at the same time ensuring uninterrupted supplies of Crude Oil to Refineries. BPCL is employing VLCC for transportation of Crude Oil to the extent possible to save transportation fuel. As pipeline transportation is the safe and efficient way of transportation of Hydrocarbons, BPCL has been expanding its pipeline network. As of date, it is approx. 2000 km in length.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes. BPCL has taken various measures for the procurement of goods and services from small/ local vendors. BPCL tenders include a Purchase Preference Clause for Micro and Small Enterprises (MSEs).

   For financial year 2016-17, the total procurement value for BPCL for Goods, Services and Works & Contracts, where MSEs could have participated was ₹ 6094.63 Crores and the actual procurement value from MSEs was ₹ 1705.27 Crores, i.e. an achievement of 27.98 % as against the target of 20%.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) ?**

   BPCL has been constantly exploring the possibility of recycling waste material generated from operations.

   BPCL Refineries have a system for recovery of oil from Crude Oil Sludge in Crude Tankages. They also have state-of-the-art effluent treatment plants. Treated water from these plants is used as a cooling medium and for other non potable uses. The Refineries have also implemented Flare Gas Recovery systems to recover valuable Hydrocarbons. BPCL R&D has developed a technology for utilization of waste plastic for making roads.

Principle 3: *Employee Well-being*

1. **Please indicate the total number of employees**

	No. of employees
Permanent Employees	12,484

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis**

	No. of employees
Temporary/Contractual/	Contract Labour: 29,847

   *Contract labour is engaged by contractors for non-core, sporadic and peripheral nature of jobs as per "Contract for Services". The number is dynamic and changes depending on projects/works being undertaken. Currently, a significant number of contract labour are also engaged through contractors for special projects including two major projects namely Integrated Refinery Expansion Project in Kochi Refinery and commissioning of ISOM & DHT units in Mumbai Refinery.

   There is no casual labour currently engaged in BPCL. As a policy, we have discontinued engagement of casual labour.

3. **Please indicate the number of permanent women employees**

   1139 (Management - 561, Clerical- 554, Labour - 24)

4. **Please indicate the number of permanent employees with disabilities**

   230 (Management - 95, Non - Management - 135)

5. **Do you have an employee association that is recognized by management?**

   There are 21 Registered Unions operating in BPCL.

6. **What percentage of your permanent employees are members of this recognized employee association?**

   Around 92% of our (non-management) employees are represented through these 21 registered unions.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as at the end of the financial year.**

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1.	Child labour/ forced labour/ involuntary labour	NIL	NA
2.	Sexual harassment	3	0
3.	Discriminatory employment	NIL	NA

8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

- Permanent Employees : On an average 14.24 man-hours of training per employee was provided.

This training is inclusive of safety related training undertaken at plants.

- Permanent Woman Employees: On an average 7.26 man-hours of training per woman employee was provided. This is inclusive of safety related training undertaken at plants.
- Casual / Temporary / Contractual Employees: The safety of contract labour is of utmost importance to BPCL, so across all locations contract labour compulsorily attend a comprehensive training programme which includes sessions on 'Safety within the workplace' before being deployed at the site. 100% training is provided to all contract labour.
- Employees with Disabilities: Not tracked separately

Principle 4: ***Stakeholder Engagement***

1. Has the Company mapped its internal and external stakeholders? Yes/No

BPCL has identified both, its internal and external stakeholders. The internal stakeholders largely include employees and the external stakeholders are listed as follows:

- Shareholders & lenders
- Government and regulatory authorities
- Industry associations
- Customers
- Suppliers
- Community
- Dealers and distributors
- Contractors
- Media and academic institutions

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. BPCL's projects aim at benefitting the disadvantaged, vulnerable and marginalised community who are present in and around its Refineries, Depots, Installations, LPG Bottling Plants and remote rural/tribal communities.

BPCL ensures that the reservation policy as advised by Govt of India is implemented. BPCL is also involved in improving the quality of life of persons for whom projects are specially designed.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

BPCL has made commitments for various projects, pan India in its thrust areas, largely catering to disadvantaged, vulnerable and marginalized stakeholders viz. education, sanitation & digital literacy projects for children, healthcare initiatives for tribal communities, several initiatives for persons with physical disabilities/visual impairment/hearing impairment/autism/cerebral palsy, empowerment of women through income enhancing skill development programs and other interventions in rural/tribal/semi-urban areas.

Principle 5: ***Promotion of Human Rights***

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

BPCL's Human Rights policy only covers the operations controlled by the Company. It does not extend to its Group / Joint ventures etc.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the financial year 2016-17, a total of 3,66,927 Customer Complaints were received and 3,66,920 have been resolved.

Principle 6: ***Environmental Protection***

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others

The Environmental Protection Policy is applicable to all operations of BPCL. Group Companies and Joint Ventures have their own environmental policy.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Yes/No. If yes, please give hyperlink for webpage etc.

Yes. BPCL has recognised the need to join hands and act against the consequences of climate change. BPCL is a partner with the Ministry of Petroleum & Natural Gas, Ministry of Environment, Forests & Climate Change and other Oil Companies for the Campaign on Climate Change. Additionally, BPCL has set up a Board level Sustainable Development Committee which discusses and reviews projects on sustainable development every 6 months.

BPCL has implemented facilities for production of BS IV quality auto fuels and is also in the process of setting up facilities for BS VI Auto fuels. The above projects will help in reduction of carbon emissions.

BPCL also has a policy on renewable energy which emphasizes increased use of Solar/ Wind Power. The link is provided below:

https://www.bharatpetroleum.co.in/images/files/BPCL_SDR%202015_2016.pdf

3. **Does the Company identify and assess potential environmental risks? Yes/No**

   Yes. With Environmental Risk and Safety being primary concerns, BPCL has in place a detailed Health, Safety and Environment Policy. BPCL Refineries have ISO certifications for an Integrated Management System including Quality, Environment and Safety. BPCL identifies potential environmental risks that are material to the organisation aided by this policy.

   As a practice, BPCL conducts Environmental Impact Assessments (EIA)/Rapid Risk Assessments (RRA) at every grass root project or while installing a new facility. This is done to understand the impact created by the construction and identify methods to reduce environmental impact.

4. **Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?**

   Presently, BPCL does not have any project under Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on– clean technology, energy efficiency, renewable energy, etc. Yes/No. If yes, please give hyperlink for web page etc.**

   Yes. BPCL has carried out many projects in the Refineries and marketing locations for renewable energy and clean technology. BPCL has increased energy efficient lighting capacity from 3.26 MW to 6.2 MW. Renewable energy capacity has increased from 19.57 MW to 22.17 MW. These initiatives have resulted in annual reduction of GHG emission by 34,000 Metric Tons of CO_2 equivalent.

   The Refineries have implemented many schemes for energy conservation during the year. A few examples are given below:

   - Implementation of Advance Process Control (APC) in High Efficiency Boilers (HEB) and "Online Utility Planner and Optimizer", a first of its kind in the country.
   - Provision of Plate Type heat exchangers for Sour Water Stripper (SWS) and Amine Treating Unit (ATU) to reduce steam consumption in reboilers.
   - Replacement of conventional steam ejector in VDU 3 by LRVP arrangement.
   - Double Wall Column (DWC) has been commissioned, as part of the ISOM unit, to achieve significant reduction in energy consumption.
   - At Kochi Refinery, a new energy efficient Crude Unit was commissioned as part of the Integrated Refinery Expansion Project (IREP) and the old Crude Unit having higher energy consumption was decommissioned.

   The link is given below:

   https://www.bharatpetroleum.com/images/files/BPCL_SDR%202015_2016.pdf

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. Levels of emissions and generated wastes are constantly monitored to ensure that their limit is within the norms set by the respective Pollution Control Boards (PCB). Emission levels and the set limits are captured as Sustainable Development Data by the Refineries and Marketing Locations. Further, BPCL Refineries have implemented an online emission monitoring system which provides real time data to PCBs as part of Corporate Responsibility for Environmental Protection.

7. **Number of showcause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   In financial year 2016-17, there are no pending CPCB/SPCB showcause / legal notices.

Principle 7: *Responsible Public Policy Advocacy*

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   Yes. BPCL is a member of several industrial and trade associations. Some of the major ones are listed below:

   - Confederation of Indian Industry
   - Federation of Indian Chambers of Commerce and Industry
   - Bombay Chamber of Commerce & Industry
   - ASSOCHAM
   - Indian Merchant Chambers
   - World Energy Council-Indian Member Committee
   - World LP Gas Association
   - Petroleum Federation of India
   - Bio Diesel Association of India
   - The Advertising Standards Council of India
   - National Accreditation Board for Testing and Calibration Laboratories

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas: (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The above-mentioned organisations act as a platform for BPCL to address issues that might impact its stakeholders. BPCL encourages participation in advocating policy level processes rather than lobbying on any specific issues.

Principle 8: *Inclusive Growth*

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   As mentioned in the sections above, BPCL's CSR projects aim at benefitting the community from low socio-economic strata, who are in & around their business units like refineries, depots, installations, LPG bottling plants and are identified as vulnerable. These projects are attempting for inclusive growth & equitable development of such communities.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   BPCL largely collaborates with various NGOs, foundations, government structures, other professional agencies for execution of the project on the ground.

3. **Have you done any impact assessment of your initiative?**

   Yes. Impact assessment is crucial to view the effect of the activity conducted. In this regard, BPCL conducts impact assessment as a part of the project for the majority of projects. For the big projects, which can be replicated or scaled up, BPCL also conducts 3rd party impact assessment as per our policy.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   In financial year 2016-17, the direct contribution to community development projects was ₹ 90.98 Crore. For details of CSR Projects undertaken, please refer to the Annual Report on CSR Activities forming part of this Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Community involvement and participation is crucial at every step of the project/programme to BPCL CSR. Efforts are taken to form community based organisations from the planning stage to the final result assessment. Community based organisations include farmer committees, village water committees, alumni committees and school management committees. Training, meetings and capacity building is provided to these groups and other stakeholders throughout the project. In several projects, more specifically skill development & water conservation the community also contributes a small amount financially or through "Shramdan". This ensures ownership of the project by the community as well as sustainability on BPCL exit. BPCL also uses the transformed communities as resource groups to empower other villages/ communities. This peer learning is much more effective.

Principle 9: *Customer Value*

1. **What percentage of customer complaints/ consumer cases are pending as at the end of the financial year.**

   In financial year 2016-17, a total of 3,66,927 Customer Complaints were received and 3,66,920 complaints have been resolved during the year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)**

   BPCL provides information on product labels according to National and International specifications where feasible. It additionally displays information for safe handling of the product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of the financial year? If so, provide details thereof, in about 50 words or so.**

	No. of cases filed in the last five years	No. of cases pending as on end of financial year 2016-17
Unfair trade practices	Nil	Nil
Irresponsible advertising	Nil	Nil
Anti-competitive behaviour	5	5

Details of cases regarding Anti-competitive behaviour are as follows:

1. RIL /Essar/Shell had filed a complaint before the Petroleum & Natural Gas Regulatory Board (PNGRB) against PSU OMCs and upstream companies alleging collusion, cartelization and predatory pricing for MS and HSD. - *Sub Judice*
2. A complaint was filed by RIL before the Competition Commission of India alleging cartelization and misuse of its dominant position- *Sub Judice*
3. India Glycols Ltd. Vs India Sugar Mills Associates & Ors. alleging that ISMA, on behalf of member companies (including BPCL) have lobbied with Govt. of India for increasing the price of Ethanol from various suppliers- *Sub Judice (Multiple cases are filed on this issue in several forums)*
4. CCI vide its own cognizance started enquiry against OMCs by observing that OMCs are behaving like a cartel by fixing the petrol price. Preliminary objection taken by Respondent OMCs that CCI does not have jurisdiction and PNGRB has jurisdiction to hear this issue.

   The commission ordered DG investigation which should cover the entire value chain of price build up. BPCL challenged the said order in Delhi High Court vide WP 7303/2013 and Delhi High Court vide order dated 22.11.2013 ordered stay in the said proceedings - *Sub Judice*
5. Appeal filed against order dated 11.2.2014 passed by CCI in suo-motu case no. 95/2013. Federation is alleging unfair terms in Dealership Agreements for a) Not allowing to use petroleum products of other OMCs and b) Reserving Dealer land just for selling oil and impose condition to give land to OMC when dealership is terminated- *Sub Judice*

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

BPCL has not undertaken any structured survey during the year 2016-17, but it does take up customer feedback. In financial year 2016-17, BPCL received feedbacks from 84,866 customers of which 56,061 were satisfied customers.

ANNEXURE E

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017	The preparation of financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2017. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai

Place : Mumbai
Date : 25 July 2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017	The preparation of consolidated financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May, 2017. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Bharat Petroleum Corporation Limited for the year ended 31 March, 2017. We conducted a supplementary audit of the financial statements of (Annexure-I), but did not conduct supplementary audit of the financial statements of (Annexure-II) for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to (Annexure-III) being private entities/entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit &
ex-officio Member Audit Board–II, Mumbai

Place : Mumbai
Date : 25 July 2017

Annexure-I	**Annexure-II**	**Annexure-III**
Audit Conducted	**Audit not conducted**	**Audit not applicable**
(A) Subsidiaries:	**(A) Subsidiaries:**	**(A) Subsidiaries:**
1. Numaligarh Refinery Limited	1. Petronet CCK Limited	Nil
2. Bharat PetroResources Limited		
(B) Joint Ventures:	**(B) Joint Ventures:**	**(B) Joint Ventures:**
1. Maharashtra Natural Gas Limited	1. Delhi Aviation Fuel Facility Private Ltd.	1. Bharat Oman Refineries Limited (BORL)
2. Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	2. Central UP Gas Limited	2. Bharat Stars Services Pvt Limited
3. Kochi Salem Pipeline Private Limited	3. Petronet India Limited	3. Matrix Bharat Pte Ltd
4. Sabarmati Gas Limited	4. Haridwar Natural Gas Pvt Limited	4. Petronet LNG Limited
5 GSPL India Gasnet Ltd. (GIGL)		5. Indraprastha Gas Limited
6. GSPL India Transco Ltd. (GITL)		6. Fino Pay Tech Ltd

ANNEXURE F

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

S. No.	Name of the Related Party	Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Salient Terms of the Contracts/ Arrangements/ Transactions	Transaction Values in FY 2016-17 (₹ Crores)	Dates of Board Approval	Amount Paid as Advances (₹ Crores)
1	Bharat Oman Refineries Limited (BORL)	Joint Venture Company	Purchase of Goods	2016-17	Purchase of petroleum products for resale and high sea purchase of Crude Oil	27,712.73	NA	-
2	Bharat Oman Refineries Limited (BORL)	Joint Venture Company	Sale of Goods	2016-17	Import of Crude Oil on behalf of BORL and supplies to them. Also, sale of lubricants	2,144.63	NA	-
3	Bharat Oman Refineries Limited (BORL)	Joint Venture Company	Receiving of Services	2016-17	Interest on the loans provided to BORL	118.69	NA	-
4	Bharat PetroResources Limited	Subsidiary Company	Receiving of Services	2016-17	Interest on the loans provided to BPRL	71.24	NA	-
5	Indraprastha Gas Limited (IGL)	Associate Company	Purchase of Goods	2016-17	Purchase of Compressed Natural Gas for resale at the Retail Outlets	248.16	NA	-
6	Indraprastha Gas Limited (IGL)	Associate Company	Sale of Goods	2016-17	Sale of Liquified Natural Gas / Lubricants.	182.88	NA	-
7	Matrix Bharat Pte. Ltd. (MXB)	Joint Venture Company	Sale of Goods	2016-17	Sale of bunker fuels and export of benzene and FO	1,636.57	NA	-
8	Numaligarh Refinery Limited (NRL)	Subsidiary Company	Purchase of Goods	2016-17	Purchase of petroleum products for resale	12,201.73	NA	-
9	Petronet CCK Limited (PCCK)	Subsidiary Company	Receiving of Services	2016-17	Transportation of petroleum products through PCCK pipeline	109.78	NA	-
10	Petronet LNG Limited (PLL)	Associate Company	Purchase of Goods	2016-17	Purchase of Regassified Liquified Natural Gas for consumption / sale	3,299.44	NA	-
11	Petronet LNG Limited (PLL)	Associate Company	Receiving of Services	2016-17	Regasification of LNG	53.84	NA	-
12	Sabarmati Gas Limited (SGL)	Joint Venture Company	Purchase of Goods	2016-17	Purchase of Compressed Natural Gas for resale at the Retail Outlets	176.02	NA	-
13	Sabarmati Gas Limited (SGL)	Joint Venture Company	Sale of Goods	2016-17	Sale of Liquified Natural Gas	189.21	NA	-

Note: The threshold for determining the material transaction has been considered in line with rule no. 15 (3) of Companies (Meetings of Boards and its powers) Rules, 2014.
All Transactions are in ordinary course of business and at arm's length.

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman & Managing Director

Place : Mumbai
Date : 29th May 2017

ANNEXURE G

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i) CIN	L23220MH1952GOI008931
(ii) Registration date	3rd November,1952
(iii) Name of the Company	Bharat Petroleum Corporation Limited
(iv) Category/Sub-Category of the Company	Public Company Limited by Shares/Government Company
(v) Address of the Registered Office and contact details	Bharat Bhavan, 4&6, Currimbhoy Road, Ballard Estate, P.B. No. 688, Mumbai 400 001, India Tel No. 022 2271 3000/4000 Fax. No. 022 2271 3874 Email : info@bharatpetroleum.in Website : www.bharatpetroleum.in
(vi) Whether listed Company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Data Software Research Co. Pvt. Ltd. 19, Pycrofts Garden Lane, Off. Haddows Road, Nungambakkam,Chennai- 600 006 Ph: +91-44-2821 3738/2821 4487; Fax: 91-44-2821 4636; Email : bpcl@dsrc-cid.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company (After allocating Cash subsidy received)
1	Motor Spirit (MS)	Group 192; sub-class: 19201	23.43
2	High Speed Diesel (HSD)	Group 192; sub-class: 19201	52.44

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bharat PetroResources Ltd. Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001, Maharashtra	U23209MH2006GOI165152	Subsidiary	100%	2 (87)
2	Bharat PetroResources JPDA Ltd., Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001, Maharashtra	U23209MH2006GOI165279	Subsidiary	*100%	2 (87)
3	BPRL International BV,* Haaksbergweg 71, 1101 BR Amsterdam The Netherlands	Not applicable	Subsidiary	*100%	2 (87)
4	BPRL Ventures BV,* Haaksbergweg 71, 1101 BR Amsterdam The Netherlands	Not applicable	Subsidiary	*100%	2 (87)

* Shares are held by Subsidiary

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	BPRL Ventures Mozambique BV Haaksbergweg 71, 1101 BR Amsterdam The Netherlands	Not applicable	Subsidiary	*100%	2 (87)
6	BPRL Ventures Indonesia BV Haaksbergweg 71, 1101 BR Amsterdam The Netherlands	Not applicable	Subsidiary	*100%	2 (87)
7	BPRL International Singapore Pte. Ltd. 8 Cross Street, #24-03/04, PWC Building, Singapore 048424	Not applicable	Subsidiary	*100%	2 (87)
8	Petronet CCK Ltd. Irimpanam Installation of BPCL, Irimpanam, Cochin 682 309, Kerala	U60300KL1998PLC012336	Subsidiary	100%	2 (87)
9	Numaligarh Refinery Ltd. 122 A, G. S. Road, Christianbasti, Guwahati 781 005, Assam	U11202AS1993GOI003893	Subsidiary	61.65%	2 (87)
10	BPCL-KIAL Fuel Farm Pvt Ltd. C/o BPCL, Irimpanam Installation, Irimpanam, Kochi 682309, Kerala	U23200KL2015PTC038487	Subsidiary	**74%	2 (87)
11	Petronet CI Ltd. C/o. Indian Oil Corporation Ltd. Koyali, Ahmedabad Pipeline, P. O. Jawahar Nagar, Vadodara 391 320, Gujarat	U23201GJ2000PLC039031	Associate	11%	2 (6)
12	Bharat Oman Refineries Ltd. Administrative Bldg., Refinery Complex, Post BORL Residential Complex, Bina 470 124 Dist. Sagar, Madhya Pradesh	U11101MP1994PLC008162	Associate	50%	2 (6)
13	Petronet LNG Ltd. World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi 110 001, Delhi	L74899DL1998PLC093073	Associate	12.5%	2 (6)
14	Indraprastha Gas Ltd. IGL Bhawan, Plot No. 4, Community Centre, Sector 9, R. K. Puram, New Delhi 110 022, Delhi	L23201DL1998PLC097614	Associate	22.5%	2 (6)
15	Maharashtra Natural Gas Ltd. A Block, Plot No. 27, Narveer Tanajiwadi, PMPML Bus Depot, Commercial Bldg., 1st Floor, Shivaji Nagar, Pune 411 005, Maharashtra	U11102PN2006PLC021839	Associate	22.5%	2 (6)
16	Central UP Gas Ltd. A-1/4, 7th Floor, UPSID Complex, Lakhanpur, Kanpur 208 024, Uttar Pradesh	U40200UP2005PLC029538	Associate	25%	2 (6)
17	Sabarmati Gas Ltd. Plot No. 907, Sector 21, Gandhinagar 382 021, Gujarat	U40200GJ2006PLC048397	Associate	49.94%	2 (6)
18	Haridwar Natural Gas Pvt. Ltd. C/o BPCL Landhora, Roorkee, Haridwar, Uttarakhand 247 667	U40300UR2016PTC007004	Associate	50%	2 (6)

* Shares are held by Subsidiary

** BPCL-KIAL Fuel Farm Facility Private Limited is treated as a Joint Venture for consolidation of accounts as per Ind AS.

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
19	Goa Natural Gas Pvt. Ltd. C/o Bharat Petroleum Corporation Ltd. Plot No. 32, EDC Complex, Patto Panaji, Goa 403 001	U40300GA2017PTC013095	Associate	50%	2 (6)
20	Bharat Stars Services Pvt. Ltd. BPCL Aviation Fuelling Station, Indira Gandhi International Airport, Terminal II, New Delhi 110 061, Delhi	U11100DL2007PTC168158	Associate	50%	2 (6)
21	Delhi Aviation Fuel Facility Pvt. Ltd. Aviation Fuelling Station, Shahbad Mohammad Pur, Indira Gandhi International Airport, New Delhi 110 061, Delhi	U74999DL2009PTC193079	Associate	37%	2 (6)
22	Mumbai Aviation Fuel Farm Facility Pvt. Ltd. Opp. ITC Maratha, Sahar Police Station, CSI Airport, Sahar, Andheri East, Mumbai 400 099, Maharashtra	U63000MH2010PTC200463	Associate	25%	2 (6)
23	Kannur International Airport Ltd. Parvathy, T.C. 36/1 Chacka, NH Bypass, Pettah, Thiruvananthapuram 695 024, Kerala	U63033KL2009SGC025103	Associate	21.68%	2 (6)
24	GSPL India Gasnet Ltd. GSPC Bhavan, Behind Udyog Bhavan, Sector 11, Gandhinagar 382 011, Gujarat	U40200GJ2011SGC067449	Associate	11%	2 (6)
25	GSPL India Transco Ltd. GSPC Bhavan, Behind Udyog Bhavan, Sector 11, Gandhinagar 382 011, Gujarat	U40200GJ2011SGC067450	Associate	11%	2 (6)
26	Kochi Salem Pipeline Private Ltd. C/o. BPCL Irimpanam Installation, Irimpanam, Kochin 682 309, Kerala	U40300KL2015PTC037849	Associate	50%	2 (6)
27	Matrix Bharat Pte. Ltd. 83, Clemenceau Avenue, 12-05 UAE Square, Singapore 239920	Not applicable	Associate	50%	2 (6)
28	FINO PayTech Ltd. Shree Sawan Knowledge Park, 2nd Floor, D-507, TTC Industrial Area, MIDC Turbhe, Navi Mumbai- 400 705, Maharashtra	U72900MH2006PLC162656	Associate	21.1%	2(6)
29	Petronet India Ltd. BPCL Sewree Installation, Sewree Fort Road, Sewree (East), Mumbai 400 015, Maharashtra	U45203MH1997PLC108251	Associate	16%	2 (6)
30	Bharat Renewable Energy Ltd. Room No. 200, 1st Floor, Bio-Business Block, Biotech Park, SEG-G, Jankipuram, Kursi Road, Lucknow, Uttar Pradesh 226 021	U74999UP2008PLC035469	Associate	33.33%	2 (6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individual / HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt / State Govt(s)	397200120	-	397200120	54.93	794400240	-	794400240	54.93	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**397200120**	**-**	**397200120**	**54.93**	**794400240**	**-**	**794400240**	**54.93**	**-**
(2)	**Foreign**									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**397200120**		**397200120**	**54.93**	**794400240**	-	**794400240**	**54.93**	-
B.	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/UTI	41451534	44	41451578	5.74	59062964	88	59063052	4.08	-1.66
(b)	Banks / FI	949641	3092	952733	0.13	1745072	6184	1751256	0.12	-0.01
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	6222222	6222222	0.86	-	12444444	12444444	0.86	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	19194898	-	19194898	2.65	36761860	-	36761860	2.54	-0.11
(g)	FIIs	152785599	800	152786399	21.13	325769671	1600	325771271	22.53	1.40
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**214381672**	**6226158**	**220607830**	**30.51**	**423339567**	**12452316**	**435791883**	**30.13**	**-0.38**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	17867557	33580	17901137	2.48	34053239	17578	34070817	2.36	-0.12
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual Shareholders holding Nominal Share Capital upto ₹ 1 lakh	13958497	1640083	15598580	2.16	29555445	2947500	32502945	2.24	0.08
(ii)	Individual Shareholders holding Nominal Share Capital upto ₹ 1 lakh	1876721	20656	1897377	0.26	9951833	157452	10109285	0.70	0.44
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
(i)	NRI	733215	34021	767236	0.11	1595393	67954	1663347	0.12	0.01
(ii)	BPCL Trust for investment in shares	67457474	-	67457474	9.33	134914948	-	134914948	9.33	-
(iii)	Clearing Members	1654494	-	1654494	0.23	2715031	-	2715031	0.19	-0.04
	Sub-Total (B)(2)	**103547958**	**1728340**	**105276298**	**14.56**	**212785889**	**3190484**	**215976373**	**14.94**	**0.38**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**317929630**	**7954498**	**325884128**	**45.07**	**636125456**	**15642800**	**651768256**	**45.07**	-
C.	**Shares held by Custodian for GDRs & ADRs**									
	Grand Total (A+B+C)	**715129750**	**7954498**	**723084248**	**100.00**	**1430525696**	**15642800**	**1446168496**	**100.00**	-

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% Change in Share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	
1	President of India	397200120	54.93	-	794400240	54.93	-	-
	Total	**397200120**	**54.93**	**-**	**794400240**	**54.93**	**-**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	397200120	54.93	397200120	54.93
	Date wise Increase/Decrease in Promoters' Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity, etc.)	There was an increase in the number of Promoters shares due to bonus issue in the ratio of 1:1 which were credited on 22.07.2016.			
	At the end of the year	794400240	54.93	794400240	54.93

(iv) Shareholding Pattern of top ten Members (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016-31.03.2017)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
1	BPCL Trust for Investment in Shares	67,457,474	9.33	01.04.2016				
				31.03.2017	67,457,474	Bonus 2016	134,914,948	9.33
2	Life Insurance Corporation of India	13,688,268	1.89	01.04.2016				
				08.04.2016	-1,413,657	sale	12,274,611	1.70
				15.04.2016	-362,872	sale	11,911,739	1.65
				22.07.2016	11,911,739	Bonus 2016	23,823,478	1.65
				18.11.2016	264,026	purchase	24,087,504	1.67
				25.11.2016	1,324,196	purchase	25,411,700	1.76
				02.12.2016	115,102	purchase	25,526,802	1.77
				09.12.2016	2,470,812	purchase	27,997,614	1.94
				31.03.2017	500,025	purchase	28,497,639	1.97
3	Governor of Kerala	6,222,222	0.86	01.04.2016				
				31.03.2017	6,222,222	Bonus 2016	12,444,444	0.86
4	Stichting Depositary APG Emerging Markets Equity Pool	4,948,495	0.68	01.04.2016				
				15.04.2016	33,663	purchase	4,982,158	0.69
				29.04.2016	-16,203	sale	4,965,955	0.69
				10.06.2016	-16,769	sale	4,949,186	0.68
				22.07.2016	5,115,601	Bonus 2016 and purchase	10,064,787	0.70
				29.07.2016	71,732	purchase	10,136,519	0.70
				12.08.2016	1,563,673	purchase	11,700,192	0.81
				26.08.2016	-1,134,961	sale	10,565,231	0.73
				02.09.2016	1,330	sale	10,566,561	0.73

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016-31.03.2017)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				09.09.2016	-652,846	sale	9,913,715	0.69
				30.09.2016	210,151	purchase	10,123,866	0.70
				07.10.2016	-169,445	sale	9,954,421	0.69
				21.10.2016	-137,667	sale	9,816,754	0.68
				28.10.2016	-147,266	sale	9,669,488	0.67
				04.11.2016	-140,726	sale	9,528,762	0.66
				18.11.2016	-528,225	sale	9,000,537	0.62
				25.11.2016	-189,681	sale	8,810,856	0.61
				02.12.2016	-238,455	sale	8,572,401	0.59
				09.12.2016	-50,211	sale	8,522,190	0.59
				16.12.2016	-32,296	sale	8,489,894	0.59
				06.01.2017	-190,252	sale	8,299,642	0.57
				13.01.2017	-28,056	sale	8,271,586	0.57
				20.01.2017	-834,645	sale	7,436,941	0.51
				27.01.2017	-254,193	sale	7,182,748	0.50
				03.02.2017	-186,394	sale	6,996,354	0.48
				11.02.2017	26,715	purchase	7,023,069	0.49
				17.02.2017	585,030	purchase	7,608,099	0.53
				01.03.2017	-295,916	sale	7,312,183	0.51
				10.03.2017	-208,614	sale	7,103,569	0.49
				17.03.2017	-124,513	sale	6,979,056	0.48
				31.03.2017	24,603	sale	7,003,659	0.48
5	Vanguard Emerging Markets Stock Index Fund (A series of Vanguard International Equity Index Fund)	2,710,654	0.37	01.04.2016				
				08.04.2016	10,304	purchase	2,720,958	0.38
				22.04.2016	5,993	purchase	2,726,951	0.38
				29.04.2016	-1,996	sale	2,724,955	0.38
				10.06.2016	6,297	purchase	2,731,252	0.38
				17.06.2016	-11,665	sale	2,719,587	0.38
				24.06.2016	-7,163	sale	2,712,424	0.38
				22.07.2016	2,725,168	Bonus 2016 and purchase	5,437,592	0.38
				29.07.2016	37,782	purchase	5,475,374	0.38
				05.08.2016	29,799	purchase	5,505,173	0.38
				12.08.2016	31,095	purchase	5,536,268	0.38
				26.08.2016	44,224	purchase	5,580,492	0.39
				09.09.2016	19,950	purchase	5,600,442	0.39
				16.09.2016	275,317	purchase	5,875,759	0.41
				30.09.2016	2,763,840	purchase	8,639,599	0.60
				07.10.2016	420,854	purchase	9,060,453	0.63
				14.10.2016	23,276	purchase	9,083,729	0.63
				21.10.2016	382,906	purchase	9,466,635	0.65
				28.10.2016	172,870	purchase	9,639,505	0.67
				11.11.2016	68,770	purchase	9,708,275	0.67
				25.11.2016	83,582	purchase	9,791,857	0.68
				02.12.2016	47,610	purchase	9,839,467	0.68
				06.01.2017	29,376	purchase	9,868,843	0.68
				13.01.2017	62,424	purchase	9,931,267	0.69
				20.01.2017	29,376	purchase	9,960,643	0.69
				03.02.2017	88,128	purchase	10,048,771	0.69
				17.02.2017	24,480	purchase	10,073,251	0.70
				27.03.2017	54,090	purchase	10,127,341	0.70
				31.03.2017	52,888	purchase	10,180,229	0.70

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016-31.03.2017)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
6	Government Pension Fund Global	4,467,967	0.62	01.04.2016				
				08.04.2016	446,323	purchase	4,914,290	0.68
				03.06.2016	-68,623	sale	4,845,667	0.67
				22.07.2016	4,845,667	Bonus 2016	9,691,334	0.67
				12.08.2016	-1,361,110	sale	8,330,224	0.58
				26.08.2016	-263,789	sale	8,066,435	0.56
				02.09.2016	-154,469	sale	7,911,966	0.55
				16.09.2016	-913,326	sale	6,998,640	0.48
				30.09.2016	-257,185	sale	6,741,455	0.47
				07.10.2016	539,226	purchase	7,280,681	0.50
				21.10.2016	-535,614	sale	6,745,067	0.47
				18.11.2016	79,000	purchase	6,824,067	0.47
				25.11.2016	429,000	purchase	7,253,067	0.50
				02.12.2016	-166,735	sale	7,086,332	0.49
				09.12.2016	-325,035	sale	6,761,297	0.47
				16.12.2016	-175,019	sale	6,586,278	0.46
				23.12.2016	76,245	purchase	6,662,523	0.46
				31.12.2016	23,999	purchase	6,686,522	0.46
				06.01.2017	10,602	purchase	6,697,124	0.46
				13.01.2017	204,482	purchase	6,901,606	0.48
				01.03.2017	-658,229	sale	6,243,377	0.43
				03.03.2017	-397,509	sale	5,845,868	0.40
				24.03.2017	320,387	purchase	6,166,255	0.43
				31.03.2017	-618,575	sale	5,547,680	0.38
7	Government of Singapore	2,536,642	0.35	01.04.2016				
				08.04.2016	112,042	purchase	2,648,684	0.37
				15.04.2016	-758	sale	2,647,926	0.37
				22.04.2016	-42,778	sale	2,605,148	0.36
				29.04.2016	113,068	purchase	2,718,216	0.38
				06.05.2016	-36,311	sale	2,681,905	0.37
				20.05.2016	-931	sale	2,680,974	0.37
				03.06.2016	125,751	purchase	2,806,725	0.39
				07.06.2016	25,203	purchase	2,831,928	0.39
				10.06.2016	2,802	purchase	2,834,730	0.39
				08.07.2016	-23,465	sale	2,811,265	0.39
				22.07.2016	2,818,274	Bonus 2016 and purchase	5,629,539	0.78
				29.07.2016	-191,186	sale	5,438,353	0.75
				05.08.2016	-55,403	sale	5,382,950	0.74
				26.08.2016	45,746	purchase	5,428,696	0.75
				02.09.2016	866,558	purchase	6,295,254	0.87
				09.09.2016	12,940	purchase	6,308,194	0.87
				16.09.2016	6,091	purchase	6,314,285	0.87
				07.10.2016	32,255	purchase	6,346,540	0.88
				14.10.2016	59,613	purchase	6,406,153	0.89
				21.10.2016	199,937	purchase	6,606,090	0.91
				04.11.2016	-9,150	sale	6,596,940	0.91
				11.11.2016	-8,783	sale	6,588,157	0.91
				18.11.2016	229,156	purchase	6,817,313	0.94
				25.11.2016	113,508	purchase	6,930,821	0.96
				02.12.2016	3,157,685	purchase	10,088,506	1.40

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016-31.03.2017)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				09.12.2016	-188,010	sale	9,900,496	1.37
				23.12.2016	-262,693	sale	9,637,803	1.33
				31.12.2016	54,004	purchase	9,691,807	1.34
				06.01.2017	50,405	purchase	9,742,212	1.35
				20.01.2017	-2,494	sale	9,739,718	1.35
				03.02.2017	-302,115	sale	9,437,603	1.31
				11.02.2017	79,036	purchase	9,516,639	1.32
				01.03.2017	-35,112	sale	9,481,527	1.31
				10.03.2017	32,211	purchase	9,513,738	1.32
				31.03.2017	-156,870	sale	9,356,868	1.29
8	ICICI Prudential Life Insurance Company Ltd.	5,218,141	0.72	01.04.2016				
				08.04.2016	-12,136	sale	5,206,005	0.72
				18.04.2016	-3,384	sale	5,202,621	0.72
				22.04.2016	6,249	purchase	5,208,870	0.72
				29.04.2016	-1,285	sale	5,207,585	0.72
				06.05.2016	-194	sale	5,207,391	0.72
				20.05.2016	36,650	purchase	5,244,041	0.73
				26.05.2016	-23,410	sale	5,220,631	0.72
				03.06.2016	-265,196	sale	4,955,435	0.69
				07.06.2016	-457	sale	4,954,978	0.69
				10.06.2016	7,977	purchase	4,962,955	0.69
				17.06.2016	-3,497	sale	4,959,458	0.69
				24.06.2016	-2,763	sale	4,956,695	0.69
				30.06.2016	-327,050	sale	4,629,645	0.64
				08.07.2016	74,615	purchase	4,704,260	0.65
				14.07.2016	-19,411	sale	4,684,849	0.65
				22.07.2016	4,634,513	Bonus 2016 and sale	9,319,362	0.64
				29.07.2016	-76,041	sale	9,243,321	0.64
				05.08.2016	-124,551	sale	9,118,770	0.63
				12.08.2016	-206,159	sale	8,912,611	0.62
				26.08.2016	-334,605	sale	8,578,006	0.59
				02.09.2016	-512,851	sale	8,065,155	0.56
				09.09.2016	162,302	purchase	8,227,457	0.57
				16.09.2016	-133,392	sale	8,094,065	0.56
				30.09.2016	-244,380	sale	7,849,685	0.54
				07.10.2016	109,396	purchase	7,959,081	0.55
				14.10.2016	-128,833	sale	7,830,248	0.54
				21.10.2016	141,115	purchase	7,971,363	0.55
				28.10.2016	110	purchase	7,971,473	0.55
				04.11.2016	-6,181	sale	7,965,292	0.55
				11.11.2016	-209,515	sale	7,755,777	0.54
				18.11.2016	103,735	purchase	7,859,512	0.54
				25.11.2016	-15,139	sale	7,844,373	0.54
				02.12.2016	-120,679	sale	7,723,694	0.53
				09.12.2016	-22,523	sale	7,701,171	0.53
				23.12.2016	-11,823	sale	7,689,348	0.53
				31.12.2016	25,493	purchase	7,714,841	0.53
				06.01.2017	149,113	purchase	7,863,954	0.54
				13.01.2017	38,848	purchase	7,902,802	0.55
				20.01.2017	-18,229	sale	7,884,573	0.55

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016-31.03.2017)	
		No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				27.01.2017	-90,946	sale	7,793,627	0.54
				03.02.2017	-204,577	sale	7,589,050	0.52
				11.02.2017	26,217	purchase	7,615,267	0.53
				17.02.2017	-7,615,267	sale	-	0.00
				31.03.2017	-		-	0.00
9	Franklin Templeton Investment Funds	6,031,145	0.83	01.04.2016				
				08.07.2016	-200,000	sale	5,831,145	0.81
				22.07.2016	5,831,145	Bonus 2016	11,662,290	0.81
				09.09.2016	-555,600	sale	11,106,690	0.77
				16.09.2016	-408,076	sale	10,698,614	0.74
				30.09.2016	-2,396,324	sale	8,302,290	0.57
				18.11.2016	-753,000	sale	7,549,290	0.52
				25.11.2016	-2,919,000	sale	4,630,290	0.32
				02.12.2016	-1,002,200	sale	3,628,090	0.25
				09.12.2016	-141,800	sale	3,486,290	0.24
				16.12.2016	-292,800	sale	3,193,490	0.22
				23.12.2016	-301,800	sale	2,891,690	0.20
				31.12.2016	-2,438,800	sale	452,890	0.03
				06.01.2017	-452,890	sale	-	0.00
				31.03.2017	-		-	0.00
10	Vanguard Total International Stock Index Fund	1,790,172	0.25	01.04.2016				
				15.04.2016	37,334	purchase	1,827,506	0.25
				26.05.2016	35,891	purchase	1,863,397	0.26
				08.07.2016	32,736	purchase	1,896,133	0.26
				22.07.2016	1,956,539	Bonus 2016 and purchase	3,852,672	0.27
				16.09.2016	74,511	purchase	3,927,183	0.27
				30.09.2016	3,367,288	purchase	7,294,471	0.50
				07.10.2016	166,686	purchase	7,461,157	0.52
				04.11.2016	48,762	purchase	7,509,919	0.52
				18.11.2016	51,682	purchase	7,561,601	0.52
				25.11.2016	52,600	purchase	7,614,201	0.53
				02.12.2016	53,534	purchase	7,667,735	0.53
				09.12.2016	56,105	purchase	7,723,840	0.53
				06.01.2017	108,078	purchase	7,831,918	0.54
				13.01.2017	36,368	purchase	7,868,286	0.54
				03.02.2017	56,364	purchase	7,924,650	0.55
				01.03.2017	47,780	purchase	7,972,430	0.55
				10.03.2017	49,819	purchase	8,022,249	0.55
				31.03.2017	-		8,022,249	0.55

Note: The Shares of the Company are traded on daily basis and hence date wise increase/decrease in Shareholding is provided as per weekly download from Depositories.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016-31.03.2017)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
	Whole Time Directors:							
1	Shri D. Rajkumar,	2,400	0.00	01.10.2016	-	-		
	Chairman & Managing Director (w.e.f. 01.10.2016)			31.03.2017			2,400	0.00
2	Shri S. Varadarajan,	-	-	01.04.2016	-	-		
	Chairman & Managing Director (up to 30.09.2016)			30.09.2016			-	-
3	Shri P. Balasubramanian,	6	0.00	01.04.2016	-	-		
	Director (Finance)			22.07.2016	6	Bonus (1:1)	12	0.00
				31.03.2017			12	0.00
4	Shri S. P. Gathoo,	1,200	0.00	01.04.2016	-	-		
	Director (Human Resources)			22.07.2016	1,200	Bonus (1:1)	2,400	0.00
				31.03.2017			2,400	0.00
5	Shri B. K. Datta,	100	-	01.04.2016	-	-		
	Director (Refineries)			22.07.2016	100	Bonus (1:1)	200	0.00
	(up to 31.07.2016)			31.08.2016			200	0.00
6	Shri R. Ramachandran	816		01.08.2016	-	-		
	Director (Refineries) (w.e.f.01.08.2016)			31.03.2017			816	0.00
7	Shri S. Ramesh	200	0.00	01.04.2016	-	-		
	Director (Marketing)			22.07.2016	200	Bonus (1:1)	400	0.00
				31.03.2017			400	0.00
	Non-Executive (Ex-Officio) Directors:							
8	Shri Anant Kumar Singh	-	-	01.04.2016	-	-		
				31.03.2017			-	-
9	Shri P. H. Kurian	-	-	01.04.2016	-	-		
				31.03.2017			-	-
	Non-Executive (Independent) Directors:							
10	Shri Rajesh Mangal	-	-	01.04.2016	-	-		
				31.03.2017			-	-
11	Shri Deepak Bhojwani	-	-	01.04.2016	-	-		
				16.02.2017	600	Purchase		
				17.02.2017	400	Purchase		
				01.03.2017	450	Purchase		
				01.03.2017	-25	Sale		
				31.03.2017			1,425	0.00
12	Shri Gopal Chandra Nanda	-	-	01.04.2016	-	-		
				31.03.2017			-	-
13	Shri Vishal V Sharma	-	-	09.02.2017	-	-		
	(w.e.f. 09.02.2017)			31.03.2017			-	-
	Key Managerial Personnel:							
16	Shri S V Kulkarni,	-	-	01.04.2016	-	-		
	Company Secretary (up to 28.02.2017)			28.02.2017			-	-
	Shri M Venugopal	2,820	0.00	01.03.2017	-	-		
	(w.e.f. 01.03.2017)			31.03.2017			2,820	0.00
	Total	**7,542**	**0.00**		**2,931**		**10,473**	**0.00**

V. Indebtedness

Amount (₹ in Crores)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposit**	**Total Indebtedness**
Indebtedness at the beginning of the financial year (01.04.2016)				
(i) Principal Amount	1,675.71	14,300.05	0.02	15,975.79
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	166.98	-	166.98
Total (i+ii+iii)	**1,675.71**	**14,467.03**	**0.02**	**16,142.76**
Change in Indebtedness during the financial year				
Addition	2,333.59	7,703.65	-	**10,037.24**
Reduction	250.82	2,522.71	0.02	2,773.55
Net Change	**2,082.77**	**5,180.94**	**(0.02)**	**7,263.69**
Indebtedness at the end of the financial year (31.03.2017)				
(i) Principal Amount	3,758.47	19,484.42	-	23,242.89
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	163.56	-	163.56
Total (i+ii+iii)	**3,758.47**	**19,647.98**	**-**	**23,406.45**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole time Directors and/or Manager

(Amount in ₹)

Sl. No.	**Particulars of Remuneration**	**Name of MD/WTD/Manager**							**Total**
		S. Varadarajan	D. Rajkumar	P. Balasubramanian	S. P. Gathoo	B. K. Datta	R. Ramachandran	S. Ramesh	
1	Gross Salary								
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	58,45,031	18,76,111	43,61,052	45,74,209	49,63,799	20,11,115	37,09,948	2,73,41,266
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	25,03,925	3,88,079	11,97,138	12,53,964	19,31,295	5,48,425	9,85,944	88,08,770
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-	-	-
5	Others: Allowances/Contributions	13,55,300	3,80,971	10,51,668	5,17,318	13,33,975	3,67,706	20,94,082	71,01,018
	Total (A)	**97,04,256**	**26,45,160**	**66,09,858**	**63,45,492**	**82,29,068**	**29,27,246**	**67,89,974**	**4,32,51,054**
	Ceiling as per the Act	Provisions of Section 197 of the Companies Act, 2013 with respect to overall maximum managerial remuneration is not applicable to the Company being a Govt. Company as per MCA notification GSR 463(E) dated 05.06.2015.							

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total
1	Independent Directors	Rajesh Mangal	Deepak Bhojwani	Gopal Chandra Nanda	Vishal V Sharma	
	- Fee for attending Board Committee meetings	14,20,000	10,20,000	10,00,000	2,40,000	36,80,000
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (1)	**14,20,000**	**10,20,000**	**10,00,000**	**2,40,000**	**36,80,000**

Sl. No.	Particulars of Remuneration	Name of Directors		Total
2	Other Non-Executive Directors	Shri Anant Kumar Singh	Shri P. H. Kurian	
	- Fee for attending Board Committee meetings	-	-	-
	- Commission	-	-	-
	- Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	**36,80,000**
	Total Managerial Remuneration (A+B)			**4,69,31,054**
	Overall ceiling as per the Act	Provisions of Section 197 of the Companies Act, 2013 with respect to overall maximum managerial remuneration is not applicable to the Company being a Govt. Company as per MCA notification GSR 463(E) dated 05.06.2015.		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary		CFO	
			S. V. Kulkarni	M. Venugopal		
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	-	64,11,251	2,95,744	-	67,06,995
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	17,49,554	77,711	-	18,27,265
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others: Allowances/Contributions	-	14,28,461	20,959		14,49,420
	Total	-	**95,89,266**	**3,94,414**		**99,83,680**

C&MD and Director (Finance) are CEO and CFO respectively whose remuneration details are provided under VI A above.

VII. Penalties/Punishment/Compounding of Offences

Sr. No	Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A	Company	NIL				
	Penalty					
	Punishment					
	Compounding					
B.	Directors					
	Penalty					
	Punishment					
	Compounding					
C.	Other Officers in default					
	Penalty					
	Punishment					
	Compounding					

ANNEXURE H

Disclosure as required under Regulation 34, Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

(₹ in Crores)

Particulars		Balance as on		Maximum amount outstanding during the period	
		31.03.2017	31.03.2016	2016-17	2015-16
(a)	Loans and advances in the nature of Loans :				
	(i) To Subsidiary Company- Bharat Petro-Resources Limited	2,500.00	650.00	2,500.00	650.00
	(ii) To Associates- Bharat Oman Refineries Limited	1,254.10	1,354.10	1,354.10	1,354.10
	(iii) To Firms/ Companies in which directors are interested- Limited	-	-	-	-
(b)	Investment by the loanee in the shares of BPCL & its subsidiary company	-	-	-	-

ANNEXURE I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2016 TO 31-03-2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
BHARAT PETROLEUM CORPORATION LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BHARAT PETROLEUM CORPORATION LIMITED** (L23220MH1952GOI008931) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering **1st April, 2016 to 31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period **1st April, 2016 to 31st March, 2017** according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the Rules and Regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- Not applicable during the period

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies act and dealing with client.

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable during the period

h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998- Not applicable during the period

i. Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines), as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.

Based on the Compliance Mechanism established by the Company and the Legal Compliance Report submitted and taken on record by the Board of Directors, we are of the opinion that the Company has complied with the following laws specifically applicable to the Company:-

a. The Petroleum Act,1934;

b. The Oil Fields (Regulation and Development) Act,1948;

c. The Oil Industry (Development) Act, 1974;

d. The Energy Conservation Act, 2001;

e. The Petroleum & Natural Gas Regulatory Board Act, 2006;

f. Petroleum & Mineral Pipelines (Acquisition of Rights of User in Land) Act, 1962

g. Petroleum & Natural Gas Rules

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India;
- Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

except for non compliance of Regulation 17(1)(a)/(b) of SEBI (Listing Obligations & Disclosure Requirments) Regulations 2015, Section 149(1) of the Companies Act, 2013 & further in terms of clause 2.2 & 3.1.4 of the DPE Guidelines on the Corporate Governance relating to the condition of having at least one woman director and half of the Board of Directors to comprise of Independent Directors, which were not met with during the period.

We are further informed that the Company being a Central Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the appointment of Directors (including Independent Directors) can be made only after receiving nomination from Govt. of India and the company has suitably taken up the matter with Govt. of India.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provision of the Act except for observations as stated above.
- Adequate notice is given to all directors to schedule the Board Meetings, and the same was sent at least seven days in advance, agenda and detailed notes on agenda were sent at least 7days before the date of the Meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws, Service tax has not been reviewed in this audit since the same has been subject to review by the statutory financial audit, internal audit conducted by the internal audit department of the Company.

We further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

We further report that during the audit period the Company had the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- Issue of Bonus shares in the ratio of 1:1 i.e. 1 (One) new bonus equity share of ₹ 10/- each for every existing 1 (One) fully paid up equity share of ₹ 10/- each.
- Board of the Company at its meeting held on January 16, 2017, approved the proposal of merger of Petronet CCK Ltd. (PCCKL) a wholly owned Subsidiary of the Company with the Company subject to requisite statutory approvals.
- The Company sought members approval though postal ballot for increasing the ceiling of Investment by Foreign Institutional Investors in the shareholding of the Company from 24% up to 49% of the paid up equity share capital of the Company.
- Pursuant to Shareholders' approval accorded at previous Annual General Meeting held on dated 21st September 2016, the Board of Directors of the Company raised ₹ 550 crore through private placement of secured non-convertible debentures.

For Ragini Chokshi & Co.
(Company Secretaries)

Sd/-
Ragini Chokshi
(Partner)
C.P. No. 1436/FCS No. 2390

Place : Mumbai
Date : 11th July, 2017

Annexure - A

To,

The Members,
Bharat Petroleum Corporation Limited
Bharat Bhavan, Ballard Estate,
Mumbai 400 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ragini Chokshi & Co.
(Company Secretaries)

Sd/-
Ragini Chokshi
(Partner)
C.P. No. 1436/FCS No. 2390

Place : Mumbai
Date : 11th July, 2017

ANNEXURE J

DIVIDEND DISTRIBUTION POLICY

PREAMBLE:

The shares of Bharat Petroleum Corporation Limited (the "Company") are listed on the National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai. SEBI vide its notification dated 08.07.2016 has inserted Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ("the policy").

OBJECTIVE

The Company aims at maximisation of shareholder value and believes that this can be attained by driving growth. The policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the policy is to lay down a consistent approach to dividend declaration.

PARAMETERS FOR DIVIDEND DISTRIBUTION

- The Company has only one class of shares i.e. Equity shares and hence, the parameters disclosed hereunder apply to the same.
- The Board, while considering payment of dividend for a financial year may, inter-alia, consider the following factors:-
  - ➢ Profit for the financial year as well as general reserves of the Company.
  - ➢ Projections of future profits and cash flows;
  - ➢ Borrowing levels and the capacity to borrow including repayment commitments;
  - ➢ Present and future capital expenditure plans of the Company including organic/inorganic growth avenues.
  - ➢ Applicable taxes including tax on dividend.
  - ➢ Compliance with the provisions of the Companies Act or any other statutory guidelines including guidelines issued by the Govt. of India.
  - ➢ Past dividend trends for the Company and the industry.
  - ➢ State of the economy and capital markets.
  - ➢ Any other factor as may be deemed fit by the Board.
- The profits for a year may be adjusted at the discretion of the Board, for the purpose, to exclude exceptional or one off items or non-cash items resulting from change in law, accounting policies, accounting standards or otherwise.
- The Company would endeavor to pay minimum annual dividend of 30% of Profit after Tax (PAT) or 5% of net worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions.
- In case of deviation if any, in a particular year due to inadequacy or absence of profits/reserves or otherwise, the reasons and justification thereof shall be disclosed to the shareholders through the Annual Report of the Company.
- The Company is committed to continuous growth and has plans requiring significant capital outlay. The retained earnings, after distribution of dividend, shall primarily be utilized towards this purpose.
- Dividend shall be recommended by the Board for approval of shareholders of the Company for payment. However, the Board may also consider payment of interim dividend as and when it feels appropriate.

GENERAL

- In the event of the policy being inconsistent with any new regulatory provision, such regulatory provision shall prevail upon the corresponding provision of this policy and the policy shall be construed to be amended accordingly from the effective date of such provision.
- The Company reserves its right to alter, modify, add, delete or amend any or all of the provisions of the policy as it may deem fit or in accordance with the guidelines as may be issued by SEBI, Government of India or any other regulatory authority. The change in the policy shall, however, be disclosed alongwith the justification thereof on the Company's website and in the ensuing Annual Report in accordance with the extant regulatory provisions.

PERFORMANCE PROFILE

	Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
1.	**Refinery Thruput (TMT)**										
	Imported	**20,421**	18,028	17,661	16,761	17,155	16,353	14,769	14,126	13,143	13,904
	Indigenous	**4,970**	6,088	5,694	6,590	6,050	6,559	7,015	6,281	6,802	7,042
	TOTAL	**25,391**	**24,115**	**23,355**	**23,351**	**23,205**	**22,912**	**21,784**	**20,407**	**19,945**	**20,946**
2.	**Production Quantity (TMT)**	**24,206**	22,965	22,149	22,052	21,843	21,522	20,547	19,199	18,628	19,570
	Light Distillates %	**30.05**	28.90	27.93	29.19	28.52	28.91	29.83	28.11	26.43	26.64
	Middle Distillates %	**59.83**	60.27	59.65	57.02	56.26	55.42	55.46	54.51	54.24	54.72
	Heavy Ends %	**10.12**	10.83	12.42	13.78	15.22	15.68	14.71	17.38	19.33	18.64
3.	**Fuel and Loss as % of Crude Processed ***	**4.7**	4.8	5.2	5.6	5.9	6.1	5.7	5.9	6.6	6.6
4.	**Market Sales (MMT)**	**37.68**	36.53	34.45	34.00	33.30	31.14	29.27	27.89	27.35	25.79
5.	**Lubricants Production (MT)**	**2,93,791**	2,95,509	2,87,649	2,58,112	2,58,586	2,17,851	2,20,387	2,09,301	1,51,788	1,61,957
6.	**Market Participation %**	**22.8**	22.9	23.3	23.5	23.1	22.4	22.5	22.5	22.8	22.7
7.	**Marketing Network**										
	Installations	**13**	13	13	12	12	12	12	12	12	12
	Depots	**115**	118	114	116	115	115	114	129	120	126
	Aviation Service Stations	**43**	40	35	34	36	36	31	30	23	22
	Total Tankages (Million KL)	**3.70**	3.60	3.52	3.49	3.44	3.43	3.39	3.40	3.33	3.32
	Retail Outlets	**13,983**	13,439	12,809	12,123	11,637	10,310	9,289	8,692	8,402	8,251
	LPG Bottling Plants	**51**	50	50	50	50	49	49	49	49	48
	LPG Distributors	**4,684**	4,494	4,044	3,355	2,949	2,658	2,452	2,187	2,117	2,137
	LPG Customers (No. Million)	**59.5**	50.6	45.8	41.2	37.4	34.5	31.1	28.3	26.6	25.3
8.	**Manpower (Nos.)**	**12,484**	12,623	12,687	13,214	13,213	13,343	13,837	13,900	14,016	14,006
9.	**Sales and Earnings (Figures in ₹ Crores)**										
	i) Sales and Other Income	**2,43,476**	2,18,072	2,47,552	2,53,492	2,29,796	2,03,866	1,54,886	1,27,884	1,30,118	1,13,936
	ii) Gross Profit before Depreciation, Interest & Tax	**13,430**	12,801	10,515	9,555	7,787	5,569	5,167	4,619	4,246	4,368
	iii) Depreciation	**1,891**	1,845	2,516	2,247	1,926	1,885	1,655	1,242	1,076	1,098
	iv) Interest	**496**	565	583	1,359	1,825	1,800	1,117	1,011	2,166	673
	v) Profit before Tax	**11,043**	10,391	7,416	5,949	4,036	1,884	2,395	2,366	1,004	2,597
	vi) Tax	**3,003**	3,335	2,331	1,888	1,393	573	848	828	268	1,017
	vii) Profit after Tax	**8,039**	7,056	5,085	4,061	2,643	1,311	1,547	1,538	736	1,581

*The Figures of Fuel & Loss reported do not include the external fuel used in Refineries

PERFORMANCE PROFILE (CONTD.)

	Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
10.	**What the Company Owned (₹ in Crores)**										
	i) Gross Property, Plant and Equipment (including Capital Work-in-Progress and Investment Property)	**46,761**	37,700	49,475	41,229	36,095	32,846	30,307	27,930	24,560	22,268
	ii) Net Property, Plant and Equipment (including Capital Work-in-Progress and Investment Property)	**43,060**	35,872	27,981	22,105	19,110	17,732	16,972	16,187	14,003	12,735
	iii) Net Current Assets	**96**	(65)	(991)	9,584	14,690	13,612	9,715	19,954	20,536	15,445
	iv) Non-Current Assets	**14,672**	11,283	11,463	10,671	9,482	8,430	8,113	-	-	-
	Total Assets Net (ii+iii+iv)	**57,828**	47,090	38,453	42,360	43,282	39,774	34,800	36,141	34,539	28,180
11.	**What the Company Owed (₹ in Crores)**										
	i) Share Capital@	**1,311**	656	723	723	723	362	362	362	362	362
	ii) Other Equity	**28,357**	26,667	21,744	18,736	15,911	14,552	13,696	12,725	11,766	11,315
	iii) Total Equity (i+ii)	**29,668**	27,323	22,467	19,459	16,634	14,914	14,058	13,087	12,128	11,677
	iv) Borrowings	**23,159**	15,857	13,098	20,322	23,839	22,994	18,960	22,195	21,172	15,022
	v) Deferred Tax Liability (net)	**3,502**	2,622	1,708	1,361	1,656	1,401	1,008	859	1,239	1,481
	vi) Non- Current Liabilites	**1,499**	1,288	1,180	1,218	1,153	465	774	-	-	-
	Total Funds Employed (iii + iv + v +vi)	**57,828**	47,090	38,453	42,360	43,282	39,774	34,800	36,141	34,539	28,180
12.	**Internal Generation (₹ in Crores)**	**5,716**	7,114	5,989	4,586	4,002	3,135	2,759	1,897	1,282	2,636
13.	**Value Added (₹ in Crores)**	**25,903**	24,885	20,569	20,855	17,638	14,837	12,926	10,085	10,447	8,024
14.	**Earnings in Foreign Exchange (₹ in Crores)**	**9,789**	7,138	12,364	19,122	18,456	19,316	12,380	9,504	6,567	7,440
15.	**Ratios**										
	i) Gross Profit before Depreciation, Interest & Tax as % age of Sales and Other Income	**5.5**	5.9	4.1	3.5	3.1	2.5	3.1	3.5	2.9	3.5
	ii) Profit after Tax as % age of average Total Equity	**28.2**	28.3	24.3	22.5	16.8	9.1	11.4	12.2	6.2	14.4
	iii) Gross Profit before Depreciation, Interest & Tax as % age of Capital Employed	**30.1**	38.9	36.1	25.4	19.7	14.6	15.7	13.7	13.1	15.9
	iv) Profit before Tax as % age of Capital Employed	**24.8**	31.6	25.5	15.8	10.2	4.9	7.2	7.0	3.1	9.5
	v) Profit After Tax as % age of Capital Employed	**18.0**	21.4	17.5	10.8	6.7	3.4	4.7	4.6	2.3	5.8
	vi) Debt Equity Ratio	**0.78**	0.58	0.58	1.04	1.43	1.54	1.35	1.70	1.75	1.29
16.	**Earnings per Share (₹) #**	**61.31**	53.81	35.16	28.08	18.28	9.07	10.70	10.63	5.09	10.93
17.	**Book Value per Share (₹) #**	**226.26**	208.38	155.36	134.56	115.02	103.13	97.21	90.49	83.87	80.75
18.	**Dividend ^**										
	i) Percentage	**325**	310	225	170	110	110	140	140	70	40
	ii) Amount (₹ in Crores)	**4,700**	2,242	1,627	1,229	795	398	506	506	253	145

Note: The figures for 2016-17 and 2015-16 are as per Indian Accounting Standards (Ind AS)

The figures from the year 2010-11 and onwards are prepared as per the requirements of the Revised Schedule VI/Schedule III as applicable

@ The share capital for 2016-17 and 2015-16 is after adjustment of BPCL Trust for Investment in Shares.

Adjusted for 1:1 bonus issue in July, 2016

^ Dividend includes proposed dividend, which represents for Gross paid-up Capital.

SOURCES AND APPLICATION OF FUNDS

₹ in Crores

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
SOURCES OF FUNDS										
OWN										
Profit after Tax	**8,039**	7,056	5,085	4,061	2,643	1,311	1,547	1,538	736	1,581
Foreign Exchange Gain credited to Foreign Currency Monetary Item Translation Difference Account (Net of amortization)	**286**	-	-	184	-	-	-	-	-	-
Capital Grants received / (Reversed) (Net of amortization)	**-**	-	3	5	-	-	2	-	-	-
Adjustment on account of Transitional Provisions	**-**	-	-	-	-	-	-	-	-	(36)
Depreciation	**1,888**	1,838	2,524	2,247	1,926	1,885	1,655	1,247	1,084	1,099
Investment	**-**	-	-	262	-	461	2,124	4,577	-	-
Deferred Tax Provision	**880**	588	347	(295)	255	393	148	(380)	(242)	111
Equity instruments through OCI	**183**	(182)	-	-	-	-	-	-	-	-
Income from BPCL trust for investment in shares	**526**	260	-	-	-	-	-	-	-	-
Remeasurement of defined benefit plan	**(51)**	(93)	-	-	-	-	-	-	-	-
BORROWINGS										
Loans (net)	**7,302**	2,864	-	-	845	4,022	-	1,024	6,149	4,193
LPG Deposits	**1,695**	1,124	1,183	904	653	613	570	411	237	232
Decrease in Current/Non-current items	**-**	-	9,533	3,109	-	-	235	-	2,432	-
Adjustment on account of Deletion/Re-classification, etc.	**52**	38	(28)	19	236	63	50	16	38	38
	20,800	**13,493**	**18,647**	**10,496**	**6,558**	**8,748**	**6,331**	**8,433**	**10,434**	**7,218**
APPLICATION OF FUNDS										
Capital Expenditure	**9,128**	9,946	8,494	5,553	3,544	2,762	2,532	3,447	2,389	2,039
Foreign Exchange loss debited to Foreign Currency Monetary Item Translation Difference Account (including amortization)	**-**	106	157	-	-	-	-	-	-	-
Dividend (incl interim dividend)	**5,640**	2,784	1,627	1,229	795	398	506	506	253	145
Tax on distributed profits	**998**	497	294	197	127	57	71	73	32	9
Repayment of Loans (net)	**-**	-	7,224	3,517	-	-	3,222	-	-	-
Investment	**1,790**	12	851	-	1,192	-	-	-	7,760	2,023
Increase in Current/Non-current items	**3,244**	148	-	-	900	5,531	-	4,407	-	3,002
	20,800	**13,493**	**18,647**	**10,496**	**6,558**	**8,748**	**6,331**	**8,433**	**10,434**	**7,218**

Note: The figures for 2016-17 and 2015-16 are as per Indian Accounting Standards (Ind AS).

SALES VOLUME ('000 MT)

Particulars	2016-17 Sales	2016-17 Market Share (%)	2015-16 Sales	2015-16 Market Share (%)	2014-15 Sales	2014-15 Market Share (%)	2013-14 Sales	2013-14 Market Share (%)	2012-13 Sales	2012-13 Market Share (%)
Light Distillates:										
Naphtha	**177**	**3.6**	104	2.2	326	6.8	640	11.5	594	11.5
LPG (Bulk & Packed)	**5,449**	**25.9**	4,874	25.7	4,510	25.8	4,031	25.6	3,884	25.9
Motor Spirit	**6,412**	**28.5**	6,011	28.5	5,350	28.8	4,814	28.8	4,443	28.7
Special Boiling Point Spirit/ Hexane	**30**	**50.7**	28	46.5	31	50.6	36	48.4	36	46.9
Benzene	**48**	**23.5**	46	23.5	31	16.5	20	11.6	48	26.6
Toulene	**22**	**100.0**	19	100.0	26	100.0	15	100.0	21	100.0
Polypropylene Feedstock	**94**	**35.1**	105	38.3	109	-	102	-	100	-
Regasified - LNG	**967**	**7.1**	718	6.5	816	-	976	-	912	-
Others	**376**	**34.8**	356	21.8	337	-	324	-	307	-
Sub-Total	**13,575**		12,261		11,536		10,958		10,345	
Middle Distillates:										
Aviation Turbine Fuel	**1,547**	**25.0**	1,283	22.8	1,255	23.6	1,303	24.6	1,172	23.0
Superior Kerosene Oil	**903**	**16.0**	1,100	15.6	1,171	16.1	1,223	16.5	1,304	16.8
High Speed Diesel	**19,097**	**26.7**	19,354	26.8	18,375	26.7	18,337	26.9	18,039	26.1
Light Diesel Oil	**106**	**23.6**	90	22.0	81	22.1	68	17.5	72	17.8
Mineral Turpentine Oil	**89**	**60.2**	87	61.3	84	66.1	94	67.2	101	69.2
Sub-Total	**21,742**		21,914		20,966		21,025		20,688	
Others:										
Furnace Oil	**783**	**13.5**	742	13.6	650	14.0	636	13.8	747	14.7
Low Sulphur Heavy Stock	**51**	**48.5**	80	53.5	162	42.9	183	40.7	323	23.7
Bitumen	**636**	**13.5**	779	16.2	733	16.8	819	18.2	817	18.7
Petcoke	**422**	**10.8**	291	8.5	-	-	-	-	-	-
Lubricants	**293**	**21.5**	322	24.3	311	26.0	277	22.3	283	23.3
Others	**182**	**9.6**	145	19.4	91	14.3	97	16.4	94	15.8
Sub-Total	**2,367**		2,359		1,947		2,012		2,264	
Grand Total	**37,684**	**22.77**	36,534	22.94	34,449	23.29	33,995	23.48	33,297	23.14

Note: Market Share is based on Sales Volumes of Public Sector Oil Companies.

PRODUCTION ('000 MT)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Light Distillates:					
Naphtha	**1,405**	1,135	1,291	2,184	2,262
LPG	**1,099**	1,048	955	931	924
Motor Spirit	**4,517**	4,207	3,686	2,966	2,666
Special Boiling Point Spirit/Hexane	**32**	28	32	36	35
Benzene	**93**	95	78	37	50
Toulene	**23**	18	25	16	21
Polypropylene Feedstock/ Propylene	**94**	104	108	103	100
Ind. Reformate	**5**	-	12	164	171
Others	**5**	1	1	-	-
Sub-Total	**7,274**	6,636	6,187	6,437	6,229
Middle Distillates:					
Aviation Turbine Fuel	**1,479**	1,284	1,268	1,226	1,165
Superior Kerosene Oil	**449**	534	530	534	787
High Speed Diesel	**11,932**	11,579	11,005	10,397	9,953
Light Diesel Oil	**264**	91	80	62	70
Mineral Turpentine Oil	**95**	83	82	97	100
Lube Oil Base Stock	**255**	270	246	239	215
Others	**11**	-	-	20	-
Sub-Total	**14,484**	13,841	13,211	12,575	12,290
Heavy Ends:					
Furnace Oil	**1,698**	1,537	1,706	1,912	2,083
Low Sulphur Heavy Stock	**39**	81	221	191	322
Sulphur	**82**	89	93	92	92
Bitumen	**623**	781	731	845	827
Others	**7**	-	-	-	-
Sub-Total	**2,449**	2,488	2,751	3,040	3,324
Grand Total	**24,206**	22,965	22,149	22,052	21,843

Lubricants Production (MT)

	2016-17	2015-16	2014-15	2013-14	2012-13
	2,93,791	2,95,509	2,87,649	2,58,112	2,58,586

Quantity of LPG Filled in Cylinders (MT)

	2016-17	2015-16	2014-15	2013-14	2012-13
	51,28,580	46,16,172	42,67,898	38,31,127	35,77,335

HOW VALUE IS GENERATED

₹ in Crores

Particulars	2016-17	2015-16
Value of Production (Refinery)	**73,854**	69,151
Less: Direct Materials Consumed	**(68,472)**	(63,168)
Added Value	**5,382**	5,983
Marketing Operations	**17,920**	17,126
Value added by Manufacturing & Trading Operations	**23,302**	23,109
Add : Other Income and prior period items	**2,601**	1,776
Total Value Generated	**25,903**	**24,885**

HOW VALUE IS DISTRIBUTED

₹ in Crores

Particulars		2016-17		2015-16
1. OPERATIONS				
Operating & Service Costs		**9,043**		9,326
2. EMPLOYEES' BENEFITS				
Salaries, Wages & Bonus	**2,716**		1,934	
Other Benefits	**714**	**3,430**	824	2,758
3. PROVIDERS OF CAPITAL				
Interest on Borrowings	**496**		565	
Dividend on Current year profit	**4,262**	**4,758**	2,032	2,597
4. INCOME TAX & DIVIDEND TAX		**2,956**		3,090
5. RE-INVESTMENT IN BUSINESS				
Depreciation	**1,891**		1,845	
Deferred Tax	**905**		636	
Retained Profit (including Debenture Redemption Reserves)	**2,920**	**5,716**	4,633	7,114
Total Value Distributed		**25,903**		24,885

Note: The above figure are as per Indian Accounting Standards (Ind AS).

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of Bharat Petroleum Corporation Limited ("the Corporation"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Corporation's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Corporation in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Corporation as at March 31, 2017 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information of the Corporation for the year ended March 31, 2016 and the transition date opening Balance Sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 26, 2016, and May 28, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Corporation on transition to the Ind AS have been audited by us.

   Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Corporation as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

11. As required by Section 143(5) of the Act, we give in "Annexure B", a statement on the matters specified by the Comptroller and Auditor-General of India for the Corporation.

12. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of accounts as required by law have been kept by the Corporation so far as it appears from our examination of those books;

    c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

    e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Corporation;

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate audit report in "Annexure C";

    g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        i. The Corporation has disclosed the impact, if any, of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 64 of the standalone Ind AS financial statements;

        ii. The Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation.

        iv. The Corporation has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Corporation and as produced to us by the management. Refer Note 62 of the standalone Ind AS financial statements.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
Snehal Shah
Partner
Membership No.: 48539

Place: Mumbai
Date: 29th May 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 10 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the standalone Ind AS financial statements as of and for the year ended March 31, 2017]

(i) (a) The Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) As per information and explanations given to us, physical verification of fixed assets (except LPG Cylinders and pressure regulators with customers) has been carried out by the Management during the year in accordance with the phased programme of verification of all assets over three years which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. As informed, no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Corporation, the title deeds of immovable properties are held in the name of the Corporation, except in cases given below:

Particulars	Number of Cases	Gross Block (₹ in Crore)	Net Block (₹ in Crore)	Remarks
Freehold Land	13	86.70	86.70	Document of title not available for verification
Freehold Land	14	10.16	10.16	Document of title lying with Registration Authorities

(ii) The inventory (excluding stocks with third parties and goods in transit) has been physically verified by the Management during the year at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on physical verification of inventories carried out at the end of the year;

(iii) As informed, the Corporation has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable;

(iv) In our opinion and according to the information and explanations given to us, the Corporation has complied with the provisions of Section 185 and Section 186 of the Act, with respect to the loans, investments, guarantees and securities;

(v) In our opinion and according to the information and explanations given to us, the Corporation has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act;

(vi) We have broadly reviewed the books of account maintained by the Corporation in respect of products where the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act and the rules framed there under and we are of the opinion that prima-facie, the prescribed books of account and cost records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determining whether they are accurate or complete;

(vii) (a) The Corporation is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it;

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, were outstanding, as on the last day of the financial year, for a period of more than six months from the date they became payable;

(b) According to the information and explanation given to us, the dues outstanding with respect to income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax have not been deposited on account of any dispute, are as per Statement 1;

(viii) According to the information and explanations given to us, the Corporation has not defaulted in repayment of loans or borrowing to financial institutions, banks, Government or dues to debenture holders;

(ix) The Corporation did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, money raised by way of term loans during the year have been applied for the purpose for which those were raised;

(x) During the course of our examination of the books and records of the Corporation, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Corporation or on the Corporation by its officers and employees have been noticed or reported during the year nor have been informed of any such instance by the management, except for the following instances of fraud identified by the Management:

Incidents of irregularities aggregating to ₹ 1 crore relating to vendor payments at two Retail Territories were noticed during the year. Excess payments made on this account to the vendors have since been recovered except for ₹ 0.09 crore for which dues of the vendors have been withheld. Enquiry process against the concerned officers is underway;

(xi) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Corporation. Accordingly, paragraph 3(xi) of the Order is not applicable;

(xii) In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable;

(xiii) According to the information and explanations given to us and based on our examination of the records of the Corporation, all transactions entered into by the Corporation with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements, as required by the applicable Indian Accounting Standards;

(xiv) According to the information and explanations given to us and based on our examination of the records, the Corporation has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable;

(xv) According to the information and explanations given to us and based on our examination of the records, the Corporation has not entered during the year into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable;

(xvi) The Corporation is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
Snehal Shah
Partner
Membership No.: 48539

Place: Mumbai
Date: 29th May 2017

Statement 1 (Refer Clause vii (b) of Annexure A)

₹ in Crores

Sr No.	Name of the Statute	Forum Where Dispute is pending	Amount	Period block to which it relates ^
1	Central Excise Act, 1944	Supreme Court	805.14	2000 to 2010
		High Court	119.55	1985 to 2015
		Appellate Tribunal *	983.41	1985 to 2017
		Appellate Authority **	32.72	1990 to 2017
		Adjudicating Authority ***	6,535.06	1990 to 2017
		Total	**8,475.88**	
2	Customs Act, 1962	Supreme Court	-	
		Appellate Tribunal *	5.99	2000 to 2010
		Appellate Authority **	0.42	2000 to 2005
		Adjudicating Authority ***	-	
		Total	**6.41**	
3	Income Tax Act, 1961	High Court	9.01	1990 to 2005
		Appellate Tribunal *	5.73	1990 to 2005
		Appellate Authority **	9.64	2005 to 2017
		Total	**24.38**	
4	Sales Tax/VAT Legislations	Supreme Court	2.17	1995 to 2005
		High Court	466.25	1980 to 2017
		Appellate Tribunal *	3,571.46	1985 to 2015
		Appellate Authority **	6,631.08	1985 to 2015
		Adjudicating Authority ***	1.74	2010 to 2017
		Total	**10,672.70**	
5	Finance Act,1994 (Service tax)	Supreme Court	30.27	2005 to 2015
		Appellate Tribunal *	189.82	2000 to 2015
		Appellate Authority **	2.94	2005 to 2015
		Adjudicating Authority ***	179.43	2005 to 2015
		Total	**402.46**	
		Grand Total:	**19,581.83**	

Dues Include Penalty & Interest, wherever applicable

* Appellate Tribunal includes Sales Tax Tribunal, CESTAT and ITAT.

** Appellate Authority includes Commissioner Appeals, Assistant Commissioner Appeals, Deputy Commissioner Appeals, Joint Commissioner Appeals and Deputy Commissioner Commercial Taxes Appeals.

*** Adjudicating Authority includes Collector of Sales Tax, Sales Tax Officer and Deputy Commissioner Sales Tax, Joint/Deputy/Additional Commissioner of Commercial Taxes etc.

^ Period block shall indicate the period interval in which all the disputes under that authority have taken place.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 11 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited ("the Corporation") on the standalone Ind AS financial statements as of and for the year ended March 31, 2017]

<table>
<tr><td>1</td><td>Area examined</td><td>Whether the Company has clear title/ lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available?</td></tr>
<tr><td></td><td>Observations/ Findings</td><td>
<table>
<tr><th>Particulars</th><th>Area (In Acres)</th><th>Remarks</th></tr>
<tr><td>Freehold Land</td><td>1,159.94</td><td>Document of title not available for verification</td></tr>
<tr><td>Freehold Land</td><td>7.49</td><td>Document of title lying with registration authorities</td></tr>
</table>
Note: The above list does not include immovable properties classified as Operating Lease in Ind AS Financial Statements.</td></tr>
<tr><td>2</td><td>Area examined</td><td>Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, with reasons there of and amount involved.</td></tr>
<tr><td></td><td>Observations/ Findings</td><td>The details of cases of waiver/ write off of debts/ loans/ interest by the Corporation during the year are as under:
<table>
<tr><th>Particulars</th><th>₹ in Crores</th></tr>
<tr><td>Write off of debts</td><td>0.31</td></tr>
<tr><td>Waiver of interest</td><td>0.15</td></tr>
</table></td></tr>
<tr><td>3</td><td>Area Examined</td><td>Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grant(s) from Government or other authorities?</td></tr>
<tr><td></td><td>Observations/ Findings</td><td>• Proper records are maintained for inventories lying with third parties;
• The Corporation has not received any assets as gift/ grants from Government or other authorities.</td></tr>
</table>

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
Snehal Shah
Partner
Membership No.: 48539

Place: Mumbai
Date: 29th May 2017

ANNEXURE C TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 12(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited on the standalone Ind AS financial statements for the year ended March 31, 2017]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharat Petroleum Corporation Limited ("the Corporation") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Corporation for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Corporation's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Corporation has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
Snehal Shah
Partner
Membership No.: 48539

Place: Mumbai
Date: 29th May 2017

BALANCE SHEET AS AT 31ST MARCH 2017

₹ in Crores

	Note No.	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	2	**31,278.66**	23,055.57	19,997.18
(b) Capital work-in-progress	3	**11,216.73**	12,449.13	7,673.22
(c) Investment Property	4	**0.40**	0.48	0.52
(d) Other Intangible assets	5	**158.25**	151.73	105.66
(e) Intangible assets under development	6	**405.79**	215.18	25.07
(f) Investments in Subsidiaries, Joint Ventures and Associates	7	**8,548.45**	7,123.93	6,545.07
(g) Financial Assets				
(i) Investments	8	**692.66**	507.62	776.49
(ii) Loans	9	**3,783.65**	1,977.63	1,921.15
(iii) Other financial assets	10	**35.14**	14.27	317.77
(h) Income Tax Assets (Net)	11	**126.78**	72.78	57.93
(i) Other non-current assets	12	**1,485.00**	1,586.36	1,492.66
		57,731.51	47,154.68	38,912.72
(2) Current Assets				
(a) Inventories	13	**19,798.01**	13,792.86	14,603.78
(b) Financial Assets				
(i) Investments	14	**5,360.34**	5,179.43	5,171.01
(ii) Trade receivables	15	**4,758.18**	2,188.95	2,505.16
(iii) Cash and cash equivalents	16	**54.35**	1,720.54	1,356.73
(iv) Bank Balances other than Cash and cash equivalents	17	**10.34**	346.81	3.47
(v) Loans	18	**70.65**	65.62	61.10
(vi) Other financial assets	19	**3,304.05**	4,070.29	6,148.04
(c) Current Tax Assets (Net)	20	**23.08**	-	72.12
(d) Other current assets	21	**879.12**	838.17	504.15
		34,258.12	28,202.67	30,425.56
TOTAL ASSETS		**91,989.63**	75,357.35	69,338.28
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	22	**1,311.25**	655.62	655.62
(b) Other Equity	23	**28,357.13**	26,667.34	23,013.27
Total Equity		**29,668.38**	27,322.96	23,668.89
Liabilities				
(1) Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	24	**13,776.44**	13,567.42	11,632.74
(ii) Other financial liabilities	25	**63.40**	60.73	70.03
(b) Provisions	26	**1,353.15**	1,156.84	1,108.60
(c) Deferred tax liabilities (net)	27	**3,501.71**	2,621.89	2,033.86
(d) Other non-current liabilities	28	**81.76**	70.02	46.40
		18,776.46	17,476.90	14,891.63
(2) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	29	**7,227.36**	23.96	40.27
(ii) Trade payables	30	**11,359.78**	8,430.79	12,467.03
(iii) Other financial liabilities	31	**20,016.89**	16,905.26	13,382.48
(b) Other current liabilities	32	**3,922.22**	3,444.75	3,233.58
(c) Provisions	33	**902.10**	862.79	915.69
(d) Current Tax Liabilities (Net)	34	**116.44**	889.94	738.71
		43,544.79	30,557.49	30,777.76
Total Liabilities		**62,321.25**	48,034.39	45,669.39
TOTAL EQUITY AND LIABILITIES		**91,989.63**	75,357.35	69,338.28
Significant Accounting Policies	1			
Notes forming part of Financial Statements	43 to 65			

For and on behalf of the Board of Directors

As per our attached report of even date
For and on behalf of

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.:
101961W/W-100036

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.:
103523W/W-100048

Sd/-
K. SIVAKUMAR
Director (Finance)
DIN: 06913284

Sd/-
M. VENUGOPAL
Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
SNEHAL SHAH
Partner
Membership No. 48539

Place: Mumbai
Dated: 29th May 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

₹ in Crores

		Note No.	2016-17	2015-16
I.	Revenue from operations	35	**242,047.82**	217,894.77
II.	Other income	36	**2,600.68**	1,776.17
III.	**Total revenue (I + II)**		**244,648.50**	219,670.94
IV.	**Expenses**			
	Cost of materials consumed	37	**67,710.71**	61,006.59
	Purchase of stock-in-trade	38	**114,220.09**	100,828.85
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	39	**(5,577.61)**	834.31
	Excise Duty		**39,837.25**	29,490.13
	Employee Benefits Expense	40	**3,429.46**	2,757.81
	Finance costs	41	**495.87**	565.16
	Depreciation and Amortization Expense	2,4,5	**1,891.32**	1,844.60
	Other Expenses	42	**11,598.62**	11,952.45
	Total Expenses (IV)		**233,605.71**	209,279.90
V.	**Profit/(Loss) before Tax (III - IV)**		**11,042.79**	10,391.04
VI.	**Tax expense:**	27		
	1. Current Tax		**2,210.00**	2,684.00
	2. Deferred Tax		**904.73**	636.02
	3. Short/(Excess) provision of earlier years		**(111.24)**	14.66
VII.	**Profit/(Loss) for the year (V- VI)**		**8,039.30**	7,056.36
VIII.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans		**(77.52)**	(142.49)
	(b) Equity instruments through Other Comprehensive Income- net change in fair value		**185.04**	(180.37)
	(ii) Income tax related to items that will not be reclassified to profit or loss		**24.91**	47.99
			132.43	(274.87)
IX.	**Total Comprehensive Income for the period (VII + VIII)**		**8,171.73**	6,781.49
X.	**Basic and Diluted Earnings Per Share (Face value ₹ 10)**	54	**61.31**	53.81
	Significant Accounting Policies	1		
	Notes forming part of Financial Statements	43 to 65		

For and on behalf of the Board of Directors

As per our attached report of even date
For and on behalf of

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

Sd/-
K. SIVAKUMAR
Director (Finance)
DIN: 06913284

Sd/-
M. VENUGOPAL
Company Secretary

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.:
101961W/W-100036

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.:
103523W/W-100048

Sd/-
SNEHAL SHAH
Partner
Membership No. 48539

Place: Mumbai
Dated: 29th May 2017

STATEMENT OF CASH FLOWS

₹ in Crores

	For the year ended	31/03/2017	31/03/2016
A	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**11,042.79**	10,391.04
	Adjustments for :		
	Depreciation	**1,891.32**	1,844.60
	Interest	**495.87**	565.16
	Foreign Exchange Fluctuations (Refer explanatory note 3)	**18.27**	27.03
	(Profit) / Loss on Sale of Property Plant and Equipments	**36.29**	28.52
	(Profit) / Loss on Sale of Investments	**(25.87)**	-
	Income from Investments	**(993.84)**	(884.01)
	Dividend Received	**(869.56)**	(442.50)
	Expenditure towards Corporate Social Responsibility	**159.14**	112.60
	Other Non-Cash items (Refer explanatory note 4)	**11.91**	370.37
	Operating Profit before Working Capital Changes	11,766.32	**12,012.81**
	(Invested in)/Generated from :		
	Inventories	**(6,005.15)**	810.92
	Trade Receivables	**(2,560.25)**	231.98
	Other Receivables	**706.34**	1,289.05
	Current Liabilities & Payables	**7,014.99**	(1,579.80)
	Cash generated from Operations	**10,922.25**	12,764.96
	Direct Taxes Paid	**(2,949.34)**	(2,490.16)
	Paid for Corporate Social Responsibility	**(90.98)**	(95.59)
	Net Cash from / (used in) Operating Activities	**7,881.93**	10,179.21

₹ in Crores

	For the year ended	31/03/2017	31/03/2016
B	**Net Cash Flow from Investing Activities**		
	Purchase of Property Plant and Equipment / Intangible Assets	**(8,982.42)**	(9,324.62)
	Sale of Property Plant and Equipment	**15.58**	12.71
	Capital Advances	**85.70**	295.17
	Investment, Loans and Advances to Joint Venture Companies		
	Sabarmati Gas Limited (Equity)	**-**	(102.44)
	GSPL India Gasnet Limited (Equity)	**(7.15)**	(2.75)
	GSPL India Transco Limited (Equity)	**(4.40)**	(2.75)
	Mumbai Aviation Fuel Farm Facility Private Limited (Equity)	**-**	(33.77)
	Kannur International Airport Limited (Equity)	**(43.80)**	(50.00)
	Fino PayTech Limited (Equity)	**(251.00)**	-
	Kochi Salem Pipeline Private Limited (Equity)	**(15.00)**	(40.00)
	Kochi Salem Pipeline Private Limited (Advance against equity shares)	**-**	6.75
	Petronet LNG Limited (Advances)	**15.00**	(50.00)
	Bharat Oman Refineries Limited (Loan)	**100.00**	-
	Bharat Oman Refineries Limited (Compulsorily Convertible Debenture)	**(1,000.00)**	-
	Haridwar Natural Gas Private Limited (Equity)	**(7.50)**	-
	Goa Natural Gas Private Limited (Equity)	**(2.50)**	-
	Sabarmati Gas Limited (Maturity of Optionally Convertible Debentures)	**21.08**	-
	BPCL - KIAL Fuel Farm Facility Private Limited (Equity)	**(1.11)**	(4.44)
	Bharat PetroResources Limited (Loan)	**(1,850.00)**	-
	Cochin International Airport Limited (Equity)	**-**	(13.13)
	Purchase of Investments - Mutual Funds	**(11,220.00)**	-
	Sale of Investments - Mutual Funds	**11,245.87**	-
	Petroleum India International	**3.40**	23.60
	Income from Investment	**914.01**	867.69
	Dividend Received	**869.56**	442.50
	Net Cash from / (used in) Investing Activities	**(10,114.68)**	(7,975.48)
C	**Net Cash Flow from Financing Activities**		
	Investment, Loans and Advances to Subsidiaries		
	Petronet CCK Limited (Equity)	**(78.92)**	(66.31)
	Short Term Borrowings (Net)	**7,203.40**	(16.31)
	Long Term Borrowings	**2,645.80**	4,158.18
	Repayment of Loans	**(2,331.55)**	(2,112.47)
	Interest Paid	**(760.24)**	(782.07)
	Dividend Paid	**(5,113.89)**	(2,524.16)
	Corporate Dividend Tax	**(998.04)**	(496.78)
	Net Cash from / (used in) Financing Activities	**566.56**	(1,839.92)
D	**Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)**	**(1,666.19)**	363.81

₹ in Crores

Cash and Cash equivalents as at	31/03/2016	31/03/2015
Cash on hand	24.32	26.86
Cheques and drafts on hand	11.91	25.88
Cash at Bank	1,684.31	1,303.99
	1,720.54	1,356.73
Cash and Cash equivalents as at	**31/03/2017**	31/03/2016
Cash on hand	0.70	24.32
Cheques and drafts on hand	38.69	11.91
Cash at Bank	14.96	1,684.31
	54.35	1,720.54
Net change in Cash and Cash equivalents	**(1,666.19)**	363.81

Explanatory notes to Statement of Cash Flows

1. The Statement of Cash Flows is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs.
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. “Other Non-Cash items” include excess provisions written back, diminution in value of investment, Reversal of excess capitalization, amortization of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting Cash Flow.
5 "Current Liabilities and Payables" may include Payables in respect of Purchase of Propery, Plant and Equipment, if any.

For and on behalf of the Board of Directors

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

Sd/-
K. SIVAKUMAR
Director (Finance)
DIN: 06913284

Sd/-
M. VENUGOPAL
Company Secretary

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.:
101961W/W-100036

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.:
103523W/W-100048

Sd/-
SNEHAL SHAH
Partner
Membership No. 48539

Place: Mumbai
Dated: 29th May 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

₹ in Crores

(a) Equity share capital	As at 31/03/2017		As at 31/03/2016		As at 01/04/2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	**72,30,84,248**	**723.08**	72,30,84,248	723.08	72,30,84,248	723.08
Add: Issue of Bonus Shares (Refer Note No. 22)	**72,30,84,248**	**723.09**	-	-	-	-
Less - BPCL Trust for Investment in Shares (Refer Note No. 45)	**(13,49,14,948)**	**(134.92)**	(6,74,57,474)	(67.46)	(6,74,57,474)	(67.46)
Balance at the end of the reporting period	**1,31,12,53,548**	**1,311.25**	65,56,26,774	655.62	65,56,26,774	655.62

(b) Other equity	Reserves & Surplus					Equity Instruments through Other Comprehensive Income [Note 23]	BPCL Trust for Investment in Shares [Note 23]	Total
	Capital Reserve [Note 23]	Debenture Redemption Reserve [Note 23]	General Reserve [Note 23]	Retained Earnings [Note 23]	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Note 23]			
Balance at 31st March 2016	12.33	586.24	25,406.12	1,422.46	(79.28)	(88.88)	(591.65)	26,667.34
Profit for the year	-	-	-	8,039.30	-	-	-	8,039.30
Other Comprehensive Income for the year	-	-	-	(50.69)	-	183.12	-	132.43
Issue of Bonus Shares (Refer Note No. 22)	-	-	(723.09)	-	-	-	67.46	(655.63)
Dividends	-	-	-	(5,640.06)	-	-	-	(5,640.06)
Dividend to BPCL Trust for Investment in Shares (Refer Note No. 45)	-	-	-	526.17	-	-	-	526.17
Corporate Dividend Tax on Dividends	-	-	-	(998.04)	-	-	-	(998.04)
Transfer to Debenture Redemption reserve	-	224.58	-	(224.58)	-	-	-	-
Additions/(deletions) during the year - FCMITDA	-	-	-	-	155.79	-	-	155.79
Amortisation during the year - FCMITDA	-	-	-	-	129.83	-	-	129.83
Balance at 31st March 2017	**12.33**	**810.82**	**24,683.03**	**3,074.56**	**206.34**	**94.24**	**(524.19)**	**28,357.13**
Balance at 1st April 2015	12.33	517.49	20,675.54	2,279.55	27.20	92.81	(591.65)	23,013.27
Profit for the year	-	-	-	7,056.36	-	-	-	7,056.36
Other Comprehensive Income for the year	-	-	-	(93.18)	-	(181.69)	-	(274.87)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017 (CONTD.)

(b) Other equity	Reserves & Surplus					Equity Instruments through Other Comprehensive Income [Note 23]	BPCL Trust for Investment in Shares [Note 23]	Total
	Capital Reserve [Note 23]	Debenture Redemption Reserve [Note 23]	General Reserve [Note 23]	Retained Earnings [Note 23]	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Note 23]			
Dividends	-	-	-	(2,783.87)	-	-	-	(2,783.87)
Dividend to BPCL Trust for Investment in Shares (Refer Note No. 45)	-	-	-	259.71	-	-	-	259.71
Corporate Dividend Tax on Dividends	-	-	-	(496.78)	-	-	-	(496.78)
Transfer to Debenture Redemption reserve	-	243.75	-	(243.75)	-	-	-	-
Transfer to General Reserve	-	-	4,555.58	(4,555.58)	-	-	-	-
Transfer to General Reserve on redemption of debentures	-	(175.00)	175.00	-	-	-	-	-
Additions/(deletions) during the year - FCMITDA	-	-	-	-	(340.39)	-	-	(340.39)
Amortisation during the year - FCMITDA	-	-	-	-	233.91	-	-	233.91
Balance at 31st March 2016	12.33	586.24	25,406.12	1,422.46	(79.28)	(88.88)	(591.65)	26,667.34

For and on behalf of the Board of Directors

As per our attached report of even date
For and on behalf of

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

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HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
SNEHAL SHAH
Partner
Membership No. 48539

Place: Mumbai
Dated: 29th May 2017

Corporation Overview

Bharat Petroleum Corporation Limited referred to as "BPCL" or "the Corporation" was incorporated on 3rd November, 1952. BPCL is a Government of India Enterprise listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Corporation is engaged in the business of refining of crude oil and marketing of petroleum products. It has refineries at Mumbai and Kochi, LPG bottling plants and Lube blending plants at various locations. The Corporation's marketing infrastructure includes vast network of Installations, Depots, Retail Outlets, Aviation Fuelling Stations and LPG distributors.

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation: The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Corporation has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The Corporation's presentation and functional currency is Indian Rupees (₹). All figures appearing in the financial statements are rounded to the nearest Crores (₹ Crores), except where otherwise indicated.

Authorisation of Financial Statements: The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 29th May 2017.

1.1. Use of Judgement and Estimates

The preparation of the Corporation's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Corporation continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.2. Property, Plant and Equipment

1.2.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.2.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

1.2.3. **Expenditure during construction period:** Direct expenses incurred during construction period on capital projects are capitalized. Other expenses of the project group which are allocated to projects costing above a threshold limit are also capitalized. Expenditure incurred during construction period on projects like electricity transmission lines, roads, culverts etc. the ownership of which is not with the Corporation are charged to revenue in the accounting period of incurrence of such expenditure.

1.2.4. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.

1.2.5. Expenditure on assets, other than plant and machinery, LPG cylinders and pressure regulators, not exceeding threshold limit are charged to revenue.

1.2.6. Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

1.2.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

1.2.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

1.2.9. The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.3. Depreciation

Depreciation on Property, Plant and Equipment are provided on the straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of upto 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act, except in following cases:

1.3.1. Plant & Machinery at Retail Outlets (other than Storage tanks and related equipments) are depreciated over a useful life of 15 years based on the technical assessment.

1.3.2. Computer equipments are depreciated over a period of 4 years and Mobile phones are depreciated over a period of 2 years based on internal assessment. Apart from the above, Furniture provided to management staff is depreciated over a period of 6 years (previously 7 years) as per internal assessment.

1.3.3. Solar Panels are depreciated over a period of 25 years based on the technical assessment of useful life and applicable warranty conditions.

1.3.4. Moulds, used for the manufacturing of the packaging material for Lubricants, are depreciated over a period of 5 years based on technical assessment of useful life.

1.3.5. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

1.3.6. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.

1.3.7. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

1.3.8. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition/ deletion.

1.4. Intangible Assets

1.4.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, are not capitalized and is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalized if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Corporation has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

1.4.2. Assets where entire output generated is committed to be sold to entities providing public services for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS 11 and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

1.4.3. In cases where the Corporation has constructed assets on behalf of public infrastructure entities and the Corporation has only a preferential right to use, these assets are classified as intangible assets and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

1.4.4. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortized, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment losses on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

1.4.5. Expenditure incurred for creating / acquiring other intangible assets above threshold limit from which future economic benefits will flow over a period of time, is amortized over the estimated useful life of the asset or five years, whichever is lower, on a straight line basis, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred. The amortization period and the amortization method for an intangible asset with a finite life are reviewed at each year end. The amortization expense on intangible asset with finite useful lives and impairment losses in case there is an indication that the intangible asset may be impaired, is recognised in the Statement of Profit and Loss.

1.4.6. The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.5. Investment Property

1.5.1. Investment property is property (land or a building — or part of a building — or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.5.2. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

1.5.3. On transition to Ind AS i.e 1st April 2015, the Corporation has re-classified certain items from Property, Plant and Equipment to investment property. For the same, Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for such assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.6. Borrowing costs

1.6.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.6.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.6.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1.7. Non-currents assets held for sale

1.7.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

1.7.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

1.7.3. Property, Plant and Equipment and intangible assets classified as held for sale are not depreciated or amortized.

1.8. Leases

1.8.1. Finance Lease

Lease Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Lease Agreements in respect of land for lease period above threshold limit are classified as a finance lease.

1.8.2. Operating Lease

Lease Agreements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

1.8.3. At the inception of an arrangement, the Corporation determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Corporation separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. In case of a finance lease, if the corporation concludes that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying assets; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Corporation's incremental borrowing rate.

1.9. Impairment of Non-financial Assets

1.9.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

1.9.2. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.10. Inventories

1.10.1. Inventories are stated at cost or net realisable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and are determined on the following basis:

- Crude oil, traded goods and finished products other than lubricants are determined on First in First out basis.
- Other raw materials, packages, lubricants and stores and spares are determined on weighted average basis.
- The cost of Stock-in-Process is determined at raw material cost plus cost of conversion.

1.10.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

1.10.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.

1.10.4. The net realisable value of finished goods and stock in trade are based on the inter-company transfer prices and final selling prices (applicable at the location of stock) for sale to oil marketing companies and retail consumers respectively. For the purpose of stock valuation, the proportion of sales to oil marketing companies and retail consumers are determined on all India basis and considered for stock valuation at all locations.

1.10.5. Raw Materials held for use in the production of finished goods are not written down below cost except in cases where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

1.10.6. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.11. Revenue Recognition

1.11.1. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the Corporation.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programmes and other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Corporation has fulfilled its obligation to supply the products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

Where the Corporation acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

Claims in respect of subsidy on LPG and SKO from Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

1.11.2. Construction contracts

Revenue from Construction contracts arise from the service concession arrangements entered into by the Corporation and certain arrangements involving construction of specific assets as part of multiple deliverable arrangements.

Contract revenue includes the amount agreed in the contract to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of the construction contract can be estimated reliably, then contract revenue is recognised in Statement of Profit and Loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to the proportion of actual cost incurred as compared to the total estimated cost of the related contract. Otherwise contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognised as incurred unless they create an asset relating to future contract activity. An expected loss on a contract is recognised immediately in the Statement of Profit and Loss.

1.11.3. Interest income is recognised using effective interest rate (EIR) method.

1.11.4. Dividend is recognised when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.11.5. Income from sale of scrap is accounted for on realisation.

1.11.6. Claims other than subsidy claims on LPG and SKO from Government of India are booked when there is a reasonable certainty of recovery.

1.12. Classification of Income / Expenses

1.12.1. Income / expenditure (net) in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.

1.12.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

1.12.3. Deposits placed with Government agencies / local authorities which are perpetual in nature are charged to revenue in the year of payment.

1.13. Employee Benefits

1.13.1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.13.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as pension are recognised as an expense in the Statement of Profit and Loss as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a refund in future payments is available.

Defined Benefit Plans:

The Corporation's net obligation in respect of defined benefit plans such as gratuity, other post-employment benefits etc., is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Corporation, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability (asset)) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset)), are recognised in other comprehensive income.

1.13.3. Other long-term employee benefits

Liability towards other long term employee benefits - leave encashment and long service awards etc., are determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long term employee benefits, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss. Re-measurements are recognised in the Statement of Profit and Loss.

1.13.4. Termination benefits

Expenditure on account of Voluntary Retirement Scheme are charged to Statement of Profit and Loss as and when incurred.

1.14. Foreign Currency Transactions

1.14.1. Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

The Corporation has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of the liability.

1.14.2. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.15. Investment in Subsidiaries, Joint Ventures and Associates

Investments in equity shares of Subsidiaries, Joint Ventures and Associates are recorded at cost and reviewed for impairment at each reporting date.

1.16. Government Grants

1.16.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

1.16.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

1.16.3. Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

1.17. Provisions, Contingent Liabilities and Capital Commitments

1.17.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.17.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

1.17.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.17.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Corporation, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.17.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.17.6. Contingent Liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

1.18. Fair Value measurement

1.18.1. The Corporation measures certain financial instruments at fair value at each reporting date.

1.18.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

1.18.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Corporation has access at that date. The fair value of a liability also reflects its non-performance risk.

1.18.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Corporation determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.18.5. While measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

1.18.6. When quoted price in active market for an instrument is available, the Corporation measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

1.18.7. If there is no quoted price in an active market, then the Corporation uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

1.18.8. The Corporation regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Corporation assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

1.19. Financial Assets

1.19.1. Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Corporation becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.19.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Corporation classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is:

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Debt instruments at Fair Value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Corporation decides to classify the same either as FVOCI or FVTPL. The Corporation makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income. Dividends on such equity instruments are recognised in the Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

1.19.3. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Corporation's Balance Sheet) when-

The rights to receive cash flows from the asset have expired, or

The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Corporation has transferred substantially all the risks and rewards of the asset, or
- The Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.19.4. Impairment of financial assets

In accordance with Ind-AS 109, the Corporation applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.20. Financial Liabilities

1.20.1. Initial recognition and measurement

Financial liabilities are initially recognised when the Corporation becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

1.20.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

Financial Liabilities at amortized cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

1.20.3. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.21. Financial guarantees

Financial guarantee contracts issued by the Corporation are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortization.

1.22. Derivative financial instruments

The Corporation uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.23. Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

1.24. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.25. Taxes on Income

1.25.1. Current Tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of reporting period.

Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.25.2. Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.26. Earnings per share

1.26.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

1.26.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.27. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Corporation's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.28. Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Corporation considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.29. Cash Flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.30. The Corporation has adopted the following materiality threshold limits in the preparation and presentation of financials statements as given below:

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Allocation of other expenses to projects costing in each case	1.2.3.	₹ Crores	5
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.2.5.	₹	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.2.6.	₹ Lakhs	10
Depreciation at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators	1.3.5.	₹	5,000
Expenditure incurred for creating / acquiring other intangible assets in each case	1.4.5.	₹ Lakhs	50
Lease agreements in respect of land	1.8.1.	Period (years)	99
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.12.1.	₹ Crores	50
Prepaid expenses in each case	1.12.2.	₹ Lakhs	5
Disclosure of Contingent liabilities and Capital Commitments in each case	1.17.6.	₹ Lakhs	5

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01/04/16	Additions	Other Adjustments (Refer Note 55)	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/17	Up to 31/03/16	For the Year	Reclassifications / Deductions On Account Of Retirement / Disposal	Up to 31/03/17	As at 31/03/17	As At 31/03/16
Land											
(a) Freehold*	829.31	9.98	-	5.19	**834.10**	-	-	-	**-**	**834.10**	829.31
(b) Leasehold *	0.71	-	-	(0.03)	**0.74**	0.02	0.03	-	**0.05**	**0.69**	0.69
Buildings including Roads *	4,856.99	887.44	14.44	5.27	**5,753.60**	320.74	325.29	1.45	**644.58**	**5,109.02**	4,536.25
Plant and Equipments *	10,002.07	4,152.26	332.64	25.66	**14,461.31**	837.28	807.37	15.89	**1,628.76**	**12,832.55**	9,164.79
Furniture and Fixtures *	323.21	117.40	-	3.00	**437.61**	58.59	58.97	1.87	**115.69**	**321.92**	264.62
Vehicles*	30.39	11.26	-	1.12	**40.53**	4.81	6.19	0.51	**10.49**	**30.04**	25.58
Office Equipments *	434.93	232.01	2.27	6.81	**662.40**	92.39	106.60	2.89	**196.10**	**466.30**	342.54
Railway Sidings *	139.01	7.73	-	4.17	**142.57**	13.15	16.23	2.99	**26.39**	**116.18**	125.86
Tanks and Pipelines *	3,908.67	2,283.22	89.80	40.80	**6,240.89**	177.64	203.37	2.68	**378.33**	**5,862.56**	3,731.03
Dispensing Pumps	2,153.19	233.61	-	1.80	**2,385.00**	153.64	165.16	0.49	**318.31**	**2,066.69**	1,999.55
LPG Cylinders and Allied Equipments	2,187.58	1,797.29	-	0.07	**3,984.80**	152.23	193.96	-	**346.19**	**3,638.61**	2,035.35
Total	**24,866.06**	**9,732.20**	**439.15**	**93.86**	**34,943.55**	**1,810.49**	**1,883.17**	**28.77**	**3,664.89**	**31,278.66**	**23,055.57**

* These include assets which are given on Operating Leases or taken on Finance Leases, the details thereof are included in Note no. 49

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

₹ in Crores

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01/04/15	Additions	Other Adjustments (Refer Note 55)	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/16	Up to 01/04/15	For the Year	Reclassifications / Deductions On Account Of Retirement / Disposal	Up to 31/03/16	As at 31/03/16	As at 01/04/15
Land											
(a) Freehold*	777.94	51.91	-	0.54	829.31	-	-	-	-	829.31	777.94
(b) Leasehold *	0.70	-	-	(0.01)	0.71	-	0.02	-	0.02	0.69	0.70
Buildings including Roads *	4,230.56	575.37	28.59	(22.47)	4,856.99	-	337.75	17.01	320.74	4,536.25	4,230.56
Plant and Equipments *	7,997.48	1,818.40	255.65	69.46	10,002.07	-	846.01	8.73	837.28	9,164.79	7,997.49
Furniture and Fixtures *	250.11	75.89	-	2.79	323.21	-	58.91	0.32	58.59	264.62	250.11
Vehicles*	23.53	7.63	-	0.77	30.39	-	4.68	(0.13)	4.81	25.58	23.52
Office Equipments *	284.05	154.56	0.25	3.93	434.93	-	93.55	1.16	92.39	342.54	284.05
Railway Sidings *	112.95	25.93	-	(0.13)	139.01	-	13.15	-	13.15	125.86	112.95
Tanks and Pipelines *	3,387.44	534.54	3.58	16.89	3,908.67	-	176.32	(1.32)	177.64	3,731.03	3,387.44
Dispensing Pumps	1,844.19	295.38	16.64	3.02	2,153.19	-	151.94	(1.70)	153.64	1,999.55	1,844.19
LPG Cylinders and Allied Equipments	1,088.23	1,054.14	45.21	-	2,187.58	-	152.23	-	152.23	2,035.35	1,088.23
Total	**19,997.18**	**4,593.75**	**349.92**	**74.79**	**24,866.06**	**-**	**1,834.56**	**24.07**	**1,810.49**	**23,055.57**	**19,997.18**

* These include assets which are given on Operating Leases or taken on Finance Leases, the details thereof are included in Note no. 49

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015) as per the following details:

₹ in Crores

Particulars	Gross Block (At Cost)	Accumulated Depreciation	Net Block as per Previous GAAP/ Deemed cost as per Ind AS	Ind AS adjustments	Gross Block as per Ind AS
	As at 01/04/2015				
Land (Refer note 2 (a))					
(a) Freehold	810.54	-	810.54	(32.60)	777.94
(b) Leasehold	214.72	40.52	174.20	(173.50)	0.70
Buildings including Roads	6,543.96	2,311.42	4,232.54	(1.98)	4,230.56
Plant and Equipments	14,245.38	6,234.05	8,011.33	(13.85)	7,997.48
Furniture and Fixtures	515.69	265.44	250.25	(0.14)	250.11
Vehicles	78.89	55.22	23.67	(0.14)	23.53
Office Equipments	1,027.81	742.18	285.63	(1.58)	284.05
Railway Sidings	309.46	196.26	113.20	(0.25)	112.95
Tanks and Pipelines	7,021.84	3,632.06	3,389.78	(2.34)	3,387.44
Dispensing Pumps	2,733.01	886.32	1,846.69	(2.50)	1,844.19
LPG Cylinders and Allied Equipments	8,087.38	6,999.15	1,088.23	-	1,088.23
Total	**41,588.68**	**21,362.62**	**20,226.06**	**(228.88)**	**19,997.18**

NOTE 3 CAPITAL WORK-IN-PROGRESS

₹ in Crores

Particulars			As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Capital work-in-progress					
Property, Plant and Equipment under erection / construction			**9,463.00**	9,649.26	5,734.24
Capital stores including lying with contractors			**912.53**	1,749.23	1,149.36
Capital goods in transit			**56.12**	53.03	162.78
Allocation of Construction period expenses	**2016-17**	**2015-16**			
Opening balance	**997.61**	626.84			
Add: Expenditure during the year					
Establishment charges including Salaries & Wages	**125.32**	105.81			
Interest	**299.04**	237.86			
Loss / (Gain) on foreign currency transactions and translations	**(370.72)**	92.45			
Insurance	**19.04**	18.50			
Others	**25.78**	16.98			
	1,096.07	1,098.44			
Less: Allocated to assets capitalized during the year / charged off	**(310.99)**	(100.83)			
Closing balance pending allocation			**785.08**	997.61	626.84
Total			**11,216.73**	12,449.13	7,673.22

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Capital work- in-progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

NOTE 4 INVESTMENT PROPERTY

₹ in Crores

Particulars	Gross Block				Depreciation				Net Carrying Amount	
	As at 01/04/2016	Additions	Reclassifications / Deductions on account of retirement / Disposal	As at 31/03/2017	Up to 31/03/2016	For the Year	Reclassifications / Deductions on account of retirement / Disposal	Up to 31/03/2017	As at 31/03/2017	As at 31/03/2016
Buildings	0.52	0.32	(0.18)	**0.66**	0.04	0.22	-	**0.26**	**0.40**	0.48
TOTAL	0.52	**0.32**	**(0.18)**	**0.66**	0.04	**0.22**	**-**	**0.26**	**0.40**	0.48

₹ in Crores

Particulars	Gross Block				Depreciation				Net Carrying Amount	
	As at 01/04/2015	Additions	Reclassifications / Deductions on account of retirement / Disposal	As at 31/03/2016	Up to 01/04/2015	For the Year	Reclassifications / Deductions on account of retirement / Disposal	Up to 31/03/2016	As at 31/03/2016	As at 31/03/2015
Buildings	0.52	-	-	0.52	-	0.04	-	0.04	0.48	0.52
TOTAL	**0.52**	**-**	**-**	**0.52**	**-**	**0.04**	**-**	**0.04**	**0.48**	**0.52**

The Corporation's investment properties consists of office buildings rented out to third parties.

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its investment properties as recognised in the financial statements as at the date of transition to Ind AS's, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015), as per the following details:

₹ in Crores

Particulars	Gross Block (At Cost)	Accumulated Depreciation	Net Block/ Deemed Cost as per Ind AS
	As at 01/04/2015		
Buildings	0.80	0.28	0.52
TOTAL	**0.80**	**0.28**	**0.52**

Information regarding Income and Expenditure of Investment Property

₹ in Crores

Particulars	**2016-17**	2015-16
Rental Income derived from Investment Properties	**6.48**	1.16
Less - Depreciation	**0.22**	0.04
Profit arising from Investment Properties before indirect expenses	**6.26**	1.12

The direct operating expenses on the investment property are not separately identifiable and the same is not likely to be material.

As at 31st March 2017, 31st March 2016 and 1st April 2015 the fair values of the investment property are ₹ **36.02 Crores**, ₹ 34.70 Crores and ₹ 32.90 Crores respectively. These fair values of the investment property are categorised as level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

NOTE 5 INTANGIBLE ASSETS

₹ in Crores

Particulars	Useful Life (No. Of Years)	Gross Block					Amortization				Net Carrying Amount	
		As at 01/04/16	Additions	Other Adjustments (Refer Note 55)	Reclassifications/ Deletions	As at 31/03/17	Up to 31/03/16	For the year	Reclassifications/ Deletions	Up to 31/03/17	As at 31/03/17	As at 31/03/16
Right of Way	Indefinite	35.11	-	-	-	**35.11**	-	-	-	**-**	**35.11**	35.11
Right of Way	10 - 30	20.88	14.11	-	-	**34.99**	0.57	1.15	-	**1.72**	**33.27**	20.31
Service Concession Arrangements	20	63.00	-	-	-	**63.00**	1.62	3.54	-	**5.16**	**57.84**	61.38
Software/Licenses	2 - 5	25.36	5.31	-	-	**30.67**	7.54	7.64	-	**15.18**	**15.49**	17.82
Process Licenses	5	24.97	5.18	0.22	0.08	**30.29**	7.86	5.89	-	**13.75**	**16.54**	17.11
Total		**169.32**	**24.60**	**0.22**	**0.08**	**194.06**	**17.59**	**18.22**	**-**	**35.81**	**158.25**	**151.73**

₹ in Crores

Particulars	Useful Life (No. Of Years)	Gross Block					Amortization				Net Carrying Amount	
		As at 01/04/15	Additions	Other Adjustments (Refer Note 55)	Reclassifications/ Deletions	As at 31/03/16	Up to 01/04/15	For the year	Reclassifications/ Deletions	Up to 31/03/16	As at 31/03/16	As at 31/03/15
Right of Way	Indefinite	35.07	0.04	-	-	35.11	-	-	-	-	35.11	35.07
Right of Way	10 - 30	13.17	7.71	-	-	20.88	-	0.57	-	0.57	20.31	13.17
Service Concession Arrangements	20	16.66	46.34	-	-	63.00	-	1.62	-	1.62	61.38	16.66
Software/Licenses	2 - 5	25.36		-	-	25.36	-	7.54	-	7.54	17.82	25.36
Process Licenses	5	15.40	9.58	-	0.01	24.97	-	7.86	-	7.86	17.11	15.40
Total		**105.66**	**63.67**	**-**	**0.01**	**169.32**	**-**	**17.59**	**-**	**17.59**	**151.73**	**105.66**

NOTE 5 INTANGIBLE ASSETS (CONTD.)

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Intangible Assets recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015) as per the following details:

₹ in Crores

Particulars	Useful Life (No. of Years)	Gross Block (At Cost)	Accumulated Amortization	Net Block as per Previous GAAP/ Deemed cost as per Ind AS	Ind AS adjustments	Gross Block as per Ind AS
Right of Way	Indefinite	37.99	2.92	35.07	-	35.07
Right of Way (10-30 years)	10 - 30	13.20	0.03	13.17	-	13.17
Service Concession Arrangement	20	-	-	-	16.66	16.66
Software/Licenses	2 - 5	82.16	56.80	25.36	-	25.36
Development Rights	5	1.50	1.50	-	-	-
Process Licenses	5	86.10	70.70	15.40	-	15.40
Total		**220.95**	**131.95**	**89.00**	**16.66**	**105.66**

NOTE 6 INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crores

Particulars	Gross Amount			
	As at 01/04/16	Additions	Capitalizations as Intangible Asset/ Deletions	As at 31/03/17
Process Licenses	215.18	190.61	-	**405.79**
Total	**215.18**	**190.61**	**-**	**405.79**

₹ in Crores

Particulars	Gross Amount			
	As at 01/04/15	Additions	Capitalizations as Intangible Asset/ Deletions	As at 31/03/16
Process Licenses	25.07	190.11	-	215.18
Total	**25.07**	**190.11**	**-**	**215.18**

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Intangible Assets under development as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

There are no internally generated Intangible Assets.

Additional information in respect of Notes no. 2, 4 and 5:

a) Land:

 i) Freehold land includes ₹ **94.66 Crores** (as at 31st March 2016 ₹ 126.33 Crores and as at 1st April 2015 ₹ 387.56 Crores) capitalized at various locations for which conveyance deeds are yet to be executed and/or mutation is pending.

 ii) Freehold land includes ₹ **2.20 Crores** (as at 31st March 2016 ₹ 2.20 Crores and as at 1st April 2015 ₹ 2.20 Crores) which is in the process of being surrendered to the Competent Authority.

 iii) Leasehold land represents land taken on finance lease for more than 99 years.

b) Buildings include Ownership flats of ₹ **41.07 Crores** (as at 31st March 2016 ₹ 40.02 Crores and as at 1st April 2015 ₹ 39.02 Crores) in proposed / existing co-operative societies and others.

c) Other adjustments include capitalization of foreign exchange differences (net) of ₹ **226.25 Crores** (Previous year ₹ 313.52 Crores) and borrowing costs of ₹ **212.89 Crores** (Previous year ₹ 35.54 Crores).

d) Freehold Land, Plant and Equipment, Tanks and Pipelines, Railway Sidings and Buildings jointly owned in varying extent with other Oil Companies / Railways: Gross Block ₹ **248.65 Crores** (as at 31st March 2016 ₹ 243.22 Crores and as at 1st April 2015 ₹185.18 Crores), Cumulative Depreciation ₹ **65.18 Crores** (as at 31st March 2016 ₹ 54.45 Crores and as at 1st April 2015 Nil), Net Block ₹ **183.47 Crores** (as at 31st March 2016 ₹ 188.77 Crores and as at 1st April 2015 ₹ 185.18 Crores).

e) Charge has been created over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery and Kochi Refinery in regard to the borrowings– Refer Note no. 24.

f) Compensation received from third parties in respect of items of Property, Plant and Equipment that were impaired, lost or given up during the year ₹ **1.82 Crores** (Previous year ₹ 2.09 Crores).

g) Deduction from Gross Block includes :

 i) Reversal of excess capitalization of ₹ **27.05 Crores** (Previous year ₹ 27.03 Crores)

 ii) Deletions during the year ₹ **66.89 Crores** (Previous year ₹ 47.76 Crores)

h) Depreciation and amortization for the year includes:

 i) Charged to Statement of Profit and Loss ₹ **1901.61 Crores** (Previous year ₹ 1852.17 Crores)

 ii) Depreciation of ₹ **3.46 Crores** (Previous year ₹ 6.53 Crores) has been provided for asset not in use and has been classified as non current asset held for sale.

i) Deductions from depreciation includes:

 i) On reversal of excess capitalization ₹ **1.75 Crores** (Previous year ₹ 0.05 Crores).

 ii) On withdrawal of depreciation on deletion during the year ₹ **15.02 Crores** (Previous year ₹ 9.93 Crores).

 iii) On reclassification of assets ₹ **12.00 Crores** (Previous year ₹ 14.09 Crores).

j) The Right of Way has been acquired under the Petroleum & Mineral Pipelines Act, 1962. As per the provisions of the Act, the Right of Way is perpetual in nature. Accordingly, the Corporation has assessed the useful life as indefinite.

NOTE 7 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

(₹ in Crores)

Particulars	No. of units 31/03/2017	No. of units 31/03/2016	No. of units 01/04/2015	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Investment in Subsidiaries						
Unquoted						
Equity shares of (₹ 10 each (fully paid up))						
Numaligarh Refinery Limited	**45,35,45,998**	45,35,45,998	45,35,45,998	**453.55**	453.55	453.55
Bharat PetroResources Limited *	**2,92,00,02,670**	2,92,00,02,670	2,62,00,02,670	**3,414.40**	3,414.40	3,114.40
Petronet CCK Limited **	**9,99,99,998**	7,39,59,998	4,90,00,000	**194.23**	115.31	49.00
Investment in Joint Ventures						
Unquoted						
Equity Shares of (₹ 10 each (fully paid up))						
Bharat Oman Refineries Limited (BORL)	**88,86,13,336**	88,86,13,336	88,86,13,336	**888.61**	888.61	888.61
Delhi Aviation Fuel Facility Private Limited	**6,06,80,000**	6,06,80,000	6,06,80,000	**60.68**	60.68	60.68
Maharashtra Natural Gas Limited	**2,24,99,600**	2,24,99,600	2,24,99,600	**22.50**	22.50	22.50
Sabarmati Gas Limited	**99,87,400**	99,87,400	50,00,000	**122.40**	122.40	19.96
Central UP Gas Limited	**1,49,99,600**	1,49,99,600	1,49,99,600	**15.00**	15.00	15.00
Bharat Stars Services Pvt. Ltd.	**1,00,00,000**	1,00,00,000	1,00,00,000	**10.00**	10.00	10.00
Bharat Renewable Energy Ltd.	**33,60,000**	33,60,000	33,60,000	**3.36**	3.36	3.36
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	**3,82,71,250**	3,82,71,250	45,02,500	**38.27**	38.27	4.50
Kochi Salem Pipeline Private Limited	**5,50,00,000**	4,00,00,000	-	**55.00**	40.00	-
BPCL-KIAL Fuel Farm Facility Private Limited	**55,50,000**	44,40,000	-	**5.55**	4.44	-
Haridwar Natural Gas Private Limited	**75,00,000**	-	-	**7.50**	-	-
Goa Natural Gas Private Limited	**25,00,000**	-	-	**2.50**	-	-

NOTE 7 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

(₹ in Crores)

Particulars	No. of units 31/03/2017	No. of units 31/03/2016	No. of units 01/04/2015	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Equity Shares of (USD 1 each (fully paid up))						
Matrix Bharat Pte. Ltd.	**20,00,000**	20,00,000	20,00,000	**8.41**	8.41	8.41
Share warrants of BORL						
- of ₹ 10 each (fully paid up)	**48,68,86,664**	48,68,86,664	48,68,86,664	**486.89**	486.89	486.89
- of ₹ 15 each (fully paid up)	**29,91,94,364**	29,91,94,364	29,91,94,364	**448.79**	448.79	448.79
- of ₹ 18 each (fully paid up)	**36,11,11,111**	36,11,11,111	36,11,11,111	**650.00**	650.00	650.00
0% Compulsorily Convertible Debenture of ₹ 10 each (fully paid up) of BORL	**1,00,00,00,000**	-	-	**1,000.00**	-	-
Investment in Associates						
Quoted						
Equity Shares of ₹ 10 each (fully paid up)						
Petronet LNG Limited	**9,37,50,000**	93,750,000	9,37,50,000	**98.75**	98.75	98.75
Indraprastha Gas Limited	**3,15,00,080**	3,15,00,080	3,15,00,080	**31.50**	31.50	31.50
Unquoted						
Equity Shares of ₹ 10 each (fully paid up)						
GSPL India Gasnet Ltd.	**3,04,72,128**	2,33,22,128	2,05,72,128	**30.47**	23.32	20.57
GSPL India Transco Ltd.	**2,25,50,000**	1,81,50,000	1,54,00,000	**22.55**	18.15	15.40
Petronet India Limited	**1,60,00,000**	1,60,00,000	1,60,00,000	**16.00**	16.00	16.00
Petronet CI Limited	**15,84,000**	15,84,000	15,84,000	**1.58**	1.58	1.58
Fino PayTech Ltd.	**2,84,35,423**	-	-	**251.00**	-	-
Equity Shares of ₹ 100 each (fully paid up)						
Kannur International Airport Limited	2,13,80,000	1,70,00,000	170,00,000	213.80	170.00	120.00

NOTE 7 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

(₹ in Crores)

Particulars	No. of units 31/03/2017	No. of units 31/03/2016	No. of units 01/04/2015	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Current year ₹ **100 paid up** (Previous Year 31st March 2016: ₹100; 1st April 2015 ₹ 70.59)						
Unquoted - Association of Persons						
Capital Contribution in Petroleum India International #/##				**0.10**	0.10	10.00
Share in accumulated surplus of Petroleum India International #/##				**-**	2.86	16.56
Impairment in the value of investments						
Petronet India Limited				**-**	(16.00)	(16.00)
Bharat Renewable Energy Ltd.				**(3.36)**	(3.36)	(3.36)
Petronet CI Limited				**(1.58)**	(1.58)	(1.58)
Total				**8,548.45**	7,123.93	6,545.07
Aggregate amount of Unquoted Securities				**8,418.20**	6,993.68	6,414.82
Aggregate amount of Quoted Securities				**130.25**	130.25	130.25
Market value of Quoted Securities				**6,969.40**	4,144.54	2,928.61
Aggregate amount of Impairment in the value of investments				**4.94**	20.94	20.94

* Includes equity component of ₹ 494.40 Crores recognised on fair valuation of concessional rate loan given to Subsidiary

** Petronet CCK Limited has become Subsidiary from Joint Venture during 2015-16.

Received **Nil** (Previous year ₹ 9.90 Crores) against capital contribution and ₹ **2.86 Crores** (Previous year ₹ 13.70 Crores) out of accumulated surplus.

Member Companies of Association of Persons are Bharat Petroleum Corporation Limited, Engineers India Limited, Hindustan Petroleum Corporation Limited, Indian Oil Corporation Limited, Reliance Industries Limited, Chennai Petroleum Corporation Limited, Oil and Natural Gas Corporation Limited and Oil India Limited. The total capital is ₹ 0.55 crore of which share of Bharat Petroleum Corporation Limited is ₹ 0.10 crore, Indian Oil Corporation Limited is ₹ 0.15 crore and other members have equal share of ₹ 0.05 crore each.

NOTE 8 INVESTMENTS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Investment in equity instruments designated at Fair Value through Other Comprehensive Income			
Quoted			
Equity Shares of ₹ 10 each (fully paid up) of Oil India Limited *	**594.85**	419.26	606.77
Unquoted			
Equity Shares of ₹ 10 each (fully paid up) of Cochin International Airport Limited *	**97.80**	88.35	68.08
Investment in Debentures at Fair Value through Profit or Loss			
Unquoted			
6% Optionally Convertible Debenture of ₹ 1,00,000 each (fully paid up) of Sabarmati Gas Limited **	**-**	-	101.63
Investment in Debentures at Amortised cost			
Unquoted			
5% Debentures (Fully Paid up) of East India Clinic Limited	**0.01**	0.01	0.01
Investment in Equity Instruments at Fair Value Through Profit or Loss			
Unquoted			
Equity Shares of Kochi Refineries Employees Consumer Co-operative Society Limited (Fully paid up)	**##**	##	##
## Value ₹ 5,000			
Ordinary Shares (Fully paid up) of Sindhu Resettlement Corporation Limited	**#**	#	#
# Value ₹ 19,000			
Total	**692.66**	507.62	776.49

* The Corporation has designated these investments at fair value through Other Comprehensive Income because these investments represent the investments that the Corporation intends to hold for long-term purposes. No such investments were disposed off during the year and accordingly, there have been no transfers of the cumulative gains or losses on these investments.

** 6% Optionally Convertible Debenture of Sabarmati Gas Limited has been classified as Current Investment as at 31st March 2016. Subsequently these debentures have been redeemed during the year ended 31st March 2017. [Refer Note No.14]

Aggregate amount of Unquoted Securities	**97.81**	88.36	169.72
Aggregate amount of Quoted Securities	**594.85**	419.26	606.77
Market value of Quoted Securities	**594.85**	419.26	606.77
Aggregate amount of Impairment in the value of investments	**-**	-	-

NOTE 9 LOANS

(Unsecured,considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Security deposits			
Considered good	**62.71**	50.98	28.10
Considered doubtful	**0.89**	0.65	0.45
Less : Allowance for doubtful	**(0.89)**	(0.65)	(0.45)
Loans to Subsidiaries [Refer Note No. 51]			
Bharat PetroResources Limited	**2,047.10**	179.18	162.85
Loans to Joint Ventures [Refer Note No. 51]			
Bharat Oman Refineries Limited	**1,254.10**	1,354.10	1,354.10
Loans to employees (including accrued interest) (secured) [Refer Note No. 52]	**387.45**	364.75	345.70
Loans to Others			
Considered good	**32.29**	28.62	30.40
Considered doubtful	**0.53**	0.77	1.03
Less: Allowance for doubtful	**(0.53)**	(0.77)	(1.03)
Total	**3,783.65**	1,977.63	1,921.15

NOTE 10 OTHER FINANCIAL ASSETS

(Unsecured,considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Claims			
Considered good	**34.16**	13.30	10.06
Considered doubtful	**25.12**	26.02	22.15
Less : Allowances for doubtful	**(25.12)**	(26.02)	(22.15)
Bank deposits with more than twelve months maturity			
Considered good*	**0.98**	0.97	0.96
Considered doubtful	**0.02**	0.02	0.02
Less: Allowance for doubtful	**(0.02)**	(0.02)	(0.02)
Advances to Subsidiaries [Refer Note No.51]			
Bharat PetroResources Limited #	**-**	-	300.00
Advances to Joint Ventures [Refer Note No.51]			
Kochi Salem Pipeline Pvt. Ltd. #	**-**	-	6.75
Bharat Renewable Energy Limited ##	**0.54**	0.54	0.75
Less : Allowance for doubtful advances	**(0.54)**	(0.54)	(0.75)
Total	**35.14**	14.27	317.77

* Includes deposit of ₹ **0.80 Crores** (31st March 2016: ₹ 0.80 Crores; 1st April 2015: ₹ 0.80 Crores) that have been pledged / deposited with local authorities.

Advance against equity shares (pending allotment as at 31st March 2015); since alloted during the financial year 2015-16.
Advance against equity shares (pending allotment).

NOTE 11 INCOME TAX ASSETS (NET)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Advance payment of Income Tax (net of Provision)	**126.78**	72.78	57.93
Total	**126.78**	**72.78**	**57.93**

NOTE 12 OTHER NON-CURRENT ASSETS

(Unsecured,considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Capital Advances	**127.80**	213.50	508.67
Advance to Associates			
Petronet LNG Limited	**185.00**	200.00	150.00
Gratuity Account Balance [Refer Note No. 50]	**9.83**	5.19	11.93
Prepaid Expenses	**565.65**	580.87	379.92
Claims and Deposits			
Considered good	**596.72**	586.80	442.14
Considered doubtful	**127.22**	106.40	58.76
Less : Allowance for doubtful	**(127.22)**	(106.40)	(58.76)
Total	**1,485.00**	1,586.36	1,492.66

NOTE 13 INVENTORIES

(Refer Note No. 1.10)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Raw Materials [Including in transit ₹ **1,599.83 Crores** (31st March 2016: ₹ 2,030.69 Crores; 1st April 2015: ₹ 1,585.10 Crores)]	**3,664.95**	3,369.70	3,413.81
Work-in-progress	**610.43**	313.87	372.74
Finished goods	**7,761.08**	5,389.77	6,158.34
Stock-in-Trade [Including in transit ₹ **1,113.40 Crores** (31st March 2016: ₹ 469.15 Crores; 1st April 2015: ₹ 559.81 Crores)]	**7,312.29**	4,402.55	4,409.42
Stores and Spares [Including in transit ₹ **3.24 Crores** (31st March 2016: ₹ 1.26 Crores; 1st April 2015 : ₹ 1.44 Crores)]	**429.29**	301.82	239.05
Packaging Materials	**19.97**	15.15	10.42
Total	**19,798.01**	13,792.86	14,603.78

The write-down of inventories to net realisable value during the year amounted to ₹ **254.52 Crores** (Previous year : ₹ 69.32 Crores). The reversal of write downs during the year amounted to ₹ **2.61 Crores** (Previous year : ₹ 2.78 Crores) due to increase in net realisable value of the inventories. The write downs and reversal are included in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress.

Inventories pledged as collateral - Refer Note No. 29

NOTE 14 INVESTMENTS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Investments at Fair Value Through Profit and Loss			
Investments in Government Securities of Face Value ₹ 100 each (fully paid)			
Quoted			
6.35% Oil Marketing Companies GOI Special Bonds 2024	1,992.27	1,920.26	1,919.78
6.90% Oil Marketing Companies GOI Special Bonds 2026 #	2,418.46	2,312.69	2,324.14
7.95% Oil Marketing Companies GOI Special Bonds 2025	11.09	10.79	10.80
8.20% Oil Marketing Companies GOI Special Bonds 2024	938.52	914.61	916.29
Investment in Debentures			
Unquoted			
6% Optionally Convertible Debenture of ₹ 1,00,000 each (fully paid up) of Sabarmati Gas Limited ##	-	21.08	-
Total	**5,360.34**	5,179.43	5,171.01

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in CBLO of face Value ₹ **2,200 Crores** (31st March 2016: ₹ 2,450 Crores; 1st April 2015: ₹ 2,450 Crores) [Refer Note No. 29]

6% Optional Convertible Debenture of Sabarmati Gas Limited has been classified as Non - Current Investment as at 31st March 2015 [Refer Note No. 8]

Aggregate amount of Unquoted Securities	-	21.08	-
Aggregate amount of Quoted Securities	**5,360.34**	5,158.35	5,171.01
Market value of Quoted Securities	**5,360.34**	5,158.35	5,171.01

NOTE 15 TRADE RECEIVABLES

(Unsecured unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Considered good *	**4,773.75**	2,202.41	2,514.91
Less: Allowance as per Expected Credit Loss model	**(15.57)**	(13.46)	(9.75)
Considered doubtful	**265.29**	274.99	202.18
Less: Allowance for doubtful	**(265.29)**	(274.99)	(202.18)
Total	**4,758.18**	2,188.95	2,505.16

* Includes Secured debts ₹ **423.76 Crores** (31st March 2016: ₹ 564.14 Crores; 1st April 2015: ₹ 621.40 Crores)

Trade receivables pledged as collateral (Refer Note No. 29)

NOTE 16 CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Balances with Banks:			
On Current Account	**14.96**	99.31	193.99
Demand deposits with Banks with original maturity of less than three months	**-**	1,585.00	1,110.00
Cheques and drafts on hand	**38.69**	11.91	25.88
Cash on hand	**0.70**	24.32	26.86
Total	**54.35**	1,720.54	1,356.73

NOTE 17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Earmarked Balances			
Unpaid Dividend	**10.34**	5.70	3.47
Fixed deposits with banks with original maturity of more than three months and less than twelve months*	**-**	91.97	-
Fixed deposits with banks with original maturity of more than twelve months*	**-**	249.13	-
DBTL Account **	**-**	0.01	-
Total	**10.34**	346.81	3.47

* Represents Fixed deposits with State Bank of India held on behalf of Government of India towards cash assistance under PAHAL - Direct Benefits Transfer for LPG (DBTL) Scheme 2014; includes acrrued interest of **Nil** (previous year: ₹ 4.63 Crores) [Refer Note No. 31].

** Represents balance in current account with State Bank of India held on behalf of Government of India towards cash assistance under PAHAL - (DBTL) Scheme 2014 [Refer Note No. 31].

NOTE 18 LOANS

(Unsecured,considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Loans to employees (including accrued interest) (Secured) [Refer Note No. 52]	**62.77**	56.40	52.46
Loans to Others	**7.88**	9.22	8.64
Total	**70.65**	65.62	61.10

NOTE 19 OTHER FINANCIAL ASSETS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Interest accrued on bank deposits, etc.,			
Considered good	**0.14**	0.78	2.50
Considered doubtful	**0.02**	0.02	0.02
Less: Allowance for doubtful	**(0.02)**	(0.02)	(0.02)
Interest accrued on loans to related parties	**89.50**	28.82	28.65
Derivative asset	**6.10**	2.49	24.15
Receivable from Central Government / State Government	**2,365.95**	3,479.57	5,869.65
Dues from Related Parties			
Dues from subsidiaries	**6.70**	5.09	5.44
Dues from Joint Venture Companies	**21.31**	9.23	11.66
Advances and recoverables			
Considered good	**814.35**	544.31	205.99
Considered doubtful	**300.81**	300.14	317.61
Less: Allowance for doubtful	**(300.81)**	(300.14)	(317.61)
Total	**3,304.05**	4,070.29	6,148.04

NOTE 20 CURRENT TAX ASSETS (NET)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Advance payment of Income Tax (Net of provision)	**23.08**	-	72.12
Total	**23.08**	-	72.12

NOTE 21 OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Other advances including prepaid expenses	**289.98**	127.68	89.27
Claims	**235.07**	160.46	81.13
Recoverables from Customs, Excise, etc.	**344.44**	540.54	320.18
Non-current Assets Held for Sale*	**9.63**	9.49	13.57
Total	**879.12**	838.17	504.15

* Non-current assets held for sale consists of items such as Plant & Equipment, Dispensing Pumps, etc. which have been identified for disposal due to replacement / obsolescence of assets which happens in the normal course of business. These assets are expected to be disposed of within the next twelve months. On account of re-classification of these assets, an impairment loss of ₹ **5.52 Crores** during the year (Previous year : ₹ 4.90 Crores) has been recognised in the Statement of Profit and Loss.

NOTE 22 EQUITY SHARE CAPITAL

₹ in Crores

	Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
i	**Authorised**			
	2,50,00,00,000 equity shares	**2,500.00**	2,500.00	2,500.00
	(Previous year 31st March 2016: 2,50,00,00,000; 1st April 2015: 2,50,00,00,000)			
ii	**Issued, subscribed and paid-up**			
	1,44,61,68,496 (Previous year 31st March 2016: 72,30,84,248; 1st April 2015: 72,30,84,248) equity shares fully paid-up	**1,446.17**	723.08	723.08
	Less - BPCL Trust for Investment in Shares (Refer Note No. 45)	**(134.92)**	(67.46)	(67.46)
	Total	**1,311.25**	655.62	655.62

iii The Corporation has only one class of shares namely equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity share. In the event of liquidation of the Corporation, the holders of equity shares will be entitled to receive the remaining assets of the Corporation in proportion to the number of equity shares held.

The Corporation declares and pays dividend in Indian Rupees. The final dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iv During the Financial year 2016-17, the Corporation has issued Bonus Shares in the ratio of 1:1 by capitalization of General Reserves. The total number of shares issued is 72,30,84,248 having face value of ₹ 10 each. During Financial Year 2012-13, the Corporation had issued Bonus Shares in the ratio of 1:1 by capitalization of General Reserves. The total number of Bonus Shares issued is 36,15,42,124 equity shares having face value of ₹ 10 each.

v **Reconciliation of No. of Equity Shares**

Particulars		As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
A.	Opening Balance	**72,30,84,248**	72,30,84,248	72,30,84,248
B.	Shares Issued			
	- Bonus Shares	**72,30,84,248**	-	-
C.	Shares Bought Back	**-**	-	-
D.	Closing Balance	**1,44,61,68,496**	72,30,84,248	72,30,84,248

vi **Details of shareholders holding more than 5% shares**

Name of shareholder	As at 31/03/2017		As at 31/03/2016		As at 01/04/2015	
	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares
Government of India	**54.93**	**79,44,00,240**	54.93	39,72,00,120	54.93	39,72,00,120
BPCL Trust for Investment in shares (Refer Note No. 45)	**9.33**	**13,49,14,948**	9.33	6,74,57,474	9.33	6,74,57,474

NOTE 23 OTHER EQUITY

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Capital Reserve	**12.33**	12.33	12.33
Debenture Redemption Reserve	**810.82**	586.24	517.49
General Reserve	**24,683.03**	25,406.12	20,675.54
Foreign Currency Monetary Item Translation Difference Account	**206.34**	(79.28)	27.20
Equity Instruments through Other Comprehensive Income	**94.24**	(88.88)	92.81
Retained Earnings	**3,074.56**	1,422.46	2,279.55
BPCL Trust for Investment in Shares (Refer Note No. 45)	**(524.19)**	(591.65)	(591.65)
Total	**28,357.13**	26,667.34	23,013.27

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016
Capital Reserve :		
Opening balance	**12.33**	12.33
Add/(Less) : Additions/(Deletions) during the year	**-**	-
Closing balance	**12.33**	12.33
Debenture Redemption Reserve :		
Opening balance	**586.24**	517.49
Add : Transfer from Retained Earnings	**224.58**	243.75
Less: Transfer to General Reserve on redemption of debentures	**-**	(175.00)
Closing balance	**810.82**	586.24
General Reserve :		
Opening balance	**25,406.12**	20,675.54
Add : Transfer from Retained Earnings	**-**	4,555.58
Add : Transfer from Debenture Redemption Reserve	**-**	175.00
Less : Amount utilised for issue of bonus shares (Refer Note No. 22)	**(723.09)**	-
Closing balance	**24,683.03**	25,406.12
Foreign Currency Monetary Item Translation Difference Account : (Refer Note No. 55)		
Opening balance	**(79.28)**	27.20
Additions / (Deletions) during the year	**155.79**	(340.39)
Less : Amortization during the year	**129.83**	233.91
Closing balance	**206.34**	(79.28)
Equity Instruments through Other Comprehensive Income:		
Opening balance	**(88.88)**	92.81
Additions / (Deletions) during the year	**183.12**	(181.69)
Closing balance	**94.24**	(88.88)
BPCL Trust for Investment in Shares: (Refer Note No. 45)		
Opening balance	**(591.65)**	(591.65)
Additions / (Deletions) during the year	**67.46**	-
Closing balance	**(524.19)**	(591.65)

NOTE 23 OTHER EQUITY (CONTD.)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016
Retained Earnings :		
Opening balance	**1,422.46**	2,279.55
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	**8,039.30**	7,056.36
Less : Remeasurements of Defined Benefit Plans (net of tax)	**(50.69)**	(93.18)
Less : Transfer to Debenture Redemption Reserve	**(224.58)**	(243.75)
Less : Transfer to General Reserve	**-**	(4,555.58)
Less : Interim Dividends for the year ₹ **31.50 per share (**Previous year : ₹ 16 per share)	**(4,555.43)**	(1,156.93)
Less : Corporate Dividend Tax on Interim Dividends for the year	**(828.23)**	(202.51)
Less : Final Dividend for FY 2015-16 : ₹ 15 per share (FY 2014-15 : ₹ 22.50 per share)	**(1,084.63)**	(1,626.94)
Less : Corporate Dividend Tax on Final Dividend for previous year	**(169.81)**	(294.27)
Add : Income from BPCL Trust for Investment in Shares (Refer Note No. 45)	**526.17**	259.71
Closing balance	**3,074.56**	1,422.46
Total Other Equity	**28,357.13**	26,667.34

Nature and purpose of Reserves

Capital Reserve

It represents capital reserve appearing in the financial statements of erstwhile Kochi Refineries Limited (KRL) transferred on amalgamation.

Debenture Redemption Reserve

Debenture Redemption Reserve represents reserve created out of the profits of the Corporation available for distribution to shareholders which is utilised for redemption of debentures/bonds.

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents amounts recognised on account of translation of long term foreign currency denominated borrowings not related to acquisition of depreciable assets. Amounts so recognised are amortized in the Statement of Profit and Loss over the remaining maturity of related borrowings.

Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Proposed Dividend on Equity Shares not recognised:	2016-17	2015-16
Final Dividend for the year ended ₹ **1 per share** (Previous year : ₹ 15 per share)	**144.62**	1,084.63
Dividend Distribution Tax on Proposed Dividend	**29.44**	188.48
Total	**174.06**	1,273.11

NOTE 24 BORROWINGS

₹ in Crores

Particulars	As at 31/03/2017 Current #	As at 31/03/2017 Non-Current	As at 31/03/2016 Current #	As at 31/03/2016 Non-Current	As at 01/04/2015 Current #	As at 01/04/2015 Non-Current
Secured						
From others						
- Debentures						
8.65% Secured Non-Convertible Debentures 2017 *	-	-	-	-	-	700.00
7.35% Secured Non-Convertible Debentures 2022 **	-	549.80	-	-	-	-
- Term Loan						
Loan from Oil Industry Development Board ***	412.94	1,357.94	226.87	1,424.87	-	907.50
Unsecured						
From banks						
Foreign Currency Loans - Syndicated	1,718.22	2,142.37	1,989.99	3,915.13	1,251.82	5,554.04
Term loan	-	2,000.00	-	250.00	-	-
From Others						
- Bonds						
4.625% US Dollar International Bonds 2022	-	3,222.60	-	3,297.32	-	3,108.50
4% US Dollar International Bonds 2025	-	3,211.28	-	3,286.00	-	-
3% Swiss Franc International Bonds 2019	-	1,292.45	-	1,369.85	-	1,289.20
- Term Loan						
Loan from Oil Industry Development Board	24.25	-	49.25	24.25	68.50	73.50
Total	2,155.41	13,776.44	2,266.11	13,567.42	1,320.32	11,632.74

Classified under other financial liabilities (Refer Note No. 31).

Terms of Repayment Schedule of Long-term borrowings as at 31/03/2017:

Non-Current	Interest Rate	₹ in Crores	Maturity
4% US Dollar International Bonds 2025	4.00%	3,241.93	8-May-25
Term Loan	SBI MCLR	1,599.80	2023 - 2024
Term Loan	SBI MCLR	133.40	2022 - 2023
4.625% US Dollar International Bonds 2022	4.625%	3,241.93	25-Oct-22
7.35% Secured Non-Convertible Debentures 2022	7.35%	550.00	10-Mar-22
Term Loan	SBI MCLR	133.40	2021 - 2022
Loan from Oil Industry Development Board - Secured	7.68%	86.50	2021 - 2022
Term Loan	SBI MCLR	133.40	2020 - 2021
Loan from Oil Industry Development Board - Secured	7.68% - 8.09%	272.56	2020 - 2021
Foreign Currency Loans - Syndicated	L + 82 bps	2,139.67	26-Feb-21

NOTE 24 BORROWINGS (CONTD.)

Non-Current	Interest Rate	₹ in Crores	Maturity
Loan from Oil Industry Development Board - Secured	7.68% - 9.11%	499.44	2019 - 2020
Loan from Oil Industry Development Board - Secured	7.68% - 9.11%	499.44	2018 - 2019
3% Swiss Franc International Bonds 2019	3.00%	1,295.90	20-Dec-19
Foreign Currency Loans - Syndicated	L + 175 bps	32.42	7-Nov-18
Current	**Interest Rate**	**₹ in Crores**	**Maturity**
Loan from Oil Industry Development Board - Secured	7.87% - 9.11%	412.94	2017 - 2018
Foreign Currency Loans - Syndicated	L + 75 bps	648.39	5-Feb-18
Loan from Oil Industry Development Board - Unsecured	8.62%	24.25	7-Nov-17
Foreign Currency Loans - Syndicated	L + 175 bps	1,069.83	7-Nov-17

* The Corporation had allotted redeemable non-convertible 8.65% Debentures of face value of ₹ 700 Crores on 8th October 2012 redeemable on 8th October 2017 with a put call option which was exercised on 8th October 2015. Accordingly Corporation has redeemed the debentures during the Financial Year 2015-16. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery. The relevant charge has been satisfied.

** The Corporation had allotted non-convertible 7.35% Debentures of face value of ₹ 550 Crores on 10th March 2017 redeemable on 10th March 2022. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery.

*** Term Loan is secured by first legal mortgage mainly over Plant and Machinery at Mumbai Refinery and Kochi Refinery.

NOTE 25 OTHER FINANCIAL LIABILITIES

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Security / Earnest Money Deposits	**10.77**	11.24	20.00
Retiral Dues	**52.63**	49.49	50.03
Total	**63.40**	60.73	70.03

NOTE 26 PROVISIONS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Provision for employee benefits (Refer Note No. 50)	**1,353.15**	1,156.84	1,108.60
Total	**1,353.15**	1,156.84	1,108.60

NOTE 27 TAX EXPENSE AND DEFERRED TAX LIABILITIES (NET)

(a) Amounts recognised in profit and loss

₹ in Crores

Particulars	2016-17	2015-16
Current tax expense (A)		
Current year	**2,210.00**	2,684.00
Short/(Excess) provision of earlier years	**(111.24)**	14.66
Deferred tax expense (B)		
Origination and reversal of temporary differences	**904.73**	636.02
Tax expense recognised in the income statement (A+B)	**3,003.49**	3,334.68

(b) Amounts recognised in Other Comprehensive Income

₹ in Crores

Particulars	2016-17 Before tax	2016-17 Tax (expense) benefit	2016-17 Net of tax	2015-16 Before tax	2015-16 Tax (expense) benefit	2015-16 Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(77.52)**	**26.83**	**(50.69)**	(142.49)	49.31	(93.18)
Equity instruments through Other Comprehensive Income- net change in fair value	**185.04**	**(1.92)**	**183.12**	(180.37)	(1.32)	(181.69)
Total	**107.52**	**24.91**	**132.43**	(322.86)	47.99	(274.87)

(c) Reconciliation of effective tax rate

Particulars	2016-17 %	2016-17 ₹ in Crores	2015-16 %	2015-16 ₹ in Crores
Profit before tax		**11,042.79**		10,391.04
Tax using the Company's domestic tax rate	**34.61**	**3,821.69**	34.61	3,596.13
Tax effect of:				
Non-deductible tax expenses	**0.51**	**56.35**	2.15	223.34
Tax-exempt income	**-2.73**	**(301.59)**	-1.48	(153.55)
Interest expense not deductible for tax purposes	**0.06**	**6.96**	0.23	23.83
Incremental deduction allowed for research and development costs	**-0.17**	**(18.38)**	-0.21	(21.81)
Investment allowance deduction	**-4.26**	**(470.26)**	-3.45	(358.86)
Others	**0.18**	**19.96**	0.11	10.94
Effective Income Tax Rate	**28.21**	**3,114.73**	31.95	3,320.02
Adjustments recognised in current year in relation to the current tax of prior years		**(111.24)**		14.66
Income Tax Expense		**3,003.49**		3,334.68

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity and not in Statement of Profit and Loss or Other Comprehensive Income.

NOTE 27 TAX EXPENSE AND DEFERRED TAX LIABILITIES (NET) (CONTD.)

(d) Movement in deferred tax balances

₹ in Crores

Particulars	Net balance as at 01/04/2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at 31/03/2017 Net Balance	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, Plant and Equipment	(3,811.51)	(1,142.63)	-	-	**(4,954.14)**	-	**(4,954.14)**
Intangible assets	(24.95)	5.21	-	-	**(19.74)**	-	**(19.74)**
Derivatives	0.29	(1.55)	-	-	**(1.26)**	-	**(1.26)**
Inventories	(35.71)	35.71	-	-	-	-	-
Investments	122.37	(69.90)	(1.92)	-	**50.55**	**50.55**	-
Trade and other receivables	111.69	(14.49)	-	-	**97.20**	**97.20**	-
Loans and borrowings	9.44	(0.76)	-	-	**8.68**	**8.68**	-
Employee benefits	458.75	164.99	26.83	-	**650.57**	**650.57**	-
Deferred income	(6.60)	6.60	-	-	-	-	-
Provisions	219.51	(133.62)	-	-	**85.89**	**85.89**	-
Other Current liabilities	200.95	161.25	-	-	**362.20**	**362.20**	-
Other items	133.88	84.46	-		**218.34**	**218.34**	-
Tax Assets /(Liabilities)	(2,621.89)	(904.73)	24.91	-	**(3,501.71)**	**1,473.43**	**(4,975.14)**

(e) Movement in deferred tax balances

₹ in Crores

Particulars	Net balance as at 01/04/2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at 31/03/2016 Net Balance	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, Plant and Equipment	(3,129.33)	(682.18)	-	-	(3,811.51)	-	(3,811.51)
Intangible assets	(9.93)	(15.02)	-	-	(24.95)	-	(24.95)
Derivatives	(7.44)	7.73	-	-	0.29	0.29	-
Inventories	(55.91)	20.20	-	-	(35.71)	-	(35.71)
Investments	100.93	22.76	(1.32)	-	122.37	122.37	-
Trade and other receivables	91.15	20.54	-	-	111.69	111.69	-
Loans and borrowings	8.39	1.05	-	-	9.44	9.44	-
Employee benefits	434.19	(24.75)	49.31	-	458.75	458.75	-
Deferred income	(6.64)	0.04	-	-	(6.60)	-	(6.60)
Provisions	251.95	(32.44)	-	-	219.51	219.51	-
Other Current Liabilities	108.13	92.82	-	-	200.95	200.95	-
Other items	180.65	(46.77)	-	-	133.88	133.88	-
Tax Assets/ (Liabilities)	(2,033.86)	(636.02)	47.99	-	(2,621.89)	1,256.88	(3,878.77)

The Corporation offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

NOTE 28 OTHER NON-CURRENT LIABILITIES

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Deferred income (Capital Grant etc.)	**81.76**	70.02	46.40
Total	**81.76**	70.02	46.40

NOTE 29 BORROWINGS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Loans repayable on demand			
Secured			
From banks			
Working capital loans / Cash Credit *	**87.60**	23.96	40.27
From others			
Collateralized Borrowings and Lending Obligation **	**1,350.00**	-	-
Unsecured			
From banks			
Foreign Currency Loans	**5,789.76**	-	-
Total	**7,227.36**	23.96	40.27

* Secured in favour of the participating banks ranking pari-passu inter-alia by hypothecation of raw materials, finished goods, work-in-progress, book debts, stores, components and spares and all movables both present and future. [Refer Note No. 13 and 15]

** The Corporation has Collaterized Borrowing & Lending Obligations limits from Clearing Corporation of India Limited, the balance of which is ₹ **1,350 Crores** as at 31st March 2017 (31st March 2016 : Nil and 1st April 2015 : Nil) . These are secured by 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ **2,200 Crores** (31st March 2016 : ₹ 2,450 Crores and 1st April 2015 : ₹ 2,450 Crores) [Refer Note No. 14]

NOTE 30 TRADE PAYABLES

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Dues to subsidiaries	**728.72**	792.17	1,161.63
Dues to Micro,Small and Medium Enterprises	**-**	-	-
Dues to others (Refer Note No. 46)	**10,631.06**	7,638.62	11,305.40
Total	**11,359.78**	8,430.79	12,467.03

NOTE 31 OTHER FINANCIAL LIABILITIES

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Current maturities of long-term debt (Refer Note No.24)	**2,155.41**	2,266.11	1,320.32
Interest accrued but not due on borrowings	**163.56**	166.98	165.02
Unclaimed Dividend *	**10.34**	5.70	3.47
Unclaimed Deposits *	**-**	0.02	0.08
Unclaimed Interest on Deposits *#	**-**	-	0.04
Security/Earnest Money deposits	**501.86**	456.69	411.45
Deposits for Containers	**10,496.15**	8,800.84	7,677.48
Dues to Micro, Small and Medium Enterprises (Refer Note No. 63)	**160.13**	114.26	163.67
Derivative liability	**221.50**	126.87	114.61
Other Liabilities (including creditors for expenses and others) **	**6,307.94**	4,967.79	3,526.34
Total	**20,016.89**	16,905.26	13,382.48

* No amount is due at the end of the period for credit to Investors Education and Protection Fund.

** Includes balance payable to Government of India - DBTL account - **Nil** (31st March 2016 : ₹ 341.11 Crores and 1st April 2015 : Nil) [Refer Note No. 17]

\# ₹ **4,087** as at 31st Mar 2017 and ₹ 31,095 as at 31st March 2016

NOTE 32 OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Advances from Customers	**585.08**	601.36	699.19
Statutory Liabilities	**3,226.23**	2,748.75	2,438.22
Others (Deferred income etc.)	**110.91**	94.64	96.17
Total	**3,922.22**	3,444.75	3,233.58

NOTE 33 PROVISIONS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Provision for employee benefits (Refer Note No. 50)	**189.24**	168.72	146.07
Provision for CSR Expenditure (Refer Note No. 58)	**127.23**	59.07	42.06
Others (Refer Note No.57)	**585.63**	635.00	727.56
Total	**902.10**	862.79	915.69

NOTE 34 CURRENT TAX LIABILITIES (NET)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Current tax liabilities (Net of Taxes paid)	**116.44**	889.94	738.71
Total	**116.44**	889.94	738.71

NOTE 35 REVENUE FROM OPERATIONS

₹ in Crores

Particulars			2016-17	2015-16
A.	(i)	**Sales**		
		Petroleum products	**237,263.46**	215,104.26
		Crude oil	**3,423.19**	979.35
			240,686.65	216,083.61
	(ii)	Subsidy from Government of India (Refer Note No. 44)	**1,172.83**	1,598.49
			241,859.48	217,682.10
B.	Other operating revenues		**188.34**	212.67
Total			**242,047.82**	217,894.77

NOTE 36 OTHER INCOME

₹ in Crores

Particulars	2016-17	2015-16
Interest Income		
Instruments measured at FVTPL	**492.19**	477.98
Instruments measured at amortized cost	**499.78**	404.49
Dividend Income		
Dividend income - Subsidiaries, Joint Ventures and Associates	**823.68**	393.16
Dividend income from non-current equity instruments at FVOCI	**30.60**	26.28
Dividend income from current investments at FVTPL	**15.28**	23.06
Share of Profit from Association of persons	**1.87**	1.54
Profit / (Loss) on sale of current investments	**25.87**	-
Write back of liabilities no longer required	**16.18**	19.20
Reversal of impairment in value of investments in Subsidiaries, Joint Ventures and Associates	**16.00**	-
Gain on foreign currency transactions and translations (net)	**31.16**	-
Fair valuation gain on instruments measured at FVTPL	**201.99**	-
Fair valuation gain on derivatives	**-**	3.12
Others #	**446.08**	427.34
Total	**2,600.68**	1,776.17

includes amortization of capital grants ₹ **2.34 Crores** (Previous year ₹ 1.95 Crores)

NOTE 37 COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	2016-17	2015-16
Opening Stock	**3,369.70**	3,413.81
Add : Purchases [Refer Note No. 44]	**68,005.96**	60,962.48
Less : Closing Stock	**(3,664.95)**	(3,369.70)
Total	**67,710.71**	61,006.59

NOTE 38 PURCHASE OF STOCK-IN-TRADE

₹ in Crores

Particulars	2016-17	2015-16
Petroleum products [Refer Note No. 44]	**110,650.15**	99,752.65
Crude Oil	**3,423.19**	979.35
Others	**146.75**	96.85
Total	**114,220.09**	100,828.85

NOTE 39 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Crores

Particulars	2016-17	2015-16
Value of Opening Stock of :		
Finished Goods	**5,389.77**	6,158.34
Stock-in-trade	**4,402.55**	4,409.42
Work-in-progress	**313.87**	372.74
	10,106.19	10,940.50
Less:		
Value of Closing Stock of:		
Finished Goods	**7,761.08**	5,389.77
Stock-in-trade	**7,312.29**	4,402.55
Work-in-progress	**610.43**	313.87
	15,683.80	10,106.19
Net (Increase)/Decrease in Inventories	**(5,577.61)**	834.31

NOTE 40 EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	2016-17	2015-16
Salaries and Wages (Refer Note No. 47)	**2,715.61**	1,934.24
Contribution to Provident and Other Funds	**347.34**	426.37
Staff Welfare Expenses	**366.51**	397.20
Total	**3,429.46**	2,757.81

NOTE 41 FINANCE COSTS

₹ in Crores

Particulars	2016-17	2015-16
Interest Expense	**443.31**	470.26
Other Borrowing Costs	**26.77**	24.07
Interest on shortfall in payment of advance tax	**20.11**	68.85
Exchange differences regarded as an adjustment to borrowing costs (Net)	**5.68**	1.98
Total	**495.87**	565.16

NOTE 42 OTHER EXPENSES

₹ in Crores

Particulars	**2016-17**	**2015-16**
Transportation	**5,644.70**	5,348.85
Octroi, Other Levies and Irrecoverable Taxes	**806.94**	614.25
Repairs and maintenance		
Machinery	**639.71**	658.59
Building	**73.57**	68.11
Others	**241.44**	184.89
Sub-Total	**954.72**	911.59
Power and fuel	**3,121.88**	3,354.13
Less: Consumption of fuel out of own production	**(1,812.52)**	(1,791.81)
Power and fuel consumed (net)	**1,309.36**	1,562.32
Stores, spares and materials	**296.00**	338.20
Less: Charged to other revenue accounts	**(284.48)**	(297.59)
Stores, spares and materials (net)	**11.52**	40.61
Packages consumed	**175.48**	168.42
Office Administration, Selling and Other expenses		
Rates and Taxes	**0.54**	36.90
Rent [Refer Note No. 49]	**350.30**	431.04
Utilities	**252.15**	240.91
Terminaling and related expenses	**306.78**	262.64
Travelling and conveyance	**189.84**	173.99
Insurance	**45.10**	55.13
Communication expenses	**37.50**	35.43
Remuneration to auditors		
Audit fees	**0.47**	0.36
Fees for other services - Certification	**0.47**	0.36
Reimbursement of out of pocket expenses	**-**	0.01
Sub-Total	**0.94**	0.73
Write offs		
Bad debts and claims	**0.14**	0.04
Other write offs	**5.26**	10.90
Sub-Total	**5.40**	10.94
Allowance for doubtful debts & advances (net)	**21.66**	110.29
Fair valuation loss on instruments measured at FVTPL	**-**	92.36
Loss on sale of Property plant and equipment / Non-current assets held for sale (net)	**36.29**	28.52
Loss on foreign currency transactions and translations (net)	**-**	586.74
CSR Expenditure [Refer Note No. 58]	**159.14**	112.60
Impairment loss on Non-current assets held for sale	**5.52**	4.90
Others	**1,284.74**	1,123.29
Sub-Total-Office Administration, Selling and Other expenses	**2,695.90**	3,306.41
Total	**11,598.62**	11,952.45

NOTE 43 TRANSITION TO IND AS

These are the Corporation's first financial statements prepared in accordance with Ind AS. The Corporation has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".The Significant Accounting Policies set out in Note No. 1 have been applied in preparing the financial statements for the year ended 31st March 2017, 31st March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1st April 2015. In preparing its Ind AS Balance Sheet as at 1st April 2015 and in presenting the comparative information for the year ended 31st March 2016, the Corporation has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Corporation in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Corporation's financial position, financial performance and cash flows.

I. Explanation of transition to Ind AS

In preparing the financial statement, the Corporation has applied the below mentioned optional exemptions and mandatory exceptions.

Business combination exemption

The Corporation has elected to apply the requirements of Ind AS 103, "Business Combinations" prospectively to business combinations on or after the date of transition (1st April 2015). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under previous GAAP.

Property, Plant and Equipment; Investment Property and Intangible Assets exemption

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment, investment properties and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

Investment in equity shares other than Subsidiaries, Joint Ventures and Associates

The Corporation has designated its investment in equity shares other than subsidiaries, Joint Ventures and Associates held as at 1st April 2015 as Fair Value through Other Comprehensive Income based on facts and circumstances at the date of transition to Ind AS.

Investment in Subsidiaries, Joint Ventures and Associates

The Corporation has elected to use the exemption to measure all investments in Subsidiaries, Joint Ventures and Associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

Derecognition of financial assets and financial liabilities

The Corporation has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after 1st April 2015.

Long Term Foreign Currency Monetary Items

The Corporation has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in “Foreign Currency Monetary Item Translation Difference Account” and amortized over the balance period of the liability.

NOTE 43 TRANSITION TO IND AS (CONTD.)

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess the classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Corporation has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Service Concession Arrangement

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value as per previous GAAP for all of its intangible assets under the service concession arrangements.

II. Reconciliation of Balance Sheet as at 1st April, 2015

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	H, O	20,226.06	(228.88)	19,997.18
(b) Capital work-in-progress	I	7,640.61	32.61	7,673.22
(c) Investment Property	O	-	0.52	0.52
(d) Other Intangible assets	O	89.00	16.66	105.66
(e) Intangible assets under development		25.07	-	25.07
(f) Investments in Subsidiaries, Joint Ventures and Associates	C, M	6,709.79	(164.72)	6,545.07
(g) Financial Assets				
(i) Investments	B	592.26	184.23	776.49
(ii) Loans	C, O	2,601.62	(680.47)	1,921.15
(iii) Other financial assets		316.81	0.96	317.77
(h) Income Tax Assets (Net)		57.93	-	57.93
(i) Other non-current assets	O	1,184.27	308.39	1,492.66
Total Non-Current Assets		39,443.42	(530.70)	38,912.72
(2) Current Assets				
(a) Inventories	H ,K	14,457.85	145.93	14,603.78
(b) Financial Assets				
(i) Investments	D	5,089.09	81.92	5,171.01
(ii) Trade receivables	E	2,561.14	(55.98)	2,505.16
(iii) Cash and cash equivalents		1,356.73	-	1,356.73
(iv) Bank Balances other than Cash and cash equivalents		3.47	-	3.47
(v) Loans	O	76.65	(15.55)	61.10
(vi) Other financial assets	F, O	6,211.05	(63.01)	6,148.04
(c) Current Tax Assets (Net)		72.12	-	72.12
(d) Other current assets	O	472.99	31.16	504.15
Total Current Assets		30,301.09	124.47	30,425.56
TOTAL ASSETS		**69,744.51**	**(406.23)**	**69,338.28**

NOTE 43 TRANSITION TO IND AS (CONTD.)

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	M	723.08	(67.46)	655.62
(b) Other Equity	VI	21,744.40	1,268.87	23,013.27
Total Equity		22,467.48	1,201.41	23,668.89
Liabilities				
(1) Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	G	11,737.01	(104.27)	11,632.74
(ii) Other financial liabilities		70.03	-	70.03
(b) Provisions		1,108.60	-	1,108.60
(c) Deferred tax liabilities (net)	P	1,708.26	325.60	2,033.86
(d) Other non-current liabilities	I	-	46.40	46.40
Total Non-Current Liabilities		14,623.90	267.73	14,891.63
(2) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings		40.27	-	40.27
(ii) Trade payables		12,467.04	(0.01)	12,467.03
(iii) Other financial liabilities	F, O	13,372.59	9.89	13,382.48
(b) Other current liabilities	O	3,197.62	35.96	3,233.58
(c) Provisions	A	2,836.90	(1,921.21)	915.69
(d) Current Tax Liabilities (Net)		738.71	-	738.71
Total Current Liabilities		32,653.13	(1,875.37)	30,777.76
Total Liabilities		47,277.03	(1,607.64)	45,669.39
TOTAL EQUITY AND LIABILITIES		**69,744.51**	**(406.23)**	**69,338.28**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

III. Reconciliation of Balance Sheet as at 31st March, 2016

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	H, O	23,377.80	(322.23)	23,055.57
(b) Capital work-in-progress	I	12,402.75	46.38	12,449.13
(c) Investment Property	O	-	0.48	0.48
(d) Other Intangible assets	O	89.99	61.74	151.73
(e) Intangible assets under development		215.18	-	215.18
(f) Investments in Subsidiaries, Joint Ventures and Associates	C, M	7,290.18	(166.25)	7,123.93
(g) Financial Assets				
(i) Investments	B	585.40	(77.78)	507.62
(ii) Loans	C, O	2,749.88	(772.25)	1,977.63
(iii) Other financial assets		14.27	-	14.27
(h) Income Tax Assets (Net)		72.78	-	72.78
(i) Other non-current assets	O	1,115.61	470.75	1,586.36
Total Non-Current Assets		**47,913.84**	**(759.16)**	**47,154.68**

NOTE 43 TRANSITION TO IND AS (CONTD.)

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
(2) Current Assets				
(a) Inventories	H,K	13,696.28	96.58	13,792.86
(b) Financial Assets				
(i) Investments	D	5,098.11	81.32	5,179.43
(ii) Trade receivables	E	2,165.02	23.93	2,188.95
(iii) Cash and cash equivalents		1,720.54	-	1,720.54
(iv) Bank Balances other than Cash and cash equivalents		346.81	-	346.81
(v) Loans	O	76.79	(11.17)	65.62
(vi) Other financial assets	F, O	4,172.35	(102.06)	4,070.29
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	O	799.67	38.50	838.17
Total Current Assets		28,075.57	127.10	28,202.67
TOTAL ASSETS		**75,989.41**	**(632.06)**	**75,357.35**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	M	723.08	(67.46)	655.62
(b) Other Equity	VI	26,435.61	231.73	26,667.34
Total Equity		27,158.69	164.27	27,322.96
Liabilities				
(1) Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	G	13,685.69	(118.27)	13,567.42
(ii) Other financial liabilities		60.73	-	60.73
(b) Provisions		1,156.84	-	1,156.84
(c) Deferred tax liabilities (net)	P	2,228.90	392.99	2,621.89
(d) Other non-current liabilities	I	-	70.02	70.02
Total Non-Current Liabilities		17,132.16	344.74	17,476.90
(2) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings		23.96	-	23.96
(ii) Trade payables		8,430.79	-	8,430.79
(iii) Other financial liabilities	F, O	16,835.44	69.82	16,905.26
(b) Other current liabilities	O	3,382.53	62.22	3,444.75
(c) Provisions	A	2,135.90	(1,273.11)	862.79
(d) Current Tax Liabilities (Net)		889.94	-	889.94
Total Current Liabilities		31,698.56	(1,141.07)	30,557.49
Total Liabilities		48,830.72	(796.33)	48,034.39
TOTAL EQUITY AND LIABILITIES		**75,989.41**	**(632.06)**	**75,357.35**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTE 43 TRANSITION TO IND AS (CONTD.)

IV. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Income				
I. Revenue from operations	J,O	189,303.33	28,591.44	217,894.77
II. Other income	D	2,012.16	(235.99)	1,776.17
III. Total Income (I + II)		**191,315.49**	**28,355.45**	**219,670.94**
IV. Expenses				
Cost of materials consumed	H	61,032.44	(25.85)	61,006.59
Purchase of stock-in-trade	O	100,732.00	96.85	100,828.85
Changes in inventories of finished goods, stock-in-trade and work-in-progress	K	724.42	109.89	834.31
Excise Duty	J	-	29,490.13	29,490.13
Employee Benefits Expense	L	2,879.05	(121.24)	2,757.81
Finance costs	G	562.94	2.22	565.16
Depreciation and Amortization Expense	H, O	1,854.30	(9.70)	1,844.60
Other Expenses	J, O	12,879.16	(926.71)	11,952.45
Total Expenses (IV)		**180,664.31**	**28,615.59**	**209,279.90**
V. Profit/(Loss) before Tax (III - IV)		**10,651.18**	**(260.14)**	**10,391.04**
VI. Tax expense:		**3,219.30**	**115.38**	**3,334.68**
1. Current Tax		2,684.00	-	2,684.00
2. Deferred Tax	P	520.64	115.38	636.02
3. Short/(Excess) provision of earlier years		14.66	-	14.66
VII. Profit/(Loss) for the year (V- VI)		7,431.88	(375.52)	7,056.36
VIII. Other Comprehensive Income				
Items that will not be subsequently reclassified to profit or loss	B, L	-	(322.86)	(322.86)
Income tax related to items that will not be reclassified to profit or loss	P	-	47.99	47.99
Other Comprehensive Income (VIII)		**-**	**(274.87)**	**(274.87)**
Total Comprehensive Income for the period (VII + VIII)		**7,431.88**	**(650.39)**	**6,781.49**

V. On account of transistion to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended 31st March 2016

VI. Reconciliation of Equity as on 31st March 2016 and 1st April 2015

₹ in Crores

Particulars	Note Reference	As at 31/03/2016	As at 01/04/2015
Total Shareholders' Funds as per Previous GAAP		27,158.69	22,467.48
Reversal of Proposed Dividend including Dividend Distribution Tax	A	1,273.11	1,921.21
Fair value measurement of investment in equity instruments	B	(77.78)	102.59
Fair value measurement of loan given to Subsidiary	C	23.58	7.25
Fair value measurement of Investment in Government Securities	D	13.56	15.24
Loss allowance of trade receivables as per expected credit loss model	E	(13.46)	(9.75)
Fair Valuation of derivative contracts	F	(0.85)	21.49
Amortised cost measurement of borrowings	G	(0.91)	3.92

₹ in Crores

Particulars	Note Reference	As at 31/03/2016	As at 01/04/2015
Impact of Spares accounting	H	30.91	(7.20)
Reclassification of Government Grant	I	(10.12)	(12.05)
Alignment of method of valuation of inventories	K	-	88.74
BPCL Trust for investment in shares netted off	M	(659.11)	(659.11)
Fair value measurement of optionally convertible debentures	N	-	79.70
Others	O	(21.67)	(25.01)
Deferred tax	P	(392.99)	(325.61)
Total Impact		**164.27**	**1,201.41**
Total Equity as per Ind AS		**27,322.96**	**23,668.89**

VII. Reconciliation of Profit or Loss for the year ended 31st March 2016

Particulars	Note Ref	2015-16
Profit or Loss as per Previous GAAP		**7,431.88**
Fair value measurement of loan given to Subsidiary	C	16.33
Fair value measurement of Investment in Government Securities	D	(1.68)
Loss allowance of trade receivables due to expected credit loss model	E	(3.71)
Fair Valuation of derivative contracts	F	(22.34)
Amortised cost measurement of borrowings	G	(4.53)
Impact of Spares accounting	H	38.11
Alignment of method of valuation of inventories	K	(88.74)
Remeasurements on defined benefit liability	L	142.49
Income from BPCL Trust for investment in shares	M	(259.71)
Fair value measurement of optionally convertible debentures	N	(79.70)
Others	O	3.34
Deferred tax	P	(115.38)
Total adjustments		**(375.52)**
Profit or Loss as per Ind AS		**7,056.36**

Notes to reconciliations:-

A. Proposed Dividend

Under previous GAAP, proposed dividend including dividend distribution tax (DDT), were recognised as a liability in the period in which they relate, as the same was considered as an adjusting event. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is authorised and the distribution of dividend is no longer at the discretion of the Corporation.

B. Equity Investments at Fair Value through Other Comprehensive Income

Under previous GAAP, the Corporation accounted for non-current investments in equity shares of companies other than Subsidiaries, Joint Ventures and Associates at cost less any provision for other than temporary diminution in the value of investments. Under Ind AS, the Corporation has designated these investments at Fair Value through Other Comprehensive Income.

NOTE 43 TRANSITION TO IND AS (CONTD.)

C. Loan given to Subsidiary

The Corporation has given a concessional rate loan to one of its Subsidiary company. As per the requirements of Ind AS, this loan is to be measured at fair value on initial recognition. Since the differential on account of fair valuation of the loan on initial recognition is in the nature of equity component, the same has been considered as part of investment in Subsidiary.

D. Fair valuation of investments in Government Securities

Under previous GAAP, investment in Government securities are classified as current investments and were carried at lower of cost or fair value. Under Ind AS, these investments are measured at Fair Value through Profit or Loss.

E. Trade receivables

Under previous GAAP, the Corporation had recognised provision on trade receivables based on the expectation of the Corporation. Under Ind AS, the Corporation provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

F. Derivative Contracts

Under previous GAAP, in respect of all derivative contracts (except forward contracts), only mark-to-market loss was provided. Premium / discount arising at the inception of the forward exchange contracts to hedge foreign currency risks were amortized as expense or income over the life of the contract. Exchange differences on such forward exchange contracts were recognised in the Statement of Profit and Loss. Under Ind AS, all derivative contracts are measured at fair value through profit or loss.

G. Borrowings

Under previous GAAP, transaction costs in relation to borrowings were initially recognised as an asset and subsequently, amortized over the period of the loan as borrowing costs. Under Ind AS, financial liabilities in the form of borrowings have been measured at amortized cost using the effective interest rate method.

H. Spare parts

Under previous GAAP, machinery spares that were specific to a particular Property, Plant and Equipment (PPE) were capitalized to the cost of the PPE. Replacement of such spares were charged to the Statement of Profit and Loss. Spares other than above, were inventorised on procurement and were charged to Statement of Profit and Loss on consumption. Under Ind AS, all significant spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment and in other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

I. Capital Grant

Under previous GAAP, Government Grants in respect of Property, Plant and Equipment was presented as part of Reserves and Surplus. Under Ind AS, Government Grants in respect of Property, Plant and Equipment need to be presented as deferred income as part of liabilities.

J. Excise Duty

Under previous GAAP, revenue from sale of goods was presented net of the Excise Duty. Under Ind AS, revenue from sale of goods is presented inclusive of Excise Duty. Accordingly, Excise Duty has been presented in the Statement of Profit and Loss as an expense.

NOTE 43 TRANSITION TO IND AS (CONTD.)

K. Inventory valuation

Under previous GAAP, the Corporation had during financial year 2015-16, changed the method of determination of cost of inventories from 'Weighted Average' to 'First in First Out' (FIFO) in respect of crude oil and finished products (except lubricants which were continued to be determined at weighted average). Under Ind AS, the Corporation is required to use the same accounting policies in its Opening Ind AS Balance Sheet and throughout for all periods presented in its first Ind AS financial statements. Accordingly, the Corporation has restated the opening value of inventories as per FIFO method.

L. Remeasurement of defined benefit liabilities

Under previous GAAP, the Corporation recognised remeasurement of defined benefit plans under Profit or Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

M. BPCL Trust for investment in shares

As per the scheme of Amalgamation of the erstwhile Kochi Refineries Limited ("KRL") with the Corporation approved by the Government of India, 3,37,28,737 equity shares of the Corporation were allotted (in lieu of the shares held by the Corporation in the erstwhile KRL) to a trust for the benefit of the Corporation in the financial year 2006-07. After the 1:1 Bonus issue in July 2012 and July 2016, presently the trust holds 13,49,14,948 equity shares of the Corporation. Under Ind AS, the cost of the original investment together with the additional contribution to the corpus of the trust made in 2014-15 has been reduced from the total equity of the Corporation. To the extent of the face value of the shares, the same has been reduced from the Paid up Share capital of the Corporation and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust during the financial year 2015-16 has been recognised directly under Other Equity of the Corporation.

N. Fair value measurement of optionally convertible debentures

Under previous GAAP, the Corporation accounted for optionally convertible debentures which are classified as non-current investments at cost. Under Ind AS, these investments are measured at fair value through profit or loss.

O. Others

Other adjustments on account of transition to Ind AS include reversal of amortization of Intangible asset at indefinite useful life, reclassification of Property, Plant and Equipment to Intangible asset as part of service concession arrangements, amortization impact of land leases classified as Finance Lease and reclassification of Land lease classified as Operating Leases from Property, Plant and Equipment to Prepaid rentals, classification of Investment Property, fair valuation of deposits and loans given at concessional rate of interest to employees and effect of adjustments relating to revenue recognition.

P. Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

NOTE 44

Consequent to non-revision in retail selling prices corresponding to the international prices and applicable foreign exchange rates prevailing during the year, the Corporation has suffered gross under recovery of ₹ **1,172.83 Crores** (Previous year ₹ 1,796.50 Crores) on sale of sensitive petroleum products. As advised by the Ministry of Petroleum & Natural Gas, the Corporation has accounted compensation towards sharing of under-recoveries on sale of sensitive petroleum products as follows:

a) **Nil** (Previous year ₹ 198.01 Crores) discount on crude oil / products purchased from ONGC/GAIL/NRL which has been adjusted against purchase cost;

b) ₹ **1,172.83 Crores** (Previous year ₹ 1,598.49 Crores) subsidy from Government of India has been accounted as Revenue from operations.

After adjusting the above compensation, the net under recovery absorbed by the Corporation is **Nil** (Previous year under recovery Nil).

NOTE 45

As per the scheme of Amalgamation of the erstwhile Kochi Refineries Limited ("KRL") with the Corporation approved by the Government of India, 3,37,28,737 equity shares of the Corporation were allotted (in lieu of the shares held by the Corporation in the erstwhile KRL) to a trust for the benefit of the Corporation in the financial year 2006-07. After the 1:1 Bonus issue in July 2012 and July 2016, presently the trust holds 13,49,14,948 equity shares of the Corporation. The cost of the original investment together with the additional contribution to the corpus of the trust made in 2014-15 has been reduced from the total equity of the Corporation. To the extent of the face value of the shares, the same has been reduced from the Paid up Share capital of the Corporation and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust during the financial years 2016-17 and 2015-16 has been recognised directly under Other Equity of the Corporation.

NOTE 46

The Corporation has numerous transactions with other oil companies. The outstanding balances (included under Trade Payables / Trade Receivables, etc.) from them including certain other outstanding credit and debit balances are subject to confirmation/reconciliation. Adjustments, if any, arising therefrom are not likely to be material on settlement and are accounted as and when ascertained.

NOTE 47

During the Financial Year 2016-17, provision has been made under Salaries and Wages in respect of pay revision dues (including retiral dues) to employees w.e.f. 1st January 2017 at an estimated amount of ₹ **596.86 Crores** based on the available information and judgement.

NOTE 48 SERVICE CONCESSION ARRANGEMENTS

The Corporation has entered into service concession arrangements with entities supplying electricity ("The Regulator") to construct, own, operate and maintain a wind energy based electric power generating station ("Plant").

Under the terms of agreement, the Corporation will operate and maintain the Plant and sell electricity generated to the Regulator for a period which covers the substantial useful life of the Plant which may be renewed for such further period as may be mutually agreed upon between the parties. The Corporation will be responsible for any maintenance services during the concession period.

The Corporation in turn has a right to charge the Regulator at the agreed rate as stated in the service concession arrangement.

The fair value towards the construction of the Plant has been recognised as an Intangible Asset and is amortized over the useful life of the asset or period of contract whichever is less.

During the year ended 31st March 2017, the Corporation has earned **Nil** profit (Previous year ₹ 2.42 Crores) from construction of the plant. The Corporation has recognised an intangible asset of ₹ **57.82 Crores** as at 31st March 2017 (31st March 2016: ₹ 61.36 Crores and 1st April 2015: ₹ 16.66 Crores) of which ₹ **0.58 Crores** (Previous year ₹ 0.24 Crores) has been amortized during the period.

NOTE 49 LEASES

Operating leases

A. Leases as lessee

The Corporation enters into cancellable/non-cancellable operating lease arrangements for land, godowns, office premises, staff quarters and others. The lease rentals paid for the same are charged to the Statement of Profit and Loss.

a) The future minimum lease payments under non-cancellable leases payable as at the year ending are as follows:

₹ in Crores

	Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
i)	Less than one year	**371.98**	2.30	2.05
	Between one and five years	**1,922.02**	12.46	11.08
	More than five years	**4,439.88**	676.02	679.71
ii)	Lease Rentals recognized in the Statement of Profit and Loss	**13.48**	2.05	NA

b) The Corporation enters into cancellable operating leases in respect of land, office premises, staff quarters and others which are cancellable by giving appropriate notices as per respective agreements. During the year ₹ **237.20 Crores** (Previous year ₹ 327.90 Crores) has been charged to Statement of Profit and Loss on account of lease rentals.

B. Leases as lessor

a) The Corporation enters into cancellable/non-cancellable operating lease arrangements in respect of land, commercial spaces, storage distribution facilities, etc. The details are as follows:

As at 31/03/2017 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicle
Gross Carrying Amount	**0.89**	**114.63**	**107.47**	**311.23**	**6.26**	**4.30**	**62.87**	**0.01**
Accumulated depreciation	**-**	**6.58**	**16.25**	**27.67**	**3.28**	**0.85**	**10.89**	**-**
Depreciation recognised in statement of Profit & Loss	**-**	**5.05**	**8.46**	**14.00**	**1.45**	**0.47**	**5.48**	**-**

As at 31/03/2016 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicle
Gross Carrying Amount	0.88	112.57	101.71	304.07	5.98	2.64	62.11	0.01
Accumulated depreciation	-	4.23	7.78	13.67	1.94	0.57	5.41	-
Depreciation recognised in statement of Profit & Loss	-	4.23	7.78	13.67	1.94	0.57	5.41	-

As at 01/04/2015 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicle
Gross Carrying Amount	0.88	107.83	77.11	296.42	5.78	1.83	59.51	-
Accumulated depreciation	-	-	-	-	-	-	-	-

b) Total contingent rent recognised as income in the Statement of Profit and Loss during 2016-17 is ₹ **25.16 Crores** (Previous year ₹ 23.20 Crores)

c) The future minimum lease payments under non cancellable leases receivable as at the year ending are as follows:

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Less than one year	**26.01**	26.04	26.08
Between one and five years	**104.02**	104.00	104.00
More than five years	**84.47**	110.36	136.36

Finance Lease

Leases as lessee

i) The Corporation has finance lease arrangements for various Land leases. The carrying amount of these assets are shown below:

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Gross Carrying Amount	**0.74**	0.71	0.70
Accumulated depreciation	**0.05**	0.02	-
Depreciation recognised in statement of Profit and Loss	**0.03**	0.02	NA

NOTE 50 EMPLOYEE BENEFITS

[A] Post Employment Benefit Plans:

Defined Contribution Scheme

Defined Contribution Scheme (DCS) was introduced effective from 1st January 2007. Corporation contributes at a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme. This Fund is maintained under a trust.

₹ in Crores

Amount recognised in the Statement of Profit and Loss	2016-17	2015-16
Defined Contribution Scheme	**173.07**	263.39

Defined Benefit Plans

The Corporation has the following Defined Benefit Plans

Gratuity: The Corporation has a defined benefit gratuity plan managed by a trust. The Trustees administer contributions made to the trust, investments thereof etc. Based on actuarial valuation, the contribution is paid to the trust which is invested in plan assets as per the investment pattern prescribed by the Government. Gratuity is paid to a staff member who has put in a minimum qualifying period of 5 years of continuous service, on superannuation, resignation, termination or to his nominee on death.

Other Defined Benefits: These are (a) Post Retirement Medical Scheme (managed by a trust) to employees, spouse, dependent children and dependent parents;(b) Pension / Ex-Gratia scheme to the retired employees who are entitled to receive the monthly pension / ex-gratia for life;(c) Death in service / Permanent Disablement benefit given to the spouse of the employee / employee, provided the deceased's family / disabled employee deposits with the Corporation, retirement dues such as PF, Gratuity, Leave Encashment etc., payable to them; (d) Resettlement allowance paid to employees to permanently settle down at the time of retirement; and (e) The Corporation makes contribution towards Provident Fund, which is administered by the trustees. The Corporation has an obligation to fund any shortfall on the yield of the trust's investments over the interest rates declared by the Government under EPF scheme.

NOTE 50 EMPLOYEE BENEFITS (CONTD.)

These defined benefit plans expose the Corporation to actuarial risks, such as longetivity risk, interest rate risk, and market (investment) risk.

Movement in net defined benefit (Asset)/ Liability

a) Reconciliation of balances of Defined Benefit Obligations

₹ in Crores

Particulars	Gratuity - Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
	2016-17	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Defined Obligations at the beginning of the year	**634.97**	612.66	**855.76**	649.56	**79.04**	82.72
Interest Cost	**50.73**	48.40	**68.97**	51.64	**6.16**	6.00
Current Service Cost	**5.50**	3.39	**38.34**	29.42	**-**	-
Benefits paid	**(54.35)**	(48.04)	**(32.80)**	(28.28)	**(17.66)**	(15.36)
Actuarial (Gains)/ Losses on obligations						
- Changes in financial Assumptions	**25.68**	23.46	**133.56**	86.09	**2.89**	0.51
- Experience adjustments	**(32.62)**	(4.90)	**(81.98)**	67.33	**18.06**	5.17
Defined Obligations at the end of the year	**629.91**	634.97	**981.85**	855.76	**88.49**	79.04
b) Reconciliation of balances of Fair Value of Plan Assets :						
Fair Value at the beginning of the year	**640.16**	624.59	**706.78**	602.10		
Interest income (i)	**51.15**	49.34	**56.97**	47.87		
Return on Plan Assets, excluding interest income(ii)	**2.70**	14.27	**17.02**	8.43		
Actual Return on Plan assets (i+ii)	**53.85**	63.61	**73.99**	56.30		
Contribution by employer	**0.08**	-	**181.73**	75.74		
Contribution by employee	**-**	-	**1.14**	0.92		
Benefits paid	**(54.35)**	(48.04)	**(32.80)**	(28.28)		
Fair Value of Plan Assets at the end of the year	**639.74**	640.16	**930.84**	706.78		
c) Amount recognised in Balance sheet (a-b)	**(9.83)**	(5.19)	**51.01**	148.98	**88.49**	79.04
d) Amount recognised in Statement of Profit and Loss						
Current Service Cost	**5.50**	3.39	**38.34**	29.42	**-**	-
Interest Cost	**50.73**	48.40	**68.97**	51.64	**6.16**	6.00
Interest income	**(51.15)**	(49.34)	**(56.97)**	(47.87)	**-**	-
Contribution by employee	**-**	-	**(1.14)**	(0.92)	**-**	-
Expenses for the year	**5.08**	2.45	**49.20**	32.27	**6.16**	6.00

Note: Provision in respect of pay revision dues as mentioned in note no. 47 is over and above the amounts recognised herein.

Particulars	Gratuity - Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
e) Amount recognised in Other Comprehensive Income						
Remeasurements :						
Actuarial (Gains)/ Losses						
-Changes in financial assumptions	**25.68**	23.46	**133.56**	86.09	**2.89**	0.51
-Experience adjustments	**(32.62)**	(4.90)	**(81.98)**	67.33	**18.06**	5.17
Return on plan assets excluding net interest cost	**(2.70)**	(14.27)	**(17.02)**	(8.43)	**-**	-
Total	**(9.64)**	4.29	**34.56**	144.99	**20.95**	5.68

f) Major Actuarial Assumptions

₹ in Crores

Particulars	Gratuity - Funded			Post Retirement Medical - Funded			Burmah Shell Pension - Non Funded		
	2016-17	**2015-16**	**2014-15**	**2016-17**	**2015-16**	**2014-15**	**2016-17**	**2015-16**	**2014-15**
Discount Rate (%)	**7.26**	7.99	7.90	**7.45**	8.06	7.95	**6.81**	7.79	7.99
Salary Escalation/ Inflation (%)	**8.00**	8.00	8.00	**7.00**	7.00	7.00	**-**	-	-
Expected Return on Plan assets (%)	**7.26**	7.99	7.90	**7.45**	8.06	7.95	**-**	-	-

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation at the beginning of the period, for returns over the entire life of the related obligation.

g) Investment pattern for Fund

Particulars	Gratuity - Funded			Post Retirement Medical - Funded		
	As at 31/03/2017	**As at 31/03/2016**	**As at 01/04/2015**	**As at 31/03/2017**	**As at 31/03/2016**	**As at 01/04/2015**
Category of Asset	**%**	%	%	**%**	%	%
Government of India Asset	**23.57**	23.69	24.94	**5.16**	8.95	7.96
Corporate Bonds	**18.81**	20.80	27.06	**74.97**	62.75	54.48
Insurer Managed funds	**53.82**	49.50	40.19	**-**	-	-
State Government	**2.29**	4.22	5.38	**15.70**	23.32	34.10
Others	**1.51**	1.79	2.43	**4.17**	4.98	3.46
Total (%)	**100.00**	100.00	100.00	**100.00**	100.00	100.00

For the funded plans, the trust maintains appropriate fund balance considering the analysis of maturities. Projected Unit credit method is adopted for Asset-Liability Matching.

Movement in net defined benefit (Asset)/ Liability

a) Reconciliation of balances of Defined Benefit Obligations

₹ in Crores

Particulars	Death / Permanent disablement - Non Funded		Re-settlement Allowance - Non Funded		Ex-gratia scheme - Non Funded	
	2016-17	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Defined Obligations at the beginning of the year	**12.11**	11.64	**14.99**	5.30	**321.09**	333.38
Interest Cost	**0.95**	0.44	**1.20**	0.45	**25.66**	26.90
Current Service Cost	**-**	-	**3.24**	1.10	**6.48**	15.04
Past service cost	**-**	-	**-**	-	**(27.59)**	-
Benefits paid	**(11.63)**	(12.25)	**(1.69)**	(1.35)	**(21.32)**	(19.99)

Particulars	Death / Permanent disablement - Non Funded		Re-settlement Allowance - Non Funded		Ex-gratia scheme - Non Funded	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Actuarial (Gains)/ Losses on obligations						
-Changes in financial assumptions	**2.95**	0.45	**0.01**	(0.18)	**14.61**	(2.74)
-Experience adjustments	**9.63**	11.83	**(3.05)**	9.67	**7.50**	(31.50)
Defined Obligations at the end of the year	**14.01**	12.11	**14.70**	14.99	**326.43**	321.09
b) Amount recognised in Balance sheet	**14.01**	12.11	**14.70**	14.99	**326.43**	321.09

c) Amount recognised in Statement of Profit and Loss

Current Service Cost	**-**	-	**3.24**	1.10	**6.48**	15.04
Past Service Cost	**-**	-	**-**	-	**(27.59)**	-
Interest Cost	**0.95**	0.44	**1.20**	0.45	**25.66**	26.90
Expenses for the year	**0.95**	0.44	**4.44**	1.55	**4.55**	41.94

d) Amount recognised in Other Comprehensive Income

Remeasurements

Actuarial (Gains)/ Losses						
-Changes in financial assumptions	**2.95**	0.45	**0.01**	(0.18)	**14.61**	(2.74)
-Experience adjustments	**9.63**	11.83	**(3.05)**	9.67	**7.50**	(31.50)
Total	**12.58**	12.28	**(3.04)**	9.49	**22.11**	(34.24)

e) Major Actuarial Assumptions ₹ in Crores

Particulars	Death / Permanent Disablement - Non Funded			Re-settlement Allowance - Non Funded			Ex-gratia scheme - Non Funded		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
Discount Rate (%)	**6.81**	7.84	8.04	**7.26**	7.99	7.90	**7.45**	8.06	7.95

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation at the beginning of the period, for returns over the entire life of the related obligation.

NOTE 50 EMPLOYEE BENEFITS (CONTD.)

Sensitivity analysis

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31st March 2017 is as below: ₹ in Crores

Particulars	Gratuity-Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement-Non funded	Resettlement allowance-Non funded	Exgratia scheme-Non funded
+ 1% change in rate of Discounting	(34.60)	(109.88)	(2.95)	(2.87)	(0.84)	(23.34)
- 1% change in rate of Discounting	39.38	134.96	3.20	3.10	0.96	26.70
+ 1% change in rate of Salary increase/ inflation	3.07	134.95	-	-	-	-
- 1% change in rate of Salary increase/ inflation	(3.49)	(110.57)	-	-	-	-

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31st March 2016 is as below: ₹ in Crores

Particulars	Gratuity-Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement-Non funded	Resettlement allowance-Non funded	Exgratia scheme-Non funded
+ 1% change in rate of Discounting	(34.24)	(92.77)	(2.50)	(2.92)	(1.55)	(23.10)
- 1% change in rate of Discounting	38.65	113.10	2.70	2.96	0.17	26.51
+ 1% change in rate of Salary increase/ inflation	3.08	113.32	-	-	-	-
- 1% change in rate of Salary increase/ inflation	(3.62)	(93.49)	-	-	-	-

Sensitivity for significant actuarial asssumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.

The expected future cash flows as at 31st March 2017 were as follows: ₹ in Crores

Expected contribution	Gratuity-Funded	Post Retirement Medical - Funded	Burmah shell Pension-Non Funded	Death/ Permanent Disablement-Non funded	Resettlement allowance-Non funded	Exgratia scheme-Non funded
Projected benefits payable in future years from the date of reporting						
1st following year	79.81	37.58	14.71	3.08	1.66	21.98
2nd following year	51.93	44.77	12.94	2.73	0.89	23.02
3rd following year	82.86	54.01	11.31	2.33	1.88	24.30
4th following year	77.18	58.75	9.80	2.01	1.79	25.34
5th following year	69.27	64.63	8.42	1.76	1.62	26.08
Years 6 to 10	294.65	425.28	25.88	5.12	7.48	137.98

Other details as at 31st March 2017

Particulars	Gratuity-Funded	Post Retirement Medical - Funded	Burmah shell Pension-Non Funded	Death/ Permanent Disablement-Non funded	Resettlement allowance-Non funded	Exgratia scheme-Non funded
Weighted average duration of the Projected Benefit Obligation(in years)	7.00	13.00	4.00	6.00	7.00	9.00
Prescribed contribution for next year (₹ in Crores)	-	90.73	-	-	-	-

NOTE 50 EMPLOYEE BENEFITS (CONTD.)

₹ in Crores

[B] Provident Fund:

The Corporation's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees' salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss. The actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2017, 31st March 2016 and 1st April 2015.

The details of fund obligations are given below:

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Present value of benefit obligation at period end	**4,505.00**	4,083.00	3,639.00

NOTE 51 RELATED PARTY TRANSACTIONS

a) Names of the Related parties

Joint Venture & Associate Companies

Indraprastha Gas Limited
Petronet India Limited *
Petronet CCK Limited #
Petronet CI Limited*
Petronet LNG Limited
Bharat Oman Refineries Limited
Maharashtra Natural Gas Limited
Central UP Gas Limited
Sabarmati Gas Limited
Bharat Stars Services Private Limited
(Including Bharat Stars Services (Delhi) Pvt. Limited)
Bharat Renewable Energy Limited *
Matrix Bharat Pte. Ltd.
Delhi Aviation Fuel Facility Private Limited
Kannur International Airport Limited
GSPL India Gasnet Limited
GSPL India Transco Limited
Mumbai Aviation Fuel Farm Facility Private Limited
Kochi Salem Pipeline Private Limited
IBV (Brazil) Petroleo Ltda.
Brahmaputra Cracker and Polymer Limited
DNP Limited
Petroleum India International
BPCL-KIAL Fuel Farm Private Limited
Haridwar Natural Gas Pvt. Ltd.
Goa Natural Gas Pvt. Ltd.
FINO Paytech Limited
*Companies in the process of winding up
Petronet CCK Limited has become Subsidiary w.e.f. 29th May 2015

Key Management Personnel :

Shri S. Varadarajan Chairman & Managing Director (Up to 30.09.2016)
Shri D. Rajkumar Chairman & Managing Director (Appointed w.e.f. 01.10.2016)
Shri K. K. Gupta Director (Marketing) (Up to 29.02.2016)
Shri S. Ramesh Director (Marketing) (Appointed w.e.f. 01.03.2016)
Shri B. K. Datta Director (Refineries) (Up to 31.07.2016)
Shri R. Ramachandran Director (Refineries) (Appointed w.e.f. 01.08.2016)
Shri S. P. Gathoo Director (Human Resource)
Shri P. Balasubramanian Director (Finance)
Shri Neeraj Mittal Govt. Nominee Director (Up to 11.12.2015)
Smt Sushma Taishete Govt. Nominee Director (Appointed w.e.f. 19.05.2015 to 01.01.2016)
Shri Anant Kumar Singh Govt. Nominee Director (Appointed w.e.f. 02.01.2016)

Shri P. H. Kurian Govt. Nominee Director
Shri J. R. Varma Independent Director (Up to 09.08.2015)
Shri B. Chakrabarti Independent Director (Up to 09.08.2015)
Shri Rajesh Kumar Mangal Independent Director (Appointed w.e.f. 01.12.2015)
Shri Deepak Bhojwani Independent Director (Appointed w.e.f. 01.12.2015)
Shri Gopal Chandra Nanda Independent Director (Appointed w.e.f. 01.12.2015)
Shri Vishal V Sharma Independent Director (Appointed w.e.f. 09.02.2017)

b) The nature wise transactions with the above related parties are as follows:

₹ in Crores

S.No.	Nature of Transactions	2016-17	2015-16
1	Purchase of goods	**31,650.85**	30,602.57
2	Sale of goods	**4,171.38**	2,429.92
3	Rendering of Services	**50.38**	58.96
4	Receiving of Services	**148.82**	92.28
5	Interest Income / Share of profit	**120.90**	130.21
6	Dividend Received	**91.40**	49.55
7	Investment and Advance for Investments- Equity	**332.46**	233.45
8	Other Investments	**1,001.10**	-
9	Loans and advances given	**-**	56.18
10	Management Contracts (Employees on deputation/ consultancy services)	**22.81**	24.06
11	Lease Rental & other charges received	**30.36**	27.09
12	Lease Rental & Other Charges paid	**0.08**	0.07
13	Receivables as at year end	**2,535.24**	1,661.73
14	Payables as at year end	**1,462.44**	1,065.48

The outstanding balances are unsecured and are settled in cash except advance against equities which are settled in equity.

c) In the course of its ordinary business, the Corporation enters into transactions with other Government controlled entities (not included in the list above). The Corporation has transactions with other Government-controlled entities,including but not limited to the followings:

- Sales and purchases of goods and ancillary materials;
- Rendering and receiving of services;
- Receipt of dividends;
- Loans and advances;
- Depositing and borrowing money; and
- Uses of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government controlled entities.

d) Key management personnel compensation

₹ in Crores

Particulars	2016-17	2015-16
Short-term employee benefits	**3.26**	2.48
Post-employment benefits	**0.63**	0.37
Other long-term employee benefits	**0.43**	0.42
Others (including sitting fees to non-executive directors)	**0.38**	0.12

NOTE 52

Dues from Directors is ₹ **0.40 Crores** (31st March 2016: ₹ 0.35 Crores and 1st April 2015: ₹ 0.32 Crores) and Dues from Officers is ₹ **4.13 Crores** (31st March 2016: ₹ 3.98 Crores and 1st April 2015: ₹ 3.30 Crores).

NOTE 53

In compliance with Ind AS – 27 'Separate Financial Statements', the required information is as under:

Particulars	Principal place of Business / Country of Incorporation	Percentage (%) of ownership Interest		
		As at 31/03/2017	**As at 31/03/2016**	**As at 01/04/2015**
Subsidiaries				
Numaligarh Refinery Limited	India	**61.65**	61.65	61.65
Petronet CCK Ltd.	India	**99.99**	73.96	-
Bharat Petro Resources Limited	India	**100.00**	100.00	100.00
Joint Ventures & Associates				
Indraprastha Gas Limited	India	**22.50**	22.50	22.50
Petronet India Limited#	India	**16.00**	16.00	16.00
Petronet CCK Limited$	India	**-**	-	49.00
Petronet CI Limited#	India	**11.00**	11.00	11.00
Petronet LNG Limited	India	**12.50**	12.50	12.50
Bharat Oman Refineries Limited*	India	**50.00**	50.00	50.00
Central UP Gas Limited	India	**25.00**	25.00	25.00
Maharashtra Natural Gas Limited	India	**22.50**	22.50	22.50
Sabarmati Gas Limited	India	**49.94**	49.94	25.00
Bharat Stars Services Private Limited	India	**50.00**	50.00	50.00
Bharat Renewable Energy Limited#	India	**33.33**	33.33	33.33
Matrix Bharat Pte. Ltd.	Singapore	**50.00**	50.00	50.00
Delhi Aviation Fuel Facility Pvt. Limited	India	**37.00**	37.00	37.00
Kannur International Airport Limited@	India	**21.68**	21.68	21.68
GSPL India Gasnet Limited	India	**11.00**	11.00	11.00
GSPL India Transco Limited	India	**11.00**	11.00	11.00
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00**	25.00	25.00
Kochi Salem Pipeline Private Limited	India	**50.00**	50.00	50.00
BPCL-KIAL Fuel Farm Private Limited	India	**74.00**	74.00	-
Haridwar Natural Gas Pvt. Ltd.	India	**50.00**	-	-
Goa Natural Gas Private Limited	India	**50.00**	-	-
FINO Paytech Limited	India	**21.10**	-	-

Companies in the process of winding up.

$ Petronet CCK Ltd. has become a Subsidiary from Joint Venture during 2015-16.

* In addition to the ownership interest as mentioned above, the Corporation has made an investment in Compulsorily Convertible Debentures and Share Warrants of BORL.

@The percentage of ownership interest is after considering proposed increase in equity participation.

NOTE 54 EARNINGS PER SHARE (EPS)

₹ in Crores

Particulars		2016-17	2015-16
i.	**Profit attributable to equity holders of the Corporation for basic and diluted earnings per share**	**8,039.30**	7,056.36
ii.	**Weighted average number of ordinary shares**		
	Issued ordinary shares at 1st April (In Crores)	**144.62**	72.31
	Effect of shares issued as Bonus shares * (In Crores)	**-**	72.31
	Less : Investment held by BPCL Trust for Investment in Shares * [Refer Note No. 45] (In Crores)	**(13.49)**	(13.49)
	Weighted average number of shares at 31st March for basic and diluted EPS (In Crores)	**131.13**	131.13
	Basic and Diluted EPS (₹)	**61.31**	**53.81**

*The Corporation has issued bonus shares in the ratio of 1:1 during financial year 2016-17. The EPS for the financial year 2015-16 has been appropriately adjusted.

NOTE 55

The Corporation has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of the liability.For the current financial year, the impact on account of above (net of depreciation and amortization) is decrease in profit before tax of ₹ **165.19 Crores** (increase in profit in Previous year ₹ 244.01 Crores). The net gain remaining unamortized under Foreign Currency Monetary Item Translation Difference Account as at 31st March 2017 is ₹ **206.34 Crores** (net loss as at 31st March 2016 ₹ 79.28 Crores and net gain of ₹ 27.20 Crores as at 1st April 2015).

NOTE 56

Impairment of Assets: It is assumed that suitable mechanism would be in place by the Government of India, in line with earlier/ current year(s), to provide compensation towards under recoveries of margin, if any, and recoveries against Direct Benefit Transfer for LPG Scheme on account of sale of sensitive petroleum products in subsequent years. Hence, there is no indication of impairment of assets of the Corporation as at 31st March 2017.

NOTE 57

In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	57.57	2.04	-	7.40	52.21
Customs	2.51	-	-	-	2.51
VAT/ Sales Tax/ Entry Tax	536.71	70.21	-	52.74	554.18
Property Tax	100.68	20.32	-	81.70	39.30
Total	**697.47**	**92.57**	**-**	**141.84**	**648.20**
Previous year	753.82	122.10	0.07	178.38	697.47

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

Above includes provision of ₹ **62.57 Crores** (Previous year ₹ 62.47 Crores) in respect of which deposits have been made.

NOTE 58

Disclosure in respect of Expenditure on Corporate Social Responsibility Activities

(₹ in Crores)

Particulars		2016-17	2015-16
a)	Unspent CSR Expenditure carried forward from previous year (Opening Provision)	**59.07**	42.06
b)	Amount required to be spent by the company during the year.	**159.14**	112.60
c)	Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company)#	**90.98***	95.59*
d)	Provision created for balance amount (Closing Provision)	**127.23**	59.07

The above expenditure includes contribution to funds, expenses through registered trusts / registered societies or company established under section 8 of the Act and direct expenses by the company.

* including payables of ₹ **6.09 Crores** (Previous year ₹ 2.86 Crores) as on 31.03.2017.

NOTE 59 FINANCIAL INSTRUMENTS

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in Crores

As at 31/03/2017	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	692.65	-	692.65	594.85	-	97.80	692.65
Investment in debt instruments	8 & 14	5,360.34	-	0.01	5,360.35	5,360.34	-	-	5,360.34
Derivative instruments - Commodity related	19	3.28	-	-	3.28	-	3.28	-	3.28
Derivative instruments - Interest rate swap	19	2.81	-	-	2.81	-	2.81	-	2.81
Deposits	9	-	-	8.47	8.47	-	10.71	-	10.71
Loan to Subsidiary- fixed rate	9	-	-	197.10	197.10	-	215.73	-	215.73
Loan to Subsidiary- variable rate	9	-	-	1,850.00	1,850.00				
Loan to Joint Venture	9	-	-	1,254.10	1,254.10	-	1,243.19	-	1,243.19
Loans									
-Non-current- Loans to employee	9	-	-	387.45	387.45	-	387.45	-	387.45
-Non-current- Others	9	-	-	86.53	86.53				
-Current	18	-	-	70.65	70.65				
Cash and cash equivalents	16	-	-	54.35	54.35				
Bank Balances other than Cash and cash equivalents	17	-	-	10.34	10.34				
Trade receivables	15	-	-	4,758.18	4,758.18				
Others									
-Non-current	10	-	-	35.14	35.14				
-Current	19	-	-	3,297.96	3,297.96				
Total		**5,366.43**	**692.65**	**12,010.28**	**18,069.36**				
Financial liabilities									
Derivative Liability on forwards	31	67.41	-	-	67.41	-	67.41	-	67.41
Derivative Liability on Swaps	31	154.07	-	-	154.07	-	154.07	-	154.07
Derivative Liability on commodity derivatives	31	0.01	-	-	0.01	-	0.01	-	0.01
Bonds	24	-	-	7,726.33	7,726.33	8,091.46	-	-	8,091.46
OIDB Loans	24 & 31	-	-	1,795.13	1,795.13	-	1,833.04	-	1,833.04
Debentures	24	-	-	549.80	549.80	553.01	-	-	553.01
Term loans	24	-	-	2,000.00	2,000.00				
Foreign Currency Loans - Syndicated	24 & 31	-	-	3,860.60	3,860.60				
Other Non-Current financial liabilities	25	-	-	63.40	63.40				
Borrowings Current	29	-	-	7,227.36	7,227.36				
Trade and Other Payables	30	-	-	11,359.76	11,359.76				
Other Current liabilities	31	-	-	17,639.98	17,639.98				
Total		**221.49**	**-**	**52,222.36**	**52,443.85**				

Note: There are no other categories of financial instruments other than those mentioned above.

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

As at 31/03/2016	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	507.61	-	507.61	419.26	-	88.35	507.61
Investment in debt instruments	8 & 14	5,158.35	-	0.01	5,158.36	5,158.35	-	-	5,158.35
Investment in convertible Debentures	14	21.08	-	-	21.08	-	-	21.08	21.08
Derivative Asset on commodity derivatives	19	2.49	-	-	2.49	-	2.49	-	2.49
Derivative Asset on forwards	19	0.01	-	-	0.01	-	0.01	-	0.01
Deposits	9	-	-	7.70	7.70	-	9.40	-	9.40
Loan to Subsidiary	9	-	-	179.18	179.18	-	195.13	-	195.13
Loan to Joint Venture- Fixed Rate	9	-	-	1,254.10	1,254.10	-	1,380.90	-	1,380.90
Loan to Joint Venture- Variable Rate	9	-	-	100.00	100.00				
Loans									
-Non-current- Loans to employee	9	-	-	364.75	364.75	-	364.75	-	364.75
-Non-current- Others	9	-	-	71.90	71.90				
-Current	18	-	-	65.62	65.62				
Cash and cash equivalents	16	-	-	1,720.54	1,720.54				
Bank Balances other than Cash and cash equivalents	17	-	-	346.81	346.81				
Trade receivables	15	-	-	2,188.95	2,188.95				
Others									
-Non-current	10	-	-	14.27	14.27				
-Current	19	-	-	4,067.79	4,067.79				
Total		**5,181.93**	**507.61**	**10,381.62**	**16,071.16**				
Financial liabilities									
Derivative Liability on Interest rate swaps	31	0.09	-	-	0.09	-	0.09	-	0.09
Derivative Liability on forwards	31	14.70	-	-	14.70	-	14.70	-	14.70
Derivative Liability on swaps	31	112.08	-	-	112.08	-	112.08	-	112.08
Bonds	24	-	-	7,953.17	7,953.17	8,322.62	-	-	8,322.62
OIDB Loans	24 & 31	-	-	1,725.24	1,725.24	-	1,748.37	-	1,748.37
Term loans	24	-	-	250.00	250.00				
Other Non-Current financial liabilities	25	-	-	60.73	60.73				
Foreign Currency Loans - Syndicated	24 & 31	-	-	5,905.12	5,905.12				
Borrowings-current	29	-	-	23.96	23.96				
Trade and other payables	30	-	-	8,430.79	8,430.79				
Other current liabilities	31	-	-	14,512.28	14,512.28				
Total		**126.87**	**-**	**38,861.29**	**38,988.16**				

Note: There are no other categories of financial instruments other than those mentioned above.

NOTE 59 FINANCIAL INSTRUMENTS (CONTD.)

As at 01/04/2015	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	674.85	-	674.85	606.77	-	68.08	674.85
Investment in debt instruments	8 & 14	5,171.01	-	0.01	5,171.02	5,171.01	-	-	5,171.01
Investment in convertible Debentures	8	101.63	-	-	101.63	-	-	101.63	101.63
Derivative instruments - Forwards	19	0.05	-	-	0.05	-	0.05	-	0.05
Derivative instruments - Commodity related	19	24.10	-	-	24.10	-	24.10	-	24.10
Loan to Subsidiary	9	-	-	162.85	162.85	-	162.66	-	162.66
Loan to Joint Venture- Fixed rate	9	-	-	1,254.10	1,254.10	-	1,291.24	-	1,291.24
Loan to Joint Venture- Variable rate	9	-	-	100.00	100.00				
Loans									
-Non-current- Loans to employee	9	-	-	345.70	345.70	-	345.70	-	345.70
-Non-current- Others	9	-	-	58.50	58.50				
-Current	18	-	-	61.10	61.10				
Cash and cash equivalents	16	-	-	1,356.73	1,356.73				
Bank Balances other than Cash and cash equivalents	17	-	-	3.47	3.47				
Trade receivables	15	-	-	2,505.16	2,505.16				
Others		-	-						
-Non-current	10	-	-	317.77	317.77				
-Current	19	-	-	6,123.89	6,123.89				
Total		**5,296.79**	**674.85**	**12,289.28**	**18,260.92**				
Financial liabilities									
Derivative Liability on forwards	31	3.11	-	-	3.11	-	3.11	-	3.11
Derivative Liability on currency swaps	31	111.50	-	-	111.50	-	111.50	-	111.50
Bonds	24	-	-	4,397.70	4,397.70	4,705.92	-	-	4,705.92
OIDB Loans	24 & 31	-	-	1,049.50	1,049.50	-	1,073.43	-	1,073.43
Non-convertible debentures	24	-	-	700.00	700.00	699.80	-	-	699.80
Foreign Currency Loans - Syndicated	24 & 31	-	-	6,805.86	6,805.86				
Other Non-Current financial liabilities	25	-	-	70.03	70.03				
Borrowings-current	29	-	-	40.27	40.27				
Trade and other payables	30	-	-	12,467.03	12,467.03				
Other current liabilities	31	-	-	11,947.54	11,947.54				
Total		**114.61**	**-**	**37,477.94**	**37,592.55**				

Note: There are no other categories of financial instruments other than those mentioned above.

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the Balance Sheet as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity shares	The valuation is based on market multiples derived from quoted prices of companies comparable to investee and the expected revenue and PAT of the investee.	Adjusted market multiple (P/E)	The estimated fair value would increase/(decrease) if adjusted market multiple were higher/(lower)
Optionally convertible Debentures	The valuation is based on market multiples derived from quoted prices of companies comparable to investee and EBITDA of the investee.	Adjusted market multiple (EBITDA)	The estimated fair value would increase/(decrease) if adjusted market multiple were higher/(lower)
Derivative instruments - forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Derivative instruments - interest rate swap	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates. This technique also involves using the interest rate curve for projecting the future cash flows.	Not applicable	Not applicable
Derivative instruments - commodity contracts	Fair valuation of Commodity Derivative instruments are based on forward assessment done by Platts which is an independent agency which assesses benchmark global crude oil and product prices. Globally counterparties also use Platts assessment for settlement of transactions.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

₹ in Crores

Paticulars	Equity securities	Optionally convertible debentures
Opening Balance(1st April 2015)	68.08	101.63
Net change in fair value (unrealised)	20.27	(80.55)
Closing Balance (31st March 2016)	88.35	21.08
Opening Balance(1st April 2016)	88.35	21.08
Net change in fair value (unrealised)	9.45	-
Redemption	-	21.08
Closing Balance (31st March 2017)	**97.80**	**-**

Sensitivity analysis

For the fair values of unquoted equity shares, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

₹ in Crores

Particulars	As at 31/03/2017 Profit or loss		As at 31/03/2016 Profit or loss	
Significant unobservable inputs	**Increase**	**Decrease**	**Increase**	**Decrease**
P/E (5% movement)	**4.92**	**(4.92)**	4.44	(4.45)

C. Financial risk management

C. i. Risk management framework

The Corporation's Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Risk Management Committee of the Board has defined roles and responsibilities, which includes reviewing and recommending the risk management plan and the risk management report for approval of the Board with the recommendation of the Audit Committee. The Corporation has adopted a Risk Management Charter and Policy for self-regulatory processes and procedures for ensuring the conduct of the business in a risk conscious manner.

The Corporation has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

C.ii. Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's trade and other receivables, cash and cash equivalents and other bank balances, derivatives and debt securities. The maximum exposure to credit risk in case of all the financial instuments covered below is restricted to their respective carrying amount.

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Corporation grants credit terms in the normal course of business.

As at 31st March 2017, 31st March 2016 and 1st April 2015, the Corporation's industrial customers accounted for the majority of the trade receivables.

Expected credit loss assessment for Trade and other receivables from customers as at 1st April 2015, 31st March 2016 and 31st March 2017

The Corporation uses an allowance matrix to measure the expected credit losses of trade and other receivables.

The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made. Roll rates are calculated separately for exposures based on common credit risk characteristics for a set of customers.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

₹ in Crores

As at 31/03/2017	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Debts not due	1,289.63	0.26%	3.31
Debts over due	2,896.92	19.96%	578.36
Total	**4,186.55**	**13.89%**	**581.67**

₹ in Crores

As at 31/03/2016	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Debts not due	923.61	0.56%	5.19
Debts over due	1,882.69	30.99%	583.40
Total	**2,806.30**	**20.97%**	**588.59**

₹ in Crores

As at 01/04/2015	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Debts not due	637.79	0.42%	2.71
Debts over due	1,959.63	26.88%	526.83
Total	**2,597.42**	**20.39%**	**529.54**

The Corporation does not provide for any loss allowance on trade receivables where risk of default is negligible such as receivables from other oil marketing companies, if any. Loss rates are based on actual credit loss experience over the past three years.

The movement in the loss allowance in respect of trade and other receivables during the year was as follows.

₹ in Crores

Balance as at 1st April, 2015	529.54
Movement during the year	59.05
Balance as at 31st March, 2016	588.59
Movement during the year	(6.92)
Balance as at 31st March, 2017	**581.67**

(b) Cash and cash equivalents and Other Bank Balances

The Corporation held cash and cash equivalents and other bank balances of ₹ **64.69 Crores** at 31st March 2017 (31st March 2016: ₹ 2,067.35 Crores, 1st April 2015 : ₹ 1,360.20 Crores). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing. Also, Corporation invests its short term surplus funds in bank fixed deposit, Government of India Treasury-bills and liquid schemes of mutual funds, which carry no / low mark to market risks for short duration, therefore does not expose the Corporation to credit risk.

(c) Derivatives

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits.

(d) Investment in debt securities

Investment in debt securities are mainly as loans to Subsidiary, Joint Venture companies and investment in Government securites which do not carry any significant credit risk.

C.iii Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Corporation through effective fund management. The Corporation has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Corporation has access to funds from debt markets through commercial paper programs, foreign currency borrowings and other debt instruments.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

Maturity Analysis of Significant Financial Liabilities ₹ in Crores

As at 31/03/2017	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities					
Bonds	**9,898.28**	318.49	1,932.89	559.23	7,087.67
OIDB Loans	**2,076.13**	565.04	1,130.52	380.57	-
Term loans	**3,163.32**	175.35	366.50	599.19	2,022.28
Non Convertible Debentures	**731.92**	40.43	80.85	610.64	-
Foreign Currency Loans - Syndicated	**4,122.25**	1,796.32	144.23	2,181.70	-

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

₹ in Crores

As at 31/03/2017	Contractual cash flows				
	Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Short term borrowings	**7,227.36**	7,227.36	-	-	-
Trade and other payables	**11,359.76**	11,359.76	-	-	-
Other current liabilities	**17,639.98**	17,639.98	-	-	-
Financial guarantee contracts*	**7,187.36**	1,001.76	972.58	544.64	4,668.38
Derivative financial liabilities					
Interest rate swaps	**0.98**	0.38	0.30	0.30	-
Currency Swaps	**260.40**	25.37	235.03	-	-
Commodity Contracts	**0.01**	0.01	-	-	-
Forward exchange contracts					
Inflows	**3,272.73**	3,272.73	-	-	-
Outflows	**(3,384.13)**	(3,384.13)	-	-	-

As at 31/03/2016	Contractual cash flows				
	Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Bonds	**10,505.48**	327.26	654.52	1,986.62	7,537.08
OIDB Loans	**2,062.24**	405.50	1,016.45	640.29	-
Term loans	**419.15**	22.78	45.75	61.15	289.47
Foreign Currency Loans - Syndicated	**6,284.65**	2,116.47	1,915.86	2,252.32	-
Short term borrowings	**23.96**	23.96	-	-	-
Trade and other payables	**8,430.79**	8,430.79	-	-	-
Other current liabilities	**14,512.28**	14,512.28	-	-	-
Financial guarantee contracts*	**1,552.19**	-	994.99	557.20	-
Derivative financial liabilities					
Interest rate swaps	**0.17**	0.09	0.08	-	-
Currency Swaps	**244.83**	25.96	51.91	166.96	-
Forward exchange contracts					
Inflows	**1,518.97**	1,518.97	-	-	-
Outflows	**(1,533.66)**	(1,533.66)	-	-	-

As at 01/04/2015	Contractual cash flows				
	Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Bonds	**5,774.76**	183.54	367.08	1,660.38	3,563.76
OIDB Loans	**1,283.81**	159.91	642.60	481.30	-
Foreign Currency Loans - Syndicated	**7,284.51**	1,388.97	4,794.01	1,101.53	-
Non-convertible debentures	**821.10**	60.55	760.55	-	-
Short term borrowings	**40.27**	40.27	-	-	-
Trade and other payables	**12,467.03**	12,467.03	-	-	-
Other current liabilities	**11,947.54**	11,947.54	-	-	-
Financial guarantee contracts*	**1,464.62**	-	-	938.86	525.76

₹ in Crores

As at 01/04/2015	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Derivative financial liabilities					
Currency Swaps	**244.35**	24.49	48.99	170.87	-
Forward exchange contracts					
Inflows	**1,149.90**	1,149.90	-	-	-
Outflows	**(1,152.96)**	(1,152.96)	-	-	-

* Guarantees issued by the Corporation on behalf of Joint Venture/Subsidiary are with respect to borrowings raised by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the Subsidiary/Joint Venture has defaulted and hence, the Corporation does not have any present obligation to third parties in relation to such guarantees.

C.iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

C.iv.a Currency risk

The Corporation is exposed to currency risk on account of its operating and financing activities. The functional currency of the Corporation is Indian Rupee. Our exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Corporation has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks. The Corporation uses derivative instruments (mainly foreign exchange forward contracts) to mitigate the risk of changes in foreign currency exchange rates in line with our policy.

The Corporation do not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March 2017, 31st March 2016 and 1st April 2015 are as below:

₹ in Crores

As at 31/03/2017	USD	EURO	JPY	CHF	Others
Financial assets					
Cash and cash equivalents	0.10	-	-	-	-
Trade receivables	612.29	-	-	-	-
Other Current financial asset	0.48	-	-	-	-
Net exposure for assets	**612.87**	**-**	**-**	**-**	**-**
Financial liabilities					
Bonds	6,433.88	-	-	1,292.45	-
Foreign Currency Loans - Syndicated	3,860.60	-	-	-	-
Short term borrowings	5,789.76	-	-	-	-
Trade and other payables	5,792.14	106.60	21.15	0.20	0.32
Other Current financial liabilities	1,916.91	32.61	66.12	0.02	1.14

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

₹ in Crores

As at 31/03/2017	USD	EURO	JPY	CHF	Others
Less: Foreign curency forward exchange contracts	(3,384.13)	-	-	-	-
Less: Foreign currency swaps	1,480.20	-	-	(1,292.45)	-
Net exposure for liabilities	**21,889.36**	**139.21**	**87.27**	**0.22**	**1.46**
Net exposure (Assets - Liabilities)	**(21,276.49)**	**(139.21)**	**(87.27)**	**(0.22)**	**(1.46)**

As at 31/03/2016	USD	EURO	JPY	CHF	Others
Financial assets					
Cash and cash equivalents	11.18	-	-	-	-
Trade receivables	382.39	-	-	-	-
Other Current financial asset	13.14	-	-	-	0.01
Net exposure for assets	**406.71**	**-**	**-**	**-**	**0.01**
Financial liabilities					
Bonds	6,583.32	-	-	1,369.85	-
Foreign Currency Loans - Syndicated	3,915.13	-	-	-	-
Trade and other payables	4,762.39	(0.35)	0.90	0.28	(0.20)
Other Current Financial Liabilities	2,124.43	67.60	0.72	0.01	1.18
Less: Foreign curency forward exchange contracts	(1,533.66)	-	-	-	-
Less: Foreign curency swaps	1,514.31	-	-	(1,369.85)	-
Net exposure for liabilities	**17,365.92**	**67.25**	**1.62**	**0.29**	**0.98**
Net exposure (Assets - Liabilities)	**(16,959.21)**	**(67.25)**	**(1.62)**	**(0.29)**	**(0.97)**

As at 01/04/2015	USD	EURO	JPY	CHF	Others
Financial assets					
Cash and cash equivalents	5.36	-	-	-	-
Trade receivables	829.98	-	-	-	-
Other Current financial asset	15.37	-	-	-	-
Net exposure for assets	**850.71**	**-**	**-**	**-**	**-**
Financial liabilities					
Bonds	3,108.50	-	-	1,289.20	-
Foreign Currency Loans - Syndicated	6,805.86	-	-	-	-
Trade and other payables	5,299.68	(7.54)	105.95	0.01	0.15
Other Current Financial Liabilities	1,362.74	30.61	54.92	0.01	1.58
Less: Foreign curency forward exchange contracts	(1,152.96)	-	-	-	-
Less: Foreign curency swaps	1,428.88	-	-	(1,289.20)	-
Net exposure for liabilities	**16,852.70**	**23.07**	**160.87**	**0.02**	**1.73**
Net exposure (Assets - Liabilities)	**(16,001.99)**	**(23.07)**	**(160.87)**	**(0.02)**	**(1.73)**

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the USD against INR at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalized to fixed assets or recognised direclty in reserves, the impact indicated below may affect the Corporation's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

₹ in Crores

Effect in INR (before tax)	Profit or Loss	
For the year ended 31st March, 2017	**Strengthening**	**Weakening**
3% movement		
USD	(638.29)	638.29

Effect in INR (before tax)	Profit or Loss	
For the year ended 31st March, 2016	**Strengthening**	**Weakening**
3% movement		
USD	(508.78)	508.78

C.iv.b Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

Exposure to interest rate risk

Corporation's interest rate risk arises primarily from borrowings. The interest rate profile of the Corporation's interest-bearing financial instruments is as follows:

₹ in Crores

Particulars	Note Reference	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Fixed-rate instruments				
Financial Assets - measured at amortized cost				
Investment in debt instruments	8	**0.01**	0.01	0.01
Loan to Subsidiary	9	**197.10**	179.18	162.85
Loan to Joint Venture	9	**1,254.10**	1,254.10	1,254.10
Financial Assets - measured at FVTPL				
Investment in convertible Debentures	8 & 14	**-**	21.08	101.63
Investment in debt instruments	14	**5,360.34**	5,158.35	5,171.01
Total of Fixed Rate Financial Assets		**6,811.55**	6,612.72	6,689.60
Financial liabilities - measured at amortized cost				
Bonds	24	**7,726.33**	7,953.17	4,397.70
OIDB Loans	24 & 31	**1,795.13**	1,725.24	1,049.50
Non- Convertible Debentures	24	**549.80**	-	700.00
Total of Fixed Rate Financial Liabilities		**10,071.26**	9,678.41	6,147.20
Variable-rate instruments				
Financial Assets - measured at amortized cost				
Loan to Joint Venture	9	**-**	100.00	100.00
Loan to Subsidiary	9	**1,850.00**	-	-
Total of Variable Rate Financial Assets		**1,850.00**	100.00	100.00
Financial liabilities - measured at amortized cost				
Foreign Currency Loans - Syndicated*	24 & 31	**3,860.60**	5,905.12	6,805.86
Short term borrowings	29	**7,227.36**	23.96	40.27
Term loans	24	**2,000.00**	250.00	-
Total of Variable Rate Financial Liabilities		**13,087.96**	6,179.08	6,846.13

* In respect of Syndicated Foreign Currency Loans, the company has entered into IRS of USD 10 million during 2016-17, USD 10 million during 2015-16 & Nil during 2014-15.

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

Fair value sensitivity analysis for fixed-rate instruments

The Corporation accounts for certain investments in fixed-rate financial assets such as investments in Oil bonds at fair value through profit or loss. Accordingly, a decrease in 25 basis point in interest rates is likely to increase the profit or loss (before tax) for the year ending 31st March 2017 by ₹ **80.21 Crores** (31st March 2016 ₹ 86.34 Crores) and an increase in 25 basis point in interest rates is likely to decrease the profit or loss (before tax) for the year ending 31st March 2017 by ₹ **81.76 Crores** (31st March 2016 ₹ 88.18 Crores).

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalized to fixed assets, the impact indicated below may affect the Corporation's income statement over the remaining life of the related fixed assets.

₹ in Crores

Cash flow sensitivity (net)	Profit or loss	
	0.25% increase	**0.25% decrease**
As at 31/03/2017		
Variable-rate loan instruments	(25.03)	25.03
Interest on Loan given to Subsidiary	1.90	(1.90)
Cash flow sensitivity (net)	**(23.13)**	**23.13**
As at 31/03/2016		
Variable-rate loan instruments	(14.97)	14.97
Interest on Loan given to JVC	0.25	(0.25)
Cash flow sensitivity (net)	**(14.72)**	**14.72**

C.iv.c Commodity rate risk

BPCL's profitability gets affected by the price differential (also known as Margin or Crack spread) between prices of products (output) and the price of the crude oil and other feed-stocks used in production (input), prices of both are set by markets. Hence BPCL uses derivatives instruments (swaps, futures, options, and forwards) to hedge exposures to commodity price risk to cover refinery operating cost using Basic Swaps on various products cracks like Naphtha, Gasoline (Petrol), Jet/Kerosene, Gasoil (Diesel) and Fuel Oil against Benchmark Dubai Crude. Further volatility in freight costs is hedged through Freight Forwards and bunker purchases. Settlement of all derivative transactions take place on the basis of monthly average of the daily prices of the settlement month quoted by Platts.

BPCL measures market risk exposure arising from its trading positions using value-at-risk techniques. These techniques make a statistical assessment of the market risk arising from possible future changes in market prices over a one-day holding period.

BPCL uses historical model of VAR techniques based on variance/covariance to make a statistical assessment of the market risk arising from possible future changes in market values over a 24-hour period and within a 95% confidence level. The calculation of the range of potential changes in fair value takes into account positions, the history of price movements for last two years and the correlation of these price movements.

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

VAR calculation for open position as on 31st March 2017 is as given below:

Product	Naphtha-Dubai	Jet Kero –Dubai	Dt Brent-Dubai	HSFO ZCC
Unit	USD/Bbl	USD/Bbl	USD/Bbl	USD/MT
Mean	3.2	11.99	1.81	261.23
Standard Deviation	3.7	1.59	1.64	64.97
Var95	6.09	2.62	2.69	106.86
Mean+Var95	9.29	14.61	-0.88	154.37
Avg.Trade Price	1.24	14.8	1.43	302.25
Lots as on 31.03.2017	3	3	6	1
Standard Lot size	50000 BBL	50000 BBL	50000 BBL	1000 MT
VAR USD million	1.21	-0.03	0.69	0.15
("-ve" VAR of Jet/Kero ignored)				
Total Portfolio VAR in USD million	**2.05**			

C.iv. d Price risk

The Corporation's exposure to equity investments price risk arises from investments held by the Corporation and classified in the financial statements at fair value through OCI. The corporation intends to hold these investments for long-term for better returns and price risk will not be significant from a long term perspective.

Exposure to price risk ₹ in Crores

Effect in INR (before tax)	Profit or loss		Other components of Equity	
	Strengthening	Weakening	Strengthening	Weakening
As at 31/03/2017				
1% movement				
Investment in Oil India - FVOCI	-	-	5.95	(5.95)
Investment in CIAL - FVOCI	-	-	0.98	(0.98)
Total	**-**	**-**	**6.93**	**(6.93)**

₹ in Crores

Effect in INR (before tax)	Profit or loss		Other components of Equity	
	Strengthening	Weakening	Strengthening	Weakening
As at 31/03/2016				
1% movement				
Investment in Oil India - FVOCI	-	-	4.19	(4.19)
Investment in CIAL - FVOCI	-	-	0.88	(0.88)
Total	**-**	**-**	**5.07**	**(5.07)**

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

D. Offsetting

The following table presents the recognised financial instruments that are offset and other similar agreements that are not offset, as at 31st March 2017, 31st March 2016 and 1st April 2015.

The column 'net amount' shows the impact on the Corporation's balance sheet if all set-off rights are exercised.

₹ in Crores

Particulars	Note reference	Effect of offsetting on the balance sheet			Related amounts not offset		
		Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument	Amounts to be offset	Net Amount
As at 31/03/2017							
Financial assets							
Investment in GOI Bonds	A				5,360.34	(1,350.00)	4,010.34
Trade and other receivables	B & C	1,595.66	1,595.66	-			
Derivative Assets	D				1.25	(1.25)	-
Financial liabilities							
Short term borrowings	A				7,227.68	(1,350.00)	5,877.68
Trade and other payables	B & C	6,369.88	1,595.66	4,774.22			
Derivative Liabilities	D				16.81	(1.25)	15.56
As at 31/03/2016							
Financial assets							
Trade and other receivables	B & C	1,541.38	1,541.38	-			
Financial liabilities							
Trade and other payables	B & C	4,638.61	1,541.38	3,097.23			
As at 01/04/2015							
Financial assets							
Trade and other receivables	B & C	1,911.45	1,911.45	-			
Derivative Assets	C	24.11	0.01	24.10			
Financial liabilities							
Trade and other payables	B & C	6,529.06	1,911.45	4,617.61			
Derivative Liabilities	C	0.01	0.01	-			

NOTE 59 FINANCIAL INSTRUMENTS – (CONTD.)

Notes

A. The Corporation has Collaterised Borrowing and Lending Obligations limits from Clearing Corporation of India Limited, which are secured by 6.90% Oil Marketing Companies GOI Special Bonds 2026. As the Counterparty currently does not have a legally enforceable right to off set these amounts, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

B. The Corporation purchases and sells petroleum products from different Oil Marketing Companies. Under the terms of the agreement, the amounts payable by the Corporation are offset against receivables and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

C. The Corporation enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

D. The Corporation enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. The ISDA master netting agreements do not meet the criteria for offsetting in the balance sheet. This is because the Counterparty does not currently have legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events.

NOTE 60 CAPITAL MANAGEMENT

The Corporation's objective is to maximize the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

The Corporation's debt to equity ratio as at 31st March, 2017 was **0.78** (31st March 2016: 0.58 and 1st April, 2015: 0.55)

Note: For the purpose of computing debt to equity ratio, equity includes Equity Share Capital and Other Equity and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings.

NOTE 61 SEGMENT REPORTING

As per the requirements of Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

NOTE 62 SPECIFIED BANK NOTES

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are provided in the Table below:-

₹ in Crores

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	27.44	0.59	28.03
(+) Withdrawl from banks	-	0.49	0.49
(+) Permitted receipts	570.22	294.93	865.15
(-) Permitted payments	0.01	0.71	0.72
(-) Amount deposited in Banks	597.65	284.62	882.27
Closing cash in hand as on 30.12.2016	**-**	**10.68**	**10.68**

Note:

Above excludes ₹ 0.22 Crores collected during 9th December 2016 to 11th December 2016 in one of the Company Owned Company Operated Retail Outlet since the same was stolen before depositing into the bank.

NOTE 63

To the extent, the Corporation has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Amount Due and Payable at the year end			
-Principal	**0.47**	0.89	3.10
-Interest on above Principal	**-**	-	-
Payment made during the year after the due date			
-Principal	**-**	-	-
-Interest	**-**	-	-
Interest due and payable for Principal already paid	**-**	-	-
Total Interest accrued and remained unpaid at year end	**-**	-	-

The interest payable to such vendors is not likely to be material

NOTE 64 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
(a) Contingent Liabilities :			
In respect of Income Tax matters	**75.58**	80.38	80.68
Other Matters :			
i) Claims against the Corporation not acknowledged as debts * :			
Excise and customs matters	**1,523.41**	1,075.54	1,044.38
Service Tax matters	**159.31**	132.30	48.73
Sales tax matters	**8,296.40**	7,263.41	6,529.26
Land Acquisition cases for higher compensation	**159.74**	176.75	121.05
Others	**375.25**	395.78	438.59

* These include ₹ **6,058.74 Crores** (31st March 2016: ₹ 5,017.03 Crores, 1st April 2015: ₹ 4,163.89 Crores) against which the Corporation has a recourse for recovery and ₹ **98.35 Crores** (31st March 2016: ₹ 104.32 Crores, 1st April 2015: ₹ 49.93 Crores) which are on capital account.

ii) Claims on account of wages, bonus / ex-gratia payments in respect of pending court cases	**19.09**	16.28	15.95
iii) Guarantees	**7.90**	8.08	1,233.42

NOTE 64 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONTD.)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 1/04/2015
(b) Capital Commitments :			
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	**3,158.34**	4,674.55	7,877.49
ii) Uncalled liability on shares and other investments partly paid	**-**	-	50.00

NOTE 65 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Crores

Particulars	2016-17	2015-16
a) Revenue Expenditure	**32.78**	40.49
b) Capital Expenditure	**16.70**	19.21

Signature to Notes '1' to '65'

For and on behalf of the Board of Directors

As per our attached report of even date
For and on behalf of

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.:
101961W/W-100036

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.:
103523W/W-100048

Sd/-
K. SIVAKUMAR
Director (Finance)
DIN: 06913284

Sd/-
M. VENUGOPAL
Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No. 37391

Sd/-
SNEHAL SHAH
Partner
Membership No. 48539

Place: Mumbai
Dated: 29th May 2017

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHARAT PETROLEUM CORPORATION LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Bharat Petroleum Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures and associates; (refer Note 7 to the attached consolidated financial statements), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Joint ventures and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015(as amended) under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group, Joint ventures and its associates are responsible for accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements and ensuring maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issue by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, other than the unaudited financial statements as certified by management and referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, joint ventures and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, joint ventures and its associates as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

8. We draw attention to the following matters in the notes to the Consolidated Ind AS Financial Statements:

   i. The auditors of a Jointly controlled entity, Petronet India Limited (PIL) have drawn attention in their Audit Report for the unanimous opinion of the Promoters/Shareholders of PIL as noted by Board of Directors of the Jointly controlled entity regarding non viability of continuation of operation of PIL and to explore realisation of investments and that the same indicates the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

   ii. The auditors of Bharat PetroResources Limited (Subsidiary Company) have stated in their report about the incorporation of details of its share in assets, liabilities, income and expense in the operations of joint ventures based on the audited/ unaudited statements received from the respective Operators. They have observed that:

      (a) In case of two blocks, no audited statements have been received by the Company. Total assets, liabilities, income and expenses in respect of these blocks, amount to ₹ 70.04 crore, ₹ 1.12 crore, ₹ Nil and ₹ Nil, respectively;

      (b) In case of one foreign block (EP413), the information relating to the same is provided on the basis of audited financial statements for the year ended 31st December, 2016 and unaudited statement for subsequent three months. Total assets, liabilities, income and expenses related to the said block amounts to ₹ 65.62 crore, ₹ 0.43 crore, ₹ Nil and ₹ Nil respectively.

      (c) The audited statements referred above are prepared, as stated there in, to meet requirements of production sharing contacts and are special purpose statement;

      (d) None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act;

      (e) Some of the Operators use accounting policies other than those adopted by the company for like transactions. The Company has made appropriate adjustments while incorporating relevant data; and

      (f) No break-up of assets and liabilities is available in respect of one block where the Company has invested ₹ 37.66 crore including provision for site restoration cost of ₹ 1 crore.

   The said Subsidiary Company's proportionate share in jointly controlled assets, liabilities for which the Company is jointly responsible, Company's proportionate share of income and expenses for the year, the elements making up the Cash Flow Statement and related disclosures contained in the enclosed financial statements and their observations thereon are based on such audit reports and statements from the operators to the extent available with the said Subsidiary Company.

iii. The auditors of Bharat Petro Resources Limited (Subsidiary Company) have drawn attention to the observation made by the auditors of its step down Subsidiary Company Bharat Petro Resources JPDA Limited regarding the financial statements indicating that the Company has accumulated losses and negative net worth. The Company has incurred a net loss of ₹ 0.86 crore during the current year (Previous Year Loss ₹ 2.02 crore). These conditions, along with other matters indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of these matters.

Other Matter

9. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 23,416.82 crore and net assets of ₹ 6,730.94 crore as at March 31, 2017, total revenues of ₹ 14,484.60 crore, net profit of ₹ 1,608.21 crore and net cash inflows amounting to ₹ 267.76 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 708.05 crore for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of ten joint ventures and three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

10. The consolidated Ind AS financial statements includes the group share of net profit of ₹ 122.24 crore for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statement, in respect of one joint venture and two associates. These financial statements have not been audited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint venture and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

11. The comparative financial information of the Corporation for the year ended March 31, 2016 and the transition date opening Balance Sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 26, 2016, and May 28, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Corporation on transition to the Ind AS have been audited by us.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements. However, we have not received responses to the Group Audit Instructions from the auditors of subsidiaries, joint ventures and associates and hence, we are unable to comment on its implications, if any.

    b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Holding Company, its subsidiaries included in the Group, associate companies and joint ventures including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding Company and reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries, joint ventures and associates including relevant records relating to the preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act, are not applicable to the Holding company and in case of other companies, on the basis of report of the statutory auditors of the respective Companies of the Group, joint ventures and its associates incorporated in India, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group, joint ventures and its associates incorporated in India and the operating effectiveness of such controls, we give our separate report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

    i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations as at March 31, 2017 on consolidated financial position of the group, joint ventures and associates- Refer Note 63 of the Consolidated Ind AS Financial Statements.

    ii. Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2017.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, joint ventures and associates incorporated in India.

    iv. The Group has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed by us and based on the reports of other auditors, we report that the disclosures are in accordance with the books of account maintained by the Group. (Refer Note No. 61 to the consolidated Ind AS financial statements).

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
Snehal Shah
Partner
Membership No.: 48539

Place: Mumbai
Date: 29th May 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 12(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Bharat Petroleum Corporation Limited on the Consolidated Ind AS financial statements for the year ended March 31, 2017]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the group, its Joint Ventures and Associates as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bharat Petroleum Corporation Limited ("the Holding Company") and subsidiaries, joint ventures and associates, which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiaries, joint ventures and associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the Company considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)".These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiaries, joint ventures and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiaries, ten joint ventures and three associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not qualified in respect of this matter.

For CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership No.: 37391

For HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
Snehal Shah
Partner
Membership No.: 48539

Place: Mumbai
Date: 29th May 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

₹ in Crores

	Note No.	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	2	**33,438.69**	25,189.63	21,972.66
(b) Capital work-in-progress	3	**11,762.72**	12,745.15	8,097.14
(c) Investment Property	4	**0.28**	0.48	0.52
(d) Other Intangible assets	5	**244.89**	168.87	123.85
(e) Intangible assets under development	6	**5,071.15**	4,713.78	3,848.74
(f) Investment accounted for using equity method	7	**14,961.68**	3,567.13	3,087.13
(g) Financial Assets				
(i) Investments	8	**692.66**	507.62	776.49
(ii) Loans	9	**3,320.97**	6,237.87	5,334.99
(iii) Other financial assets	10	**46.09**	135.61	17.77
(h) Income Tax Assets (Net)	11	**127.51**	72.78	58.80
(i) Other non-current assets	12	**1,509.54**	1,636.16	1,539.52
		71,176.18	54,975.08	44,857.61
(2) Current Assets				
(a) Inventories	13	**21,196.78**	14,643.70	16,094.14
(b) Financial Assets				
(i) Investments	14	**5,672.79**	5,325.82	5,407.81
(ii) Trade receivables	15	**4,803.75**	2,216.89	2,579.88
(iii) Cash and cash equivalents	16	**637.98**	2,036.81	1,482.03
(iv) Bank Balances other than Cash and cash equivalents	17	**1,246.56**	2,165.56	1,806.57
(v) Loans	18	**78.17**	63.20	65.28
(vi) Other financial assets	19	**3,307.28**	4,133.36	6,185.80
(c) Current Tax Assets (Net)	20	**33.76**	8.40	138.87
(d) Other current assets	21	**933.01**	852.91	566.87
		37,910.08	31,446.65	34,327.25
TOTAL ASSETS		**109,086.26**	86,421.73	79,184.86
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	22	**1,311.25**	655.62	655.62
(b) Other Equity	23	**29,508.50**	27,137.65	22,752.95
Equity attributable to owners		**30,819.75**	27,793.27	23,408.57
Non Controlling interests		**1,958.19**	1,678.32	1,453.91
Total Equity		**32,777.94**	29,471.59	24,862.48
Liabilities				
(1) Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	24	**23,255.33**	21,097.22	14,952.36
(ii) Other financial liabilities	25	**64.93**	63.47	72.77
(b) Provisions	26	**1,495.27**	1,653.16	1,404.19
(c) Deferred tax liabilities (net)	27	**4,054.80**	3,071.97	2,504.89
(d) Other non-current liabilities	28	**81.76**	70.02	46.40
		28,952.09	25,955.84	18,980.61
(2) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	29	**8,217.71**	24.40	206.37
(ii) Trade payables	30	**11,382.47**	8,352.38	12,872.75
(iii) Other financial liabilities	31	**22,404.17**	17,076.39	16,679.16
(b) Other current liabilities	32	**4,133.72**	3,674.97	3,706.81
(c) Provisions	33	**1,075.70**	951.69	994.43
(d) Current Tax Liabilities (Net)	34	**142.46**	914.47	882.25
		47,356.23	30,994.30	35,341.77
Total Liabilities		**76,308.32**	56,950.14	54,322.38
TOTAL EQUITY AND LIABILITIES		**109,086.26**	86,421.73	79,184.86
Significant Accounting Policies	1			
Notes forming part of Financial Statements	43 to 67			

For and on behalf of the Board of Directors

As per our attached report of even date
For and on behalf of

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
K. SIVAKUMAR
Director (Finance)
DIN: 06913284

Sd/-
M. VENUGOPAL
Company Secretary

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No.: 37391

Sd/-
SNEHAL SHAH
Partner
Membership No.: 48539

Place: Mumbai
Dated: 29th May 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

₹ in Crores

		Note No.	2016-17	2015-16
I.	Revenue from operations	35	**243,747.46**	219,226.79
II.	Other income	36	**2,047.75**	1,595.84
III.	**Total Income (I + II)**		**245,795.21**	220,822.63
IV.	**Expenses**			
	Cost of materials consumed	37	**75,112.16**	67,529.50
	Purchase of stock-in-trade	38	**102,131.17**	90,240.27
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	39	**(5,832.38)**	1,304.82
	Excise Duty		**42,496.80**	31,412.19
	Employee Benefits Expense	40	**3,669.08**	2,962.06
	Finance costs	41	**696.36**	680.49
	Depreciation and Amortization Expense	2,4,5	**2,107.64**	2,071.87
	Other Expenses	42	**12,658.16**	12,840.85
	Total Expenses (IV)		**233,038.99**	209,042.05
	Profit/(Loss) from continuing operations before share of profit of equity accounted investees and income tax (III - IV)		**12,756.22**	11,780.58
	Share of profit of equity accounted investee (net of income tax)		**943.39**	351.01
V.	**Profit from continuing operations before income tax**		**13,699.61**	12,131.59
VI.	**Tax expense:**	27	**4,192.64**	4,042.72
	1. Current Tax		**3,168.28**	3,418.45
	2. Deferred Tax		**1,135.60**	613.63
	3. Short/(Excess) provision of earlier years		**(111.24)**	10.64
VII.	**Profit / (Loss) for the year (V-VI)**		**9,506.97**	8,088.87
VIII.	**Other Comprehensive Income (OCI)**		**330.85**	15.93
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans		**(83.46)**	(141.03)
	(b) Equity instruments through Other Comprehensive Income- net change in fair value		**185.04**	(180.37)
	(c) Equity accounted investees - share of OCI		**(0.96)**	(0.17)
	(ii) Income tax related to items that will not be reclassified to profit or loss		**27.26**	47.48
	(iii) Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating financial statements of foreign operations		**(22.74)**	290.02
	(b) Equity accounted investees - share of OCI		**225.71**	-
IX.	**Total Comprehensive Income for the period (VII + VIII)**		**9,837.82**	8,104.80
	Profit attributable to:			
	Owners of the company		**8,720.94**	7,584.51
	Non-Controlling Interests		**786.03**	504.36
	Profit for the year		**9,506.97**	8,088.87
	Other Comprehensive Income attributable to :			
	Owners of the company		**332.33**	16.30
	Non-Controlling Interests		**(1.48)**	(0.37)
	Other Comprehensive Income for the year		**330.85**	15.93
	Total Comprehensive Income attributable to :			
	Owners of the company		**9,053.27**	7,600.81
	Non-Controlling Interests		**784.55**	503.99
	Total Comprehensive Income for the year		**9,837.82**	8,104.80
X.	**Basic and Diluted Earnings Per Share (Face value ₹ 10)**	54	**66.51**	57.84
	Significant Accounting Policies	1		
	Notes forming part of Financial Statements	43 to 67		

For and on behalf of the Board of Directors

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

Sd/-
K. SIVAKUMAR
Director (Finance)
DIN: 06913284

Sd/-
M. VENUGOPAL
Company Secretary

Place: Mumbai
Dated: 29th May 2017

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No.: 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
SNEHAL SHAH
Partner
Membership No.: 48539

CONSOLIDATED STATEMENT OF CASH FLOWS

₹ in Crores

	For the year ended	31/03/2017	31/03/2016
A	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**13,699.61**	12,131.59
	Adjustments for :		
	Share of (Profit) / Loss from Equity Accounted Investees	**(943.39)**	(351.01)
	Depreciation	**2,107.64**	2,071.87
	Interest	**696.36**	680.49
	Foreign Exchange Fluctuations (Refer explanatory note 3)	**(72.24)**	318.83
	(Profit) / Loss on Sale of Property Plant and Equipments	**42.67**	71.13
	(Profit) / Loss on Sale of Investments	**(25.87)**	-
	Income from Investments	**(1,044.35)**	(979.93)
	Dividend Received	**(64.94)**	(65.91)
	Expenditure towards Corporate Social Responsibility	**181.19**	124.67
	Other Non-Cash items (Refer explanatory note 4)	**269.27**	169.71
	Operating Profit before Working Capital Changes	**14,845.95**	14,171.44
	(Invested in)/Generated from :		
	Inventories	**(6,553.08)**	1,450.40
	Trade Receivables	**(2,605.07)**	208.78
	Other Receivables	**664.42**	707.61
	Current Liabilities & Payables	**6,720.48**	(2,035.53)
	Cash generated from Operations	**13,072.70**	14,502.70
	Direct Taxes Paid	**(3,903.89)**	(3,276.26)
	Paid for Corporate Social Responsibility	**(112.66)**	(107.40)
	Net Cash from / (used in) Operating Activities	**9,056.15**	11,119.04

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

₹ in Crores

	For the year ended	31/03/2017	31/03/2016
B	**Net Cash Flow from Investing Activities**		
	Purchase of Property Plant and Equipments / Intangible Assets	**(9,559.20)**	(10,184.33)
	Sale of Property Plant and Equipments	**15.78**	12.72
	Capital Advances	**85.70**	295.17
	Investment in Equity Accounted Investee	**(7,449.10)**	(481.32)
	Purchase of Investments	**(11,386.06)**	(714.00)
	Sale of Investments	**11,828.87**	748.90
	Petroleum India International - Receipt of Share in Accumulated Surplus	**3.40**	23.60
	Income from Investment	**1,045.34**	951.10
	Dividend Received	**156.33**	115.47
	Net Cash from / (used in) Investing Activities	**(15,258.94)**	(9,232.69)
C	**Net Cash Flow from Financing Activities**		
	Investment, Loans and Advances to Subsidiaries		
	Acquisition from Minority Interest - Petronet CCK Limited (Equity)	**(78.92)**	(66.31)
	Short Term Borrowings (Net)	**8,175.11**	(16.31)
	Long Term Borrowings	**6,842.54**	8,397.11
	Repayment of Loans	**(2,331.55)**	(5,282.05)
	Interest Paid	**(1,083.89)**	(1,016.61)
	Dividend Paid	**(5,494.70)**	(2,737.27)
	Corporate Dividend Tax	**(1,224.63)**	(610.13)
	Net Cash from / (used in) Financing Activities	**4,803.96**	(1,331.57)
D	**Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)**	**(1,398.83)**	554.78

₹ in Crores

Cash and Cash equivalents as at	**31/03/2016**	**31/03/2015**
Cash on hand	**24.34**	26.88
Cheques and drafts on hand	**11.91**	25.88
Cash at Bank	**2,000.56**	1,429.27
	2,036.81	1,482.03
Cash and Cash equivalents as at	**31.03.2017**	31.03.2016
Cash on hand	**0.71**	24.34
Cheques and drafts on hand	**38.69**	11.91
Cash at Bank	**598.58**	2,000.56
	637.98	2,036.81
Net change in Cash and Cash equivalents	**(1,398.83)**	554.78

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

Explanatory notes to Statement of Cash Flows

1. The Statement of Cash Flows is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs.
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. "Other Non-Cash items" include excess provisions written back, diminution in value of investment, Reversal of excess capitalization, amortization of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting Cash Flow.
5 "Current Liabilities and Payables" may include Payables in respect of Purchase of Propery, Plant and Equipments, if any.

For and on behalf of the Board of Directors

As per our attached report of even date
For and on behalf of

Sd/- **D. RAJKUMAR** Chairman and Managing Director DIN: 00872597		**CNK & ASSOCIATES LLP** Chartered Accountants ICAI FR No.: 101961W/W-100036	**HARIBHAKTI & CO. LLP** Chartered Accountants ICAI FR No.: 103523W/W-100048
Sd/- **K. SIVAKUMAR** Director (Finance) DIN: 06913284	Sd/- **M. VENUGOPAL** Company Secretary	Sd/- **HIMANSHU KISHNADWALA** Partner Membership No.: 37391	Sd/- **SNEHAL SHAH** Partner Membership No.: 48539

Place: Mumbai
Dated: 29th May 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31[ST] MARCH 2017

₹ in Crores

(a) Equity share capital	As at 31/03/2017		As at 31/03/2016		As at 01/04/2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	**72,30,84,248**	**723.08**	72,30,84,248	723.08	72,30,84,248	723.08
Add: Issue of Bonus Shares (Refer Note No. 22)	**72,30,84,248**	**723.09**	-	-	-	-
Less - BPCL Trust for Investment in Shares (Refer Note No. 46)	**(13,49,14,948)**	**(134.92)**	(6,74,57,474)	(67.46)	(6,74,57,474)	(67.46)
Balance at the end of the reporting period	**1,31,12,53,548**	**1,311.25**	65,56,26,774	655.62	65,56,26,774	655.62

(b) Other equity	Reserves & Surplus								Equity Instruments through Other Comprehensive Income [Note 23]	BPCL Trust for Investment in Shares [Note 23]	Total attributable to Owners of the Corporation	Attributable to NCI	Total other equity
	Capital Reserve [Note 23]	Capital Reserve on Acquisition of Subsidiary [Note 23]	Securities Premium Reserve	Debenture Redemption Reserve [Note 23]	General Reserve [Note 23]	Retained Earnings [Note 23]	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Note 23]	Foreign Currency Translation Reserve					
Balance at 31st March 2016	50.68	(64.09)	249.26	607.70	28,688.59	(1,060.53)	(79.28)	690.47	(88.88)	(591.65)	28,402.27	(1,264.62)	27,137.65
Profit for the year	-	-	-	-	-	9,506.97	-	-	-	-	9,506.97	(784.55)	8,722.42
Other Comprehensive Income for the year	-	-	-	-	-	(55.03)	-	202.97	182.91	-	330.85	-	330.85
Issue of Bonus Shares (Refer Note No. 22)	-	-	-	-	(723.09)	-	-	-	-	67.46	(655.63)	-	(655.63)
Dividends	-	-	-	-	-	(6,020.96)	-	-	-	-	(6,020.96)	380.90	(5,640.06)
Dividend to BPCL Trust for Investment in Shares (Refer Note No. 46)	-	-	-	-	-	526.17	-	-	-	-	526.17	-	526.17
Corporate Dividend Tax on Dividends	-	-	-	-	-	(1,147.09)	-	-	-	-	(1,147.09)	-	(1,147.09)
Transfer to Debenture Redemption reserve	-	-	-	224.58	-	(224.58)	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve on redemption of debentures	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions/(deletions) during the year - FCMITDA	-	-	-	-	-	-	155.79	-	-	-	155.79	-	155.79
Amortisation during the year - FCMITDA	-	-	-	-	-	-	129.83	-	-	-	129.83	-	129.83
Movements mainly on account of additional acquisitions	-	-	-	-	-	(51.43)	-	-	-	-	(51.43)	-	(51.43)
Balance at 31st March 2017	**50.68**	**(64.09)**	**249.26**	**832.28**	**27,965.50**	**1,473.52**	**206.34**	**893.44**	**94.03**	**(524.19)**	**31,176.77**	**(1,668.27)**	**29,508.50**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017 (CONTD.)

₹ in Crores

(b) Other equity	Reserves & Surplus								Equity Instruments through Other Comprehensive Income [Note 23]	BPCL Trust for Investment in Shares [Note 23]	Total attributable to Owners of the Corporation	Attributable to NCI	Total other equity
	Capital Reserve [Note 23]	Capital Reserve on Acquisition of Subsidiary [Note 23]	Securities Premium Reserve	Debenture Redemption Reserve [Note 23]	General Reserve [Note 23]	Retained Earnings [Note 23]	Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Note 23]	Foreign Currency Translation Reserve					
Balance at 1st April 2015	50.68	(64.09)	224.39	529.15	23,332.35	(244.05)	27.20	400.45	92.81	(591.65)	23,757.24	(1,004.29)	22,752.95
Profit for the year	-	-	-	-	-	8,088.87	-	-	-	-	8,088.87	(503.99)	7,584.88
Movement	-	-	24.87	-	-	-	-	-	-	-	24.87	-	24.87
Other Comprehensive Income for the year	-	-	-	-	-	(92.77)	-	290.02	(181.69)	-	15.56	-	15.56
Dividends	-	-	-	-	-	(2,995.44)	-	-	-	-	(2,995.44)	243.66	(2,751.78)
Dividend to BPCL Trust for Investment in Shares (Refer Note No. 46)	-	-	-	-	-	259.71	-	-	-	-	259.71	-	259.71
Corporate Dividend Tax on Dividends	-	-	-	-	-	(646.25)	-	-	-	-	(646.25)	-	(646.25)
Transfer to Debenture Redemption reserve	-	-	-	253.55	-	(253.55)	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	5,181.24	(5,181.24)	-	-	-	-	-	-	-
Transfer to General Reserve on redemption of debentures	-	-	-	(175.00)	175.00	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	4.19	-	-	-	-	4.19	-	4.19
Additions/(deletions) during the year - FCMITDA	-	-	-	-	-	-	(340.39)	-	-	-	(340.39)	-	(340.39)
Amortisation during the year - FCMITDA	-	-	-	-	-	-	233.91	-	-	-	233.91	-	233.91
Balance at 31st March 2016	**50.68**	**(64.09)**	**249.26**	**607.70**	**28,688.59**	**(1,060.53)**	**(79.28)**	**690.47**	**(88.88)**	**(591.65)**	**28,402.27**	**(1,264.62)**	**27,137.65**

For and on behalf of the Board of Directors

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

Sd/-
K. SIVAKUMAR
Director (Finance)
DIN: 06913284

Sd/-
M. VENUGOPAL
Company Secretary

Place: Mumbai
Dated: 29th May 2017

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No.: 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
SNEHAL SHAH
Partner
Membership No.: 48539

1. **Statement of Significant Accounting Policies:**

The Consolidated Financial Statements relate to Bharat Petroleum Corporation Limited (BPCL or Parent Company or Corporation), its Subsidiary Companies and interest in Joint Venture and Associates. The Corporation and its Subsidiaries are together referred to as "Group".

1.1. **Basis for preparation:** The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements of the Subsidiary Companies, Joint Venture Companies (JVCs) and the Associates used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of BPCL i.e. 31st March 2017, except for Matrix Bharat Pte. Ltd. whose accounts are drawn for the year ended 31st December 2016, where there are no significant transactions or other events that have occurred between 1st January 2017 and 31st March 2017.

The Consolidated Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The functional currency of the Corporation and its Indian Subsidiaries is Indian Rupees (₹), whereas the functional currency of foreign subsidiaries is USD ($). The presentation currency of the group is Indian Rupees (₹). All figures appearing in the consolidated financial statements are rounded to the nearest Crores (₹ Crores), except where otherwise indicated.

In case of some Joint Venture Companies and Associates, certain accounting policies are different from that of the parent company, the impact of which is not expected to be material.

Authorization of Consolidated Financial Statements: The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 29th May 2017.

The percentage of ownership interest of the Corporation in the Subsidiary Companies, JVCs and Associates as on 31st March 2017 are as under:

Particulars	Country of Incorporation	Percentage (%) of actual ownership interest as on		
		31/03/2017	31/03/2016	31/03/2015
Subsidiaries				
Numaligarh Refinery Limited (NRL)	India	**61.65**	61.65	61.65
Petronet CCK Ltd. (PCCK)	India	**99.99**	73.96	49.00
Bharat PetroResources Limited (BPRL)	India	**100.00**	100.00	100.00
Bharat PetroResources JPDA Limited (Note i)	India	**100.00**	100.00	100.00
BPRL International BV (Note i)	Netherlands	**100.00**	100.00	100.00
BPRL Ventures BV (Note ii)	Netherlands	**100.00**	100.00	100.00
BPRL Ventures Mozambique BV (Note ii)	Netherlands	**100.00**	100.00	100.00
BPRL Ventures Indonesia BV (Note ii)	Netherlands	**100.00**	100.00	100.00
BPRL International Singapore Pte. Ltd. (Note i)	Singapore	**100.00**	-	-
Joint Venture Companies				
Bharat Oman Refineries Limited	India	**50.00**	50.00	50.00
Central UP Gas Limited	India	**25.00**	25.00	25.00

Particulars	Country of Incorporation	Percentage (%) of actual ownership interest as on		
		31/03/2017	**31/03/2016**	**31/03/2015**
Maharashtra Natural Gas Limited	India	**22.50**	22.50	22.50
Sabarmati Gas Limited	India	**49.94**	49.94	25.00
Bharat Stars Services Private Limited	India	**50.00**	50.00	50.00
Bharat Renewable Energy Limited (Note iv)	India	**33.33**	33.33	33.33
Matrix Bharat Pte. Ltd.	Singapore	**50.00**	50.00	50.00
Delhi Aviation Fuel Facility Pvt. Limited	India	**37.00**	37.00	37.00
IBV (Brazil) Petroleo Pvt. Ltda. (Note iii)	Brazil	**50.00**	50.00	50.00
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00**	25.00	25.00
Kochi Salem Pipeline Private Limited	India	**50.00**	50.00	50.00
BPCL-KIAL Fuel Farm Private Limited (Note v)	India	**74.00**	74.00	-
Haridwar Natural Gas Pvt. Ltd.	India	**50.00**	-	-
Goa Natural Gas Private Limited (Note vi)	India	**50.00**	-	-
DNP Limited (Note vii)	India	**26.00**	26.00	26.00
Taas India Pte. Ltd. (Note viii)	Singapore	**33.00**	-	-
Vankor India Pte. Ltd. (Note viii)	Singapore	**33.00**	-	-
LLC TYNGD (Note ix)	Russia	**29.90**	-	-
Associates				
Indraprastha Gas Limited	India	**22.50**	22.50	22.50
Petronet LNG Limited	India	**12.50**	12.50	12.50
GSPL India Gasnet Limited	India	**11.00**	11.00	11.00
GSPL India Transco Limited	India	**11.00**	11.00	11.00
Kannur International Airport Limited (Note v)	India	**21.68**	21.68	21.68
Petroleum India International	India	**18.18**	18.18	18.18
Petronet India Limited	India	**16.00**	16.00	16.00
Petronet CI Limited (Note iv)	India	**11.00**	11.00	11.00
FINO Paytech Limited	India	**21.10**	-	-
Brahmaputra Cracker and Polymer Limited (Note vii)	India	**10.11**	10.81	10.81
Mozambique LNG 1 Pte. Ltd. (Note x)	Netherlands	**10.00**	-	-
JSC Vankorneft (Note xi)	Russia	**23.90**	-	-

Notes:

i. Bharat PetroResources JPDA Limited, BPRL International BV and BPRL International Singapore Pte. Ltd. are 100% subsidiaries of BPRL.

ii. BPRL Ventures BV, BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV are wholly owned subsidiaries of BPRL International BV which have been incorporated outside India.

iii. BPRL Ventures BV holds 50% equity in Joint Venture Company IBV (Brazil) Petroleo Pvt. Ltda., incorporated in Brazil.

iv. Consolidation in respect of Investment in Petronet CI Limited and Bharat Renewable Energy Limited have not been considered in the preparation of Consolidated Financial Statements as the parent company has decided to exit from these Companies and provision for full diminution in the value of investment has been done in the standalone financial statements of the parent company.

v. Kannur International Airport Limited and BPCL-KIAL Fuel Farm Facility Private Limited have not yet started operations. Hence, the same has not been considered for consolidation since no financial statements have been prepared and the impact thereof are not expected to be material.

vi. In case of Goa Natural Gas Private Limited, no financial statements have been prepared for the period ended 31st March 2017 in view of the exemption availed for the said period. Hence, the same has not been considered for consolidation and the impact thereof is not expected to be material.

vii. Brahmaputra Cracker and Polymer Limited is a Associates of NRL and DNP Limited is an Joint Venture of NRL.

viii. Taas India Pte. Ltd. and Vankor India Pte. Ltd., are joint venture companies of BPRL International Singapore Pte. Ltd.

ix. LLC TYNGD is a joint venture company of Taas India Pte. Ltd.

x. Mozambique LNG 1 Pte. Ltd. is an associate of BPRL Ventures Mozambique BV.

xi. JSC Vankorneft is an associate of Vankor India Pte. Ltd.

xii. The financial statements of Bharat Stars Services Private Ltd., Indraprastha Gas Limited and FINO Paytech Limited are yet to be audited and hence provisional financial statements provided by the respective management have been considered for the purpose of preparation of Consolidated Financial Statements.

1.2. Basis of consolidation

1.2.1. Subsidiaries

Subsidiaries are entities controlled by the Corporation. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Corporation. Non-controlling interests (“NCI”) which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Corporation’s equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.2.2. Joint Venture and Associates

A joint venture is an arrangement in which the Corporation has joint control and has rights to the net assets of the arrangement, rather than the rights to its assets and obligation for its liabilities. An associate is an entity in which the Corporation has significant influence, but no control or joint control over the financial and operating policies.

Interest in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost which includes transaction cost. Subsequent to initial recognition the consolidated financial statements include the JVCs and Associates share of profit or loss and Other Comprehensive Income (“OCI”) of such entities until the date on which significant influence or joint control ceases.

Unrealised gains / losses arising from transactions with such entities are eliminated against the investment to the extent of the Corporation’s interest in the investee.

1.2.3. Business Combinations

In accordance with Ind AS 101 First time adoption of Indian Accounting Standards, the Group has elected to apply the requirements of Ind AS 103, "Business Combinations" prospectively to business combinations on or after the date of transition (1st April 2015). Pursuant to this exemption, goodwill / capital reserve arising from business combination has been stated at the carrying amount under previous GAAP. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

Common Control

Business combinations involving entities that are ultimately controlled by the same part(ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

1.3. Use of Judgements and Estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;

- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.
- In case of BPRL, estimation of Oil and Natural Gas reserves.

Revisions to accounting estimates are recognized prospectively in the Consolidated Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.4. Property, Plant and Equipment

1.4.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.4.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

1.4.3. Expenditure during construction period: Direct expenses incurred during construction period on capital projects are capitalized. Other expenses of the project group which are allocated to projects costing above a threshold limit are also capitalized. Expenditure incurred during construction period on projects like electricity transmission lines, roads, culverts etc. the ownership of which is not with the entity are charged to revenue in the accounting period of incurrence of such expenditure.

1.4.4. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the entity.

1.4.5. Expenditure on assets, other than plant and machinery, LPG cylinders and pressure regulators, not exceeding threshold limit are charged to revenue.

1.4.6. Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorized on procurement and charged to Consolidated Statement of Profit and Loss on consumption.

1.4.7. An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is derecognized upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Consolidated Statement of Profit and Loss when the asset is derecognized.

1.4.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

1.4.9. The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.5. Depreciation

Depreciation on Property, Plant and Equipment are provided on the straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of upto 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act, except in following cases:

1.5.1. Plant & Machinery at Retail Outlets (other than Storage tanks and related equipments) are depreciated over a useful life of 15 years based on the technical assessment.

1.5.2. Computer equipments are depreciated over a period of 4 years and Mobile phones are depreciated over a period of 2 years (3 years in case of BPRL and 4 years in case of PCCK) based on internal assessment. Apart from the above, Furniture provided to management staff is depreciated over a period of 6 years (previously 7 years) as per internal assessment.

1.5.3. Solar Panels are depreciated over a period of 25 years based on the technical assessment of useful life and applicable warranty conditions.

1.5.4. Moulds, used for the manufacturing of the packaging material for Lubricants, are depreciated over a period of 5 years based on technical assessment of useful life.

1.5.5. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition except LPG Cylinders and Pressure Regulators which are depreciated over a useful life of 15 years based on the technical assessment.

1.5.6. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.

1.5.7. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

1.5.8. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

1.6. Intangible Assets

1.6.1. Goodwill: Goodwill that arises on a business combination is subsequently measured at cost less any accumulated impairment losses.

In respect of business combinations that occurred prior to 1st April 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP, adjusted for the reclassification of certain intangibles.

Goodwill is not amortized but is tested for impairment annually.

1.6.2. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, are not capitalized and is reflected in Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalized if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

1.6.3. Assets where entire output generated is committed to be sold to entities providing public services for almost entire useful life of the asset are classified as intangible assets as per the requirements of Appendix A to Ind AS 11 and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

1.6.4. In cases where, the Corporation or its Subsidiaries has constructed assets on behalf of public infrastructure entities and it has only a preferential right to use, these assets are classified as intangible assets and are amortized (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

1.6.5. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortized, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment losses on intangible assets with indefinite life are recognized in the Consolidated Statement of Profit and Loss.

1.6.6. Expenditure incurred for creating / acquiring other intangible assets above threshold limit from which future economic benefits will flow over a period of time, is amortized over the estimated useful life of the asset or five years, whichever is lower, on a straight line basis, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is reflected in the Consolidated Statement of Profit and Loss in the year in which the expenditure is incurred. The amortization period and the amortization method for an intangible asset with a finite life are reviewed at each year end. The amortization expense on intangible asset with finite useful lives and impairment losses in case there is an indication that the intangible asset may be impaired, are recognized in the Consolidated Statement of Profit and Loss.

1.6.7. The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.7. Investment Property

1.7.1. Investment property is property (land or a building — or part of a building — or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.7.2. Any gain or loss on disposal of Investment Property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognized in Consolidated Statement of Profit and Loss.

1.7.3. On transition to Ind AS i.e. 1st April 2015, the Corporation has re-classified certain items from Property, Plant and Equipment to investment property. For the same, Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for such assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

1.8. Borrowing costs

1.8.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.8.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss.

1.8.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1.9. Non-currents assets held for sale

1.9.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

1.9.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

1.9.3. Property, Plant and Equipment and intangible assets classified as held for sale are not depreciated or amortized.

1.10. Leases

1.10.1. Finance Lease

Lease Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Lease Agreements in respect of land for lease period above threshold limit are classified as a finance lease.

1.10.2. Operating Lease

Lease Agreements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognized in Consolidated Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognized as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognized in Consolidated Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

1.10.3. At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, they separate payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. In case of a finance lease, if it is concluded that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying assets; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the entity's incremental borrowing rate.

1.11. Impairment of Non-financial Assets

1.11.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

1.11.2. Goodwill arising from business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

1.11.3. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.12. Inventories

1.12.1. Inventories are stated at cost or net realisable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and are determined on the following basis:

- Crude oil, traded goods and finished products other than lubricants are determined on First in First out basis.

- Other raw materials, packages, lubricants and stores and spares are determined on weighted average basis.
- The cost of Stock-in-Process is determined at raw material cost plus cost of conversion.

1.12.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

1.12.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.

1.12.4. The net realisable value of finished goods and stock-in-trade are based on the inter-company transfer prices and final selling prices (applicable at the location of stock) for sale to oil marketing companies and retail consumers respectively. For the purpose of stock valuation, the proportion of sales to oil marketing companies and retail consumers are determined on all India basis and considered for stock valuation at all locations.

1.12.5. Raw Materials held for use in the production of finished goods are not written down below cost except in cases where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

1.12.6. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.13. Revenue Recognition

1.13.1. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the entity.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates.

Revenue is allocated between loyalty programmes and other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognized as revenue when the Corporation has fulfilled its obligation to supply the products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

Where the entity acts as an agent on behalf of a third party, the associated income is recognized on a net basis.

In case of the Corporation, claims in respect of subsidy on LPG and SKO, from Government of India are booked on in principle acceptance thereof on the basis of available instructions / clarifications, subject to final adjustments as stipulated.

In case of PCCK, revenue from transportation is recognized on the basis of actual quantities transported and received at the receiving terminals.

1.13.2. Construction contracts

Revenue from Construction contracts arise from the service concession arrangements entered into by the Corporation and certain arrangements involving construction of specific assets as part of multiple deliverable arrangements.

Contract revenue includes the amount agreed in the contract to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of the construction contract can be estimated reliably, then contract revenue is recognized in Consolidated Statement of Profit and Loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to the proportion of actual cost incurred as compared to the total estimated cost of the related contract. Otherwise contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset relating to future contract activity. An expected loss on a contract is recognized immediately in the Consolidated Statement of Profit and Loss.

1.13.3. Interest income is recognized using effective interest rate (EIR) method.

1.13.4. Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.13.5. Income from sale of scrap is accounted for on realization.

1.13.6. In case of the Corporation, claims other than subsidy claims on LPG and SKO, from Government of India are booked when there is a reasonable certainty of recovery.

1.13.7. In case of BPRL, income from sale of crude oil and gas produced from wells until start of commercial production is adjusted against the cost of such wells. Income from sale of crude oil and gas is recognized net of applicable CST/VAT, as applicable when it can be reliably measured and it is reasonable to expect ultimate collection. Any retrospective revision in prices of crude oil and gas is accounted for in the year of such revision.

1.13.8. In case of BPRL, liquidated damages for delay in execution of contracts/supplies are accounted for as per the terms of the contracts and are recognized as income in the year of deduction.

1.14. Classification of Income / Expenses

1.14.1. Income / expenditure (net) in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.

1.14.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

1.14.3. Deposits placed with Government agencies / local authorities which are perpetual in nature are charged to revenue in the year of payment.

1.15. Employee Benefits

1.15.1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.15.2. Post-employment benefits

Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as pension are recognized as an expense in the Statement of Profit and Loss as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a refund in future payments is available.

Defined Benefit Plans:

The net obligation in respect of defined benefit plans such as gratuity, other post-employment benefits etc., is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the entity, the recognized asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Consolidated Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Consolidated Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability (asset)) and the effect of the asset ceiling (if any, excluding amounts included in the net interest on the net defined benefit liability (asset)), are recognized in other comprehensive income.

1.15.3. Other long-term employee benefits

Liability towards other long term employee benefits - leave encashment and long service awards etc., are determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long terms employee benefits, recognized in the Consolidated Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Consolidated Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss. Re-measurements are recognized in the Consolidated Statement of Profit and Loss.

1.15.4. Termination benefits

Expenditures on account of Voluntary Retirement Scheme are charged to Consolidated Statement of Profit and Loss as and when incurred.

1.16. Foreign Currency Transactions

1.16.1. Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognized in Consolidated Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

The Group has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of the liability.

1.16.2. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.17. Government Grants

1.17.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

1.17.2. When the grant relates to an expense item, it is recognized in Consolidated Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

1.17.3. Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

1.18. Provisions, Contingent Liabilities and Capital Commitments

1.18.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.18.2. The expenses relating to a provision is presented in the Consolidated Statement of Profit and Loss net of reimbursements, if any.

1.18.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.18.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.18.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.18.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

1.19. Fair Value measurement

1.19.1. The Group measures certain financial instruments at fair value at each reporting date.

1.19.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

1.19.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

1.19.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determine that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in Consolidated Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.19.5. While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs)

1.19.6. When quoted price in active market for an instrument is available, the Group measure the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

1.19.7. If there is no quoted price in an active market, then the Group uses a valuation technique that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

1.19.8. The Group regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then they assess the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

1.20. Financial Assets

1.20.1. Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.20.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognized in the Consolidated Statement of Profit and Loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Consolidated Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

Debt instruments at Fair value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Consolidated Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Group decides to classify the same either as FVOCI or FVTPL. They make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognized in the Consolidated Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

1.20.3. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the entity's Balance Sheet) when

The rights to receive cash flows from the asset have expired, or

The rights to receive cash flows from the asset is transferred or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The risks and rewards of the asset has been transferred substantially, or
- The risk and rewards of the asset are neither transferred nor retained, but the control of the asset is transferred.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Consolidated Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.20.4. Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.21. Financial Liabilities

1.21.1. Initial recognition and measurement

Financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

1.21.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in Consolidated Statement of Profit and Loss.

Financial Liabilities at amortized cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Consolidated Statement of Profit and Loss.

1.21.3. De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

1.22. Financial guarantees

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognized less cumulative amortization.

1.23. Derivative financial instruments

The Group uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognized in the Consolidated Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.24. Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in Consolidated Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

1.25. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.26. Taxes on Income

1.26.1. Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognized in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

1.26.2. Deferred tax

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognized in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is not recognized for

- Temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising on the initial recognition of goodwill.

1.27. Earnings per share

1.27.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

1.27.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.28. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.29. Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Consolidated Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.30. Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.31. Joint Operations in case of BPRL

BPRL has Joint arrangement in the nature of Production Sharing Contracts (PSC) with the Government of respective countries and/or various bodies corporate for exploration, development and production activities.

The income, expenditure, assets and liabilities of the Joint operations are merged on line by line basis according to the participating interest with the similar items in the financial statements of the Company.

1.32. Oil and natural gas producing activities in case of BPRL

1.32.1. BPRL follows the accounting policy as explained below for its oil and natural gas exploration and production activities.

i. Acquisition costs such as costs incurred to purchase, lease or otherwise acquired a property or mineral right proved or unproved are capitalized. Any pre-acquisition costs are expensed as and when incurred.

ii. All costs which are directly attributable to the exploration and evaluation activities of oil and gas are capitalized. General and administrative costs are included in the exploration and evaluation costs only to the extent that those costs can be directly attributable to the related exploration and evaluation assets. In all other cases, these costs are expensed as incurred.

iii. The Company classifies the acquisition costs, exploration and evaluation assets as tangible asset or intangible asset according to nature of assets acquired.

iv. Once the technical feasibility and commercial viability of extracting oil and gas is determinable, exploration and evaluation assets are classified as capital work in progress or intangible assets under development. Exploration and evaluation asset is assessed for impairment, and impairment loss if any, is recognized, before such reclassification. Subsequent development costs are capitalized as and when incurred.

v. When a block or cost centre is ready to commence commercial production, the capitalized costs referred above are reclassified as intangible assets. The cost centre is not normally smaller than a country except where warranted by major difference in economic, fiscal or other factors in the country.

vi. When the block or cost centre are relinquished, accumulated cost is charged off as an expense in the said year.

vii. Depletion charge is calculated on the capitalized cost according to the unit of production method. The depreciation charge or the unit of production (UOP) charge for all costs within a cost centre is calculated by multiplying the UOP rate with the production for the period. The UOP rate for computing depreciation charge for the acquisition cost within a field is arrived at by dividing the acquisition cost of the field by the Proved Oil and Gas Reserves and for all capitalized cost excluding acquisition cost by dividing the depreciation base of the cost centre by the Proved Developed Oil and Gas Reserves. The depreciation base of a cost centre includes gross block of the cost centre, estimated future development expenditure and estimated site restoration expenditure and is reduced by the accumulated depreciation and accumulated impairment charge of the cost centre. The estimates of proved reserves used are based on the latest technical assessment available with the Company.

viii. The Company recognizes the obligations for removal and restoration that are incurred during a particular period as a consequence of having undertaken the exploration for and evaluation of mineral resources. The Company capitalises as part of Property, Plant and Equipment or intangible asset, as the case may be, the amount of provision required to be created for subsequent abandonment. The provision for estimated abandonment costs is made at current prices considering the environment and social obligations, terms of mining lease agreement, industry practice, etc. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate (or rates) is pre-tax rate (or rates) that reflect current market assessments of the time value of money and the risks specific to the liability. Where there is uncertainty of timing on incurrence of the expenditure, time value of money is not considered while providing for the obligations. Changes in the measurement of existing abandonment costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation or a change in the discount rate is added to, or deducted from the related field in the current period and is considered for necessary depletion (depreciation) prospectively. The change in the estimated provision due to the periodic unwinding of the discount is recognized in statement of profit and loss as it occurs.

ix. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Impairment test is performed in accordance with the procedures given below for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

x. The Company allocates exploration and evaluation assets to cash generating units or group of cash generating units for the purpose of assessing such assets for impairment.

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01/04/16	Additions	Other Adjustments	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/17	Up to 31/03/16	For the Year	Reclassifications / Deductions On Account Of Retirement / Disposal and Adjustments	Up to 31/03/17	As at 31/03/2017	As at 31/03/16
Land											
(a) Freehold	861.05	9.99	-	5.19	**865.85**	-	-	-	**-**	**865.85**	861.05
(b) Leasehold	0.78	-	-	(0.03)	**0.81**	0.02	0.03	-	**0.05**	**0.76**	0.76
Buildings including Roads	5,255.44	893.59	14.44	6.37	**6,157.10**	340.52	342.61	1.45	**681.68**	**5,475.42**	4,914.92
Plant And Equipments	11,851.81	4,349.92	332.64	42.57	**16,491.80**	1,023.23	948.84	15.89	**1,956.18**	**14,535.62**	10,828.58
Furniture And Fixtures	332.32	120.90	-	3.28	**449.94**	59.91	60.69	2.07	**118.53**	**331.41**	272.41
Vehicles	35.89	11.39	-	1.39	**45.89**	5.43	7.02	0.63	**11.82**	**34.07**	30.46
Office Equipments	455.42	237.66	2.27	7.83	**687.52**	97.74	112.25	3.60	**206.39**	**481.13**	357.68
Railway Sidings	161.00	8.58	-	4.17	**165.41**	22.57	17.50	2.99	**37.08**	**128.33**	138.43
Tanks and Pipelines	3,929.25	2,283.22	89.80	40.80	**6,261.47**	178.81	204.54	2.68	**380.67**	**5,880.80**	3,750.44
Dispensing Pumps	2,153.19	233.61	-	1.80	**2,385.00**	153.64	165.16	0.49	**318.31**	**2,066.69**	1,999.55
LPG Cylinders And Allied Equipments	2,187.58	1,797.29	-	0.07	**3,984.80**	152.23	193.96	-	**346.19**	**3,638.61**	2,035.35
Total	**27,223.73**	**9,946.15**	**439.15**	**113.44**	**37,495.59**	**2,034.10**	**2,052.60**	**29.80**	**4,056.90**	**33,438.69**	**25,189.63**

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01/04/15	Additions	Other Adjustments	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/16	Up to 01/04/15	For the Year	Reclassifications / Deductions On Account Of Retirement / Disposal and Adjustments	Up to 31/03/16	As at 31/03/16	As at 01/04/15
Land											
(a) Freehold	809.32	52.27	-	0.54	861.05	-	-	-	-	861.05	809.32
(b) Leasehold	0.77	-	-	(0.01)	0.78	-	0.02	-	0.02	0.76	0.77
Buildings including Roads	4,620.45	583.72	28.59	(22.68)	5,255.44	-	357.53	17.01	340.52	4,914.92	4,620.45
Plant And Equipments	9,485.49	2,183.18	255.65	72.51	11,851.81	-	1,032.13	8.90	1,023.23	10,828.58	9,485.49
Furniture And Fixtures	257.61	77.95	-	3.24	332.32	-	60.61	0.70	59.91	272.41	257.61
Vehicles	25.93	10.86	-	0.90	35.89	-	5.37	(0.06)	5.43	30.46	25.93
Office Equipments	297.71	162.95	0.25	5.49	455.42	-	100.39	2.65	97.74	357.68	297.71
Railway Sidings	134.94	25.93	-	(0.13)	161.00	-	22.57	-	22.57	138.43	134.94
Tanks and Pipelines	3,408.02	534.54	3.58	16.89	3,929.25	-	177.49	(1.32)	178.81	3,750.44	3,408.02
Dispensing Pumps	1,844.19	295.38	16.64	3.02	2,153.19	-	151.94	(1.70)	153.64	1,999.55	1,844.19
LPG Cylinders And Allied Equipments	1,088.23	1,054.14	45.21	-	2,187.58	-	152.23	-	152.23	2,035.35	1,088.23
Total	**21,972.66**	**4,980.92**	**349.92**	**79.77**	**27,223.73**	**-**	**2,060.28**	**26.18**	**2,034.10**	**25,189.63**	**21,972.66**

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED) (CONTD.)

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015) as per the following details:

₹ in Crores

Particulars	Gross Block (At Cost)	Accumulated Depreciation	Net Block as per Previous GAAP/ Deemed cost as per Ind AS	Ind AS adjustments	Gross Block as per Ind AS
	As at 01/04/2015				
Land					
(a) Freehold	843.09	-	843.09	-33.77	809.32
(b) Leasehold	214.88	40.61	174.27	-173.50	0.77
Buildings including Roads	7,088.76	2,466.33	4,622.43	-1.98	4,620.45
Plant and Equipments	17,814.14	8,322.45	9,491.69	-6.20	9,485.49
Furniture and Fixtures	531.21	273.46	257.75	-0.14	257.61
Vehicles	84.18	58.11	26.07	-0.14	25.93
Office Equipments	1,073.46	774.17	299.29	-1.58	297.71
Railway Sidings	358.22	223.03	135.19	-0.25	134.94
Tanks and Pipelines	7,251.56	3,841.20	3,410.36	-2.34	3,408.02
Dispensing Pumps	2,733.01	886.32	1,846.69	-2.50	1,844.19
LPG Cylinders and Allied Equipments	8,087.38	6,999.15	1,088.23	-	1,088.23
Total	**46,079.89**	**23,884.83**	**22,195.06**	**-222.40**	**21,972.66**

NOTE 3 CAPITAL WORK-IN-PROGRESS (CONSOLIDATED)

₹ in Crores

Particulars			As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Capital work-in-progress					
Property, Plant and Equipment under erection / construction			**9,992.93**	9,898.94	6,144.47
Capital stores including lying with contractors			**916.12**	1,787.90	1,150.68
Capital goods in transit			**56.96**	53.76	167.39
Allocation of Construction period expenses	**2016-17**	2015-16			
Opening balance	**1,004.55**	634.60			
Add: Expenditure during the year					
Establishment charges including Salaries & Wages	**130.33**	112.00			
Interest	**288.36**	267.32			
Loss / (Gain) on foreign currency transactions	**(370.72)**	92.45			
Insurance	**19.04**	18.50			
Others	**26.04**	17.27			
	1,097.60	1,142.14			
Less: Allocated to assets capitalized during the year / charged off	**(300.89)**	(137.59)			
Closing balance pending allocation			**796.71**	1,004.55	634.60
Total			**11,762.72**	**12,745.15**	**8,097.14**

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Capital work- in-progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

NOTE 4 INVESTMENT PROPERTY (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block				Depreciation				Net Carrying Amount	
	As at 01/04/2016	Additions	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/2017	Up to 31/03/2016	For the Year	Reclassifications / Deductions On Account Of Retirement / Disposal	Up to 31/03/2017	As at 31/03/2017	As at 31/03/2016
Buildings	0.52	-	(0.18)	**0.34**	0.04	0.02	-	**0.06**	**0.28**	0.48
TOTAL	**0.52**	**-**	**(0.18)**	**0.34**	**0.04**	**0.02**	**-**	**0.06**	**0.28**	**0.48**

₹ in Crores

Particulars	Gross Block				Depreciation				Net Carrying Amount	
	As at 01/04/2015	Additions	Reclassifications / Deductions On Account Of Retirement / Disposal	As at 31/03/2016	Up to 01/04/2015	For the Year	Reclassifications / Deductions On Account Of Retirement / Disposal	Up to 31/03/2016	As at 31/03/2016	As at 01/04/2015
Buildings	0.52	-	-	0.52	-	0.04	-	0.04	0.48	0.52
TOTAL	**0.52**	**-**	**-**	**0.52**	**-**	**0.04**	**-**	**0.04**	**0.48**	**0.52**

The Corporation's investment properties consists of office buildings rented out to third parties

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its investment properties as recognised in the financial statements as at the date of transition to Ind AS's, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015), as per the following details

₹ in Crores

Particulars	Gross Block (At Cost)	Accumulated Depreciation	Net Block/ Deemed Cost as per Ind AS
	As at 01/04/2015		
Buildings	0.80	0.28	0.52
TOTAL	**0.80**	**0.28**	**0.52**

NOTE 4 INVESTMENT PROPERTY (CONSOLIDATED) (CONTD.)

Information regarding Income and Expenditure of Investment Property

₹ in Crores

Particulars	2016-17	2015-16
Rental Income derived from Investment properties	**1.03**	1.16
Less - Depreciation	**0.02**	0.04
Profit arising from Investment Properties before indirect expenses	**1.01**	1.12

The direct operating expenses on the investment property are not separately identifiable and the same is not likely to be material.

As at 31st March 2017, 31st March 2016 and 1st April 2015 the fair values of the investment property are ₹ 5.36 Crores, ₹ 34.70 Crores and ₹ 32.90 Crores respectively. These fair values of the investment property are categorised as level 2 in the fair valuation hierarchy and has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

NOTE 5 INTANGIBLE ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	Gross Block					Amortization				Net Carrying Amount	
	As at 01/04/2016	Additions	Other adjustments	Reclassification / Deletions	As at 31/03/2017	Up to 31/03/2016	For the year	Reclassification / Deletions & adjustments	Up to 31/03/2017	As at 31/03/2017	As at 31/03/2016
Right Of Way - Indefinite Useful Life	50.68	0.06	-	-	**50.74**	-	-	-	**-**	**50.74**	50.68
Right Of Way - 10 - 30 Years	20.88	14.11	-	-	**34.99**	0.57	1.15	-	**1.72**	**33.27**	20.31
Service Concession Arrangement	63.00	-	-	-	**63.00**	1.62	3.54	-	**5.16**	**57.84**	61.38
Software / Licenses	26.82	5.31	-	-	**32.13**	8.49	8.07	-	**16.56**	**15.57**	18.33
Oil And Gas Assets	-	116.78	-	-	**116.78**	-	46.45	-	**46.45**	**70.33**	-
Process Licenses	26.75	5.19	0.22	0.08	**32.08**	8.58	6.36	-	**14.94**	**17.14**	18.17
Total	**188.13**	**141.45**	**0.22**	**0.08**	**329.72**	**19.26**	**65.57**	**-**	**84.83**	**244.89**	**168.87**

NOTE 5 INTANGIBLE ASSETS (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars	Gross Block					Amortization				Net Carrying Amount	
	As at 01/04/2015	Additions	Other adjustments	Reclassification / Deletions	As at 31/03/2016	Up to 31/03/2015	For the year	Reclassification / Deletions & adjustments	Up to 31/03/2016	As at 31/03/2016	As at 31/03/2015
Right Of Way - Indefinite Useful Life	50.18	0.50	-	-	50.68	-	-	-	-	50.68	50.18
Right Of Way - 10 - 30 Years	13.17	7.71	-	-	20.88	-	0.57	-	0.57	20.31	13.17
Service Concession Arrangement	16.66	46.34	-	-	63.00	-	1.62	-	1.62	61.38	16.66
Software / Licenses	26.68	0.14	-	-	26.82	-	8.49	-	8.49	18.33	26.68
Process Licenses	17.16	9.60	-	0.01	26.75	-	8.58	-	8.58	18.17	17.16
Total	**123.85**	**64.29**	**-**	**0.01**	**188.13**	**-**	**19.26**	**-**	**19.26**	**168.87**	**123.85**

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015) as per the following details:

₹ in Crores

Particulars	Gross Block (At Cost)	Accumulated Amortization	Net Block as per Previous GAAP/ Deemed cost as per Ind AS	Ind AS adjustments	Gross Block as per Ind AS
	As at 01/04/2015				
Intangible Assets					
Right of Way (Indefinite)	55.22	5.04	50.18	-	50.18
Right of Way (10-30 years)	13.20	0.03	13.17	-	13.17
Service Concession Arrangement	-	-	-	16.66	16.66
Software/Licenses	91.89	65.21	26.68	-	26.68
Development Rights	1.50	1.50	-	-	-
Process Licenses	100.05	82.89	17.16	-	17.16
Total	**261.86**	**154.67**	**107.19**	**16.66**	**123.85**

Additional information in respect of Note no. 2, 4 and 5:

A. Land:

i) Freehold land includes ₹ **94.66 Crores** (as at 31st March 2016 ₹ 126.33 Crores and as at 1st April 2015 ₹ 387.56 Crores) capitalized at various locations for which conveyance deeds are yet to be executed and/or mutation is pending.

ii) Freehold land includes ₹ **2.20 Crores** (as at 31st March 2016 ₹ 2.20 Crores and as at 1st April 2015 ₹ 2.20 Crores) which is in the process of being surrendered to the Competent Authority.

iii) Lease hold land represents land taken on finance lease for more than 99 years.

B. Buildings include Ownership flats of ₹ **41.07 Crores** (as at 31st March 2016 ₹ 40.02 Crores and as at 1st April 2015 ₹ 39.02 Crores) in proposed / existing co-operative societies and others.

C. Other adjustments include capitalization of foreign exchange differences (net) of ₹ **226.25 Crores** (Previous year ₹ 313.52 Crores) and borrowing costs of ₹ **213.42 Crores** (Previous year ₹ 36.81 Crores).

D. Freehold Land, Plant and Equipment, Tanks and Pipelines, Railway Sidings and Buildings jointly owned in varying extent with other Oil Companies / Railways: Gross Block ₹ **248.65 Crores** (as at 31st March 2016 ₹ 243.22 Crores and as at 1st April 2015 ₹ 185.18 Crores), Cumulative Depreciation ₹ **65.18 Crores** (as at 31st March 2016 ₹ 54.45 Crores and as at 1st April 2015 NIL), Net Block ₹ **183.47 Crores** (as at 31st March 2016 ₹ 188.77 Crores and as at 1st April 2015 ₹ 185.18 Crores).

E. Items of Property, Plant & Equipment in respect of which charge/hypothecation has been created– Refer Note no. 24.

F. Compensation received from third parties in respect of items of Property, Plant and Equipment that were impaired, lost or given up during the year ₹ **1.82 Crores** (Previous year ₹ 2.09 Crores).

G. The Right of way has been acquired under the Petroleum & Mineral Pipelines Act, 1962. As per the provisions of the Act, the right of way is perpetual in nature. Accordingly, the Group has assessed the useful life as indefinite.

H. Depreciation and amortization for the year includes:

i) Charged to Statement of Profit and Loss ₹ **2,118.19 Crores** (Previous year ₹ 2,079.58 Crores).

ii) Depreciation of ₹ **3.46 Crores** (Previous year ₹ 6.72 Crores) has been provided for asset not in use and has been classified as non current asset held for sale.

I. Deductions from depreciation includes:

i) On Reversal of excess capitalization ₹ **1.75 Crores** (Previous year ₹ 0.05 Crores).

ii) On reclassification of assets ₹ **12.00 Crores** (Previous year ₹ 14.09 Crores).

iii) Charged to Project Expenses ₹ **0.26 Crores** (Previous year ₹ 0.29 Crores).

NOTE 6 INTANGIBLE ASSETS UNDER DEVELOPMENT (CONSOLIDATED)

₹ in Crores

Particulars	Gross Amount			
	As at 01/04/16	Additions	Capitalizations as Intangible Asset/ Deletions	As at 31/03/17
Process Licenses	215.18	190.61	-	**405.79**
Wells in Progress	4,498.60	248.85	82.09	**4,665.36**
Total	**4,713.78**	**439.46**	**82.09**	**5,071.15**

₹ in Crores

Particulars	Gross Amount			
	As at 01/04/15	Additions	Capitalizations as Intangible Asset/ Deletions	As at 31/03/16
Process Licenses	25.07	190.11	-	215.18
Wells in Progress	3,823.67	674.94	-	4,498.60
Total	**3,848.74**	**865.05**	**-**	**4,713.78**

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Intangible Assets under development as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

a) There are no internally generated intangible assets.

b) Net of provision for impairment loss of ₹ **128.35 Crores** (as at 31st March 2016 ₹ 126.80 Crores and as at 31st March 2015 ₹ 87.24 Crores)

NOTE 7 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONSOLIDATED)

Information of interest of the Corporation in its equity accounted investees:

₹ in Crores

	Note reference	31/03/2017	31/03/2016	01/04/2015
Interest in Associates	See Note (A) below	**11,602.53**	2,012.71	1,667.20
Interest in Joint Ventures	See Note (B) below	**3,359.15**	1,554.42	1,419.93

[A] Interest in Associates

(I) List of material Associates of the Company

Sr No	Name	Country of Incorporation	Proportion of Ownership Interest (%)		
			31/03/2017	31/03/2016	01/04/2015
1	Indraprastha Gas Limited (Refer Note (i))	India	**22.50%**	22.50%	22.50%
2	Petronet LNG Limited (Refer Note (ii))	India	**12.50%**	12.50%	12.50%

Note (i) Indraprastha Gas Limited (IGL) 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 household and automobile sectors 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. IGL is a listed Company with the public holding of 55% of the paid up share capital of the Company.

Note (ii) Petronet LNG Limited was formed in April, 1998 for importing LNG and setting up LNG terminals with facilities like jetty, storage, regasification etc. to supply Natural Gas to various industries in the country. The Company has an authorised capital of ₹ 1,200 Crores and paid up capital of ₹ 750 Crores. PLL was promoted by four public sector companies viz. BPCL, Indian Oil Corporation Limited (IOC), Oil and Natural Gas Limited (ONGC) and GAIL (India) Limited (GAIL). Each of the promoters holds 12.5% of the equity capital of PLL. PLL is a listed Company. BPCL's equity investment in PLL currently stands at ₹ 98.75 Crores.

Fair Value of material listed Associates

₹ in Crores

Sr No	Name	31/03/2017	31/03/2016	01/04/2015
1	Indraprastha Gas Limited	**3,192.22**	1,793.77	1,321.27
2	Petronet LNG Limited	**3,777.18**	2,350.77	1,607.34

In respect of Petronet LNG Limited, the same has been classified as an associate, as the Corporation has the right to nominate a director on the Board of Directors of the company and this right allows the Corporation to participate in financial and operating policies.

NOTE 7 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONSOLIDATED) (CONTD.)

The following table comprises the financial information of the Corporation's material Associates and their respective carrying amount.

₹ in Crores

31/03/2017	Indraprastha Gas Limited	Petronet LNG Limited
Summarised financial information		
Non Current Assets	2,849.69	9,010.96
Current Assets (excluding cash and cash equivalent)	852.34	4,581.64
Cash and cash equivalent	496.10	320.99
Non Current liabilities (excluding trade and other payables and provisions)	184.39	3,565.97
Trade and other payables and provisions (Non-Current)	20.34	6.56
Current liabilities (excluding trade and other payables and provisions)	685.05	1,208.63
Trade and other payables and provisions (Current)	275.91	954.04
Net Assets	**3,032.44**	**8,178.39**
Group's share of net assets	**682.30**	**1,022.30**
Carrying amount of interest in Associate	**682.30**	**1,022.30**
Revenue (including Interest Income)	4,268.43	24,962.67
Depreciation and Amortisation	193.57	369.07
Other Expense	3,233.16	22,023.75
Finance Cost	1.21	209.65
Share of Profit of Equity accounted investees (JV), net of tax	62.33	17.46
Profit before tax	**902.82**	**2,377.65**
Tax Expense	289.15	654.53
Profit after tax	**613.67**	**1,723.13**
Other Comprehensive Income	**(0.87)**	**(1.79)**
Total Comprehensive Income	**612.80**	**1,721.33**
Group's share of profit	**138.08**	**387.70**
Group's share of OCI	**(0.20)**	**(0.22)**
Group's share of total comprehensive Income	**137.88**	**215.17**
Dividend received from the Associate	**29.93**	**23.44**

₹ in Crores

31/03/2016	Indraprastha Gas Limited	Petronet LNG Limited
Non Current Assets	2,624.31	8,888.72
Current Assets (excluding cash and cash equivalent)	368.71	1,409.20
Cash and cash equivalent	453.76	2,176.71
Non Current liabilities (excluding trade and other payables and provisions)	164.59	4,221.50
Trade and other payables and provisions (Non-Current)	14.52	5.60
Current liabilities (excluding trade and other payables and provisions)	522.16	803.10
Trade and other payables and provisions (Current)	161.86	781.98
Net Assets	**2,583.65**	**6,662.45**
Group's share of net assets	**581.32**	**832.81**
Carrying amount of interest in Associate	**581.32**	**832.81**
Revenue (including Interest Income)	4,088.38	27,306.76
Depreciation and Amortisation	184.15	321.60
Other Expense	3,262.48	25,547.17
Finance Cost	9.92	238.75
Share of Profit of Equity accounted investees (JV), net of tax	54.32	14.59
Profit before tax	**686.15**	**1,213.83**
Tax Expense	218.88	285.98
Profit after tax	**467.27**	**927.85**
Other Comprehensive Income	**(0.35)**	**(0.03)**
Total Comprehensive Income	**466.92**	**927.82**
Group's share of profit	**105.14**	**115.98**
Group's share of OCI	**(0.08)**	**-**
Group's share of total comprehensive Income	**105.06**	**115.98**
Dividend received from the Associate	**18.90**	**18.75**

NOTE 7 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONSOLIDATED) (CONTD.)

₹ in Crores

01/04/2015	Indraprastha Gas Limited	Petronet LNG Limited
Non Current Assets	2,469.51	8,414.39
Current Assets (excluding cash and cash equivalent)	402.42	2,413.05
Cash and cash equivalent	231.20	355.84
Non Current liabilities (excluding trade and other payables and provisions)	272.38	3,961.96
Trade and other payables and provisions (Non-Current)	11.28	4.28
Current liabilities (excluding trade and other payables and provisions)	443.49	971.64
Trade and other payables and provisions (Current)	157.30	330.23
Net Assets	**2,218.68**	**5,915.17**
Group's share of net assets	**499.20**	**739.40**
Adjustments	**11.93**	**14.55**
Carrying amount of interest in Associate	**511.13**	**753.95**

(II) Details of all individually immaterial Associates ₹ in Crores

Particulars	31/03/2017	31/03/2016	01/04/2015
Aggregate carrying amount of its interest in Associates	**9,897.93**	598.57	402.12
Share of Total Comprehensive Income from Associates	**(50.42)**	(27.02)	-

[B] Interest in Joint Ventures

(I) List of material Joint Ventures of the group

Sr No	Name	Country of Incorporation	Proportion of Ownership Interest		
			31/03/2017	31/03/2016	01/04/2015
1	Bharat Oman Refineries Limited (Refer Note (i))	India	**50.00%**	50.00%	50.00%

Note (i) Bharat Oman Refineries Limited is a Joint Venture Company of BPCL with Oman Oil Company S.A.O.C. (OOC). BPCL and OOC have an equity stake of 50% each in BORL's paid up share capital of ₹ 1,777.23 Crores as on 31st March, 2017. BPCL has also subscribed to Share Warrants of BORL of ₹ 1,585.68 Crores.

The following table comprises the financial information of the Corporation's material Joint Venture and their respective carrying amount.

₹ in Crores

31/03/2017	Bharat Oman Refineries Limited
Summarised financial information	
Non Current Assets	11,063.56
Current Assets (excluding cash and cash equivalent)	4,565.49
Cash and cash equivalent	1,002.08
Non Current liabilities (excluding trade and other payables and provisions)	9,733.82
Trade and other payables and provisions (Non-Current)	9.54
Current liabilities (excluding trade and other payables and provisions)	1,988.79
Trade and other payables and provisions (Current)	1,564.64
Net Assets	**3,334.34**
Group's share of net assets	**1,667.17**
Adjustments	
Investment in Share Warrants	792.84

NOTE 7 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONSOLIDATED) (CONTD.)

₹ in Crores

31/03/2017	Bharat Oman Refineries Limited
Investment in Compulsorily Convertible Debentures	500.00
Inter-company profit eliminations	(170.25)
Carrying amount of interest in Joint Ventures	**2,789.76**
Revenue (excluding interest income)	27,074.27
Interest Income	5.81
Depreciation and Amortisation	596.89
Finance Cost	778.64
Other Expense	24,481.99
Profit before tax	**1,222.56**
Tax Expense	414.43
Profit after Tax	**808.13**
Other Comprehensive Income	(0.16)
Total Comprehensive Income	**807.97**
Group's share of profit	**404.07**
Group's share of OCI	**(0.08)**
Group's share of total comprehensive Income	**403.99**
Dividend received from the Joint Venture	**-**

₹ in Crores

31/03/2016	Bharat Oman Refineries Limited
Non Current Assets	11,557.84
Current Assets (excluding cash and cash equivalent)	2,837.33
Cash and cash equivalent	1.99
Non Current liabilities (excluding trade and other payables and provisions)	10,014.51
Trade and other payables and provisions (Non-Current)	10.09
Current liabilities (excluding trade and other payables and provisions)	1,689.69
Trade and other payables and provisions (Current)	1,156.50
Net Assets	**1,526.37**
Group's share of net assets	**763.18**
Adjustments	
Inter-company profit eliminations	(196.43)
Investments in Share Warrants	**792.84**
Carrying amount of interest in Joint Ventures	1,359.60
Revenue (excluding interest income)	26,040.45
Interest Income	4.25
Depreciation and Amortisation	526.02
Finance Cost	940.03
Other Expense	23,996.67
Profit before tax	**581.98**

NOTE 7 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONSOLIDATED) (CONTD.)

₹ in Crores

31/03/2016	**Bharat Oman Refineries Limited**
Tax Expense	206.51
Profit after Tax	**375.47**
Other Comprehensive Income	(0.41)
Total Comprehensive Income	**375.06**
Adjustments	8.72
Group's share of profit	**196.46**
Group's share of OCI	**(0.21)**
Group's share of total comprehensive Income	**196.25**
Dividend received from the Joint Venture	-

₹ in Crores

01/04/2015	**Bharat Oman Refineries Limited**
Non Current Assets	11,909.77
Current Assets (excluding cash and cash equivalent)	3,727.71
Cash and cash equivalent	95.90
Non Current liabilities (excluding trade and other payables and provisions)	9,148.29
Trade and other payables and provisions (Non-Current)	7.90
Current liabilities (excluding trade and other payables and provisions)	4,387.28
Trade and other payables and provisions (Current)	1,038.60
Net Assets	**1,151.31**
Groups share of net assets	**575.65**
Adjustments	
Inter-company profit eliminations	(196.41)
Investment in Share warrants	792.84
Carrying amount of interest in Joint Ventures	**1,172.09**

(II) Details of all individually immaterial Joint Ventures

₹ in Crores

Particulars	**31/03/2017**	**31/03/2016**	**01/04/2015**
Aggregate carrying amount of its interest in Joint Ventures	**569.39**	194.83	247.85
Share of Total Comprehensive Income from Joint Ventures	**461.52**	(39.25)	-

NOTE 8 INVESTMENTS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Investment in equity instruments designated at Fair Value Through Other Comprehensive Income			
Quoted			
Equity Shares of ₹ 10 each (fully paid up) of Oil India Limited *	**594.85**	419.26	606.77
Unquoted			
Equity Shares of ₹ 10 each (fully paid up) of Cochin International Airport Limited *	**97.80**	88.35	68.08
Investment in Debentures at Fair Value Through Profit or Loss			
Unquoted			
6% Optionally Convertible Debenture of ₹ 1,00,000 each (fully paid up) of Sabarmati Gas Limited **	**-**	-	101.63
Investment in Debentures at Amortised cost			
Unquoted			
5% Debentures (Fully Paid up) of East India Clinic Limited	**0.01**	0.01	0.01
Investment in Equity Instruments at Fair Value Through Profit or Loss			
Unquoted			
Equity Shares of Kochi Refineries Employees Consumer Co-operative Society Limited (Fully paid up)## Value ₹ 5,000	**##**	##	##
Ordinary Shares (Fully paid up) of Sindhu Resettlement Corporation Limited # Value ₹ 19,000	**#**	#	#
Total	**692.66**	507.62	776.49

* The Corporation has designated these investments at fair value through Other Comprehensive Income because these investments represent the investments that the Corporation intends to hold for long-term purposes. No such investments were disposed off during the year and accordingly, there have been no transfers of the cumulative gains or losses on these investments.

** 6% Optional Convertible Debenture of Sabarmati Gas Limited has been classified as Current Investment as at 31st March 2016. Subsequently these debentures have been redeemed during the year ended 31st March 2017. [Refer Note No.14]

Aggregate amount of Unquoted Securities	**97.81**	88.36	169.72
Aggregate amount of Quoted Securities	**594.85**	419.26	606.77
Market value of Quoted Securities	**594.85**	419.26	606.77
Aggregate amount of Impairment in the value of investments	**-**	-	-

NOTE 9 LOANS (CONSOLIDATED)

(Unsecured,considered good unless otherwise stated) ₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Security deposits			
Considered good	**68.58**	53.66	31.41
Considered doubtful	**0.89**	0.65	0.45
Less : Allowance for doubtful	**(0.89)**	(0.65)	(0.45)
Loans to Joint Ventures [Refer Note No. 52]			
Bharat Oman Refineries Limited	**1,254.10**	1,354.10	1,354.10
IBV Brazil	**1,544.41**	4,400.36	3,538.29
Loans to employees (including accrued interest) (secured) [Refer Note No. 51]	**421.59**	400.63	380.79
Loans to Others			
Considered good	**32.29**	29.12	30.40
Considered doubtful	**0.53**	0.77	1.03
Less: Allowance for doubtful	**(0.53)**	(0.77)	(1.03)
Total	**3,320.97**	6,237.87	5,334.99

NOTE 10 OTHER FINANCIAL ASSETS (CONSOLIDATED)

(Unsecured,considered good unless otherwise stated) ₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Claims			
Considered good	**34.16**	13.30	10.06
Considered doubtful	**25.12**	26.02	22.15
Less : Allowances for doubtful	**(25.12)**	(26.02)	(22.15)
Bank deposits with more than twelve months maturity			
Considered good*	**11.93**	122.31	0.96
Considered doubtful	**0.02**	0.02	0.02
Less: Allowance for doubtful	**(0.02)**	(0.02)	(0.02)
Advances to Joint Ventures [Refer Note No.52]			
Advance for investments#	-	-	6.75
Bharat Renewable Energy Limited ##	**0.54**	0.54	0.75
Less : Allowance for doubtful advances	**(0.54)**	(0.54)	(0.75)
Total	**46.09**	135.61	17.77

* Includes deposit of ₹ **0.80 Crores** (31st March 2016: ₹ 0.80 Crores; 1st April 2015: ₹ 0.80 Crores) that have been pledged / deposited with local authorities.

Advance against equity shares (pending allotment as at 31st March 2015); since alloted during the financial year 2015-16

Advance against equity shares (pending allotment).

NOTE 11 INCOME TAX ASSETS (NET) (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Advance payment of Income Tax (net of Provision)	**127.51**	72.78	58.80
Total	**127.51**	72.78	58.80

NOTE 12 OTHER NON-CURRENT ASSETS (CONSOLIDATED)

(Unsecured,considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Capital Advances	**133.91**	247.27	539.71
Advance to Associates			
Petronet LNG Limited	**185.00**	200.00	150.00
Gratuity Account Balance [Refer Note No. 51]	**9.83**	5.19	11.93
Prepaid Expenses	**582.32**	596.90	395.74
Claims and Deposits :			
Considered good	**598.48**	586.80	442.14
Considered doubtful	**127.22**	106.40	58.76
Less : Allowance for doubtful	**(127.22)**	(106.40)	(58.76)
Total	**1,509.54**	1,636.16	1,539.52

NOTE 13 INVENTORIES (CONSOLIDATED)

(Refer Note No. 1.12)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Raw Materials			
[Including in transit ₹ **1,599.83 Crores;** (31st March 2016: ₹ 2,030.69 Crores; 1st April 2015: ₹ 1,585.10 Crores)]	**4,044.26**	3,479.91	3,694.99
Work-in-progress	**743.56**	373.64	419.74
Finished goods	**8,777.96**	6,197.62	7,377.92
Stock-in-Trade			
[Including in transit ₹ **1,113.40 Crores;** (31st March 2016 : ₹ 469.15 Crores; 1st April 2015: ₹ 559.81 Crores)]	**7,079.33**	4,197.21	4,275.63
Stores and Spares			
[Including in transit ₹ **3.24 Crores** (31st March 2016: ₹ 1.26 Crores; 1st April 2015 : ₹ 1.44 Crores)]	**531.70**	380.16	315.44
Packaging Materials	**19.97**	15.16	10.42
Total	**21,196.78**	14,643.70	16,094.14

The write-down of inventories to net realisable value during the year amounted to ₹ **254.52 Crores** (Previous year : ₹ 69.32 Crores). The reversal of write downs during the year amounted to ₹ **2.61 Crores** (Previous year : ₹ 2.78 Crores) due to increase in net realisable value of the inventories. The write downs and reversals are included in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress.

Inventories pledged as collateral - Refer Note No. 29

NOTE 14 INVESTMENTS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
<u>Investments at Fair Value Through Profit and Loss</u>			
Investments in Government Securities of Face Value ₹ 100 each (fully paid)			
Quoted			
6.35% Oil Marketing Companies GOI Special Bonds 2024	**1,992.27**	1,920.26	1,919.78
6.90% Oil Marketing Companies GOI Special Bonds 2026 #	**2,418.46**	2,312.69	2,324.14
7.95% Oil Marketing Companies GOI Special Bonds 2025	**11.09**	10.79	10.80
8.20% Oil Marketing Companies GOI Special Bonds 2024	**938.52**	914.61	916.29
Investments in Mutual Funds			
Quoted			
Investment in Mutual Fund	**312.45**	146.39	236.80
Investment in Debentures			
Unquoted			
6% Optionally Convertible Debenture of ₹ 1,00,000 each (fully paid up) of			
Sabarmati Gas Limited ##	**-**	21.08	-
Total	**5,672.79**	5,325.82	5,407.81

Kept as Collateral Security with Clearing Corporation of India Limited for borrowing in CBLO of face Value ₹ **2,200 Crores** (31st March 2016: ₹ 2,450 Crores; 1st April 2015: ₹ 2,450 Crores) [Refer Note No. 29]

6% Optionally Convertible Debenture of Sabarmati Gas Limited has been classified as Non - Current Investment as at 31st March 2015 [Refer Note No. 8]

Aggregate amount of Unquoted Securities	**-**	21.08	-
Aggregate amount of Quoted Securities	**5,672.79**	5,304.74	5,407.81
Market value of Quoted Securities	**5,672.79**	5,304.74	5,407.81

NOTE 15 TRADE RECEIVABLES (CONSOLIDATED)

(Unsecured unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Considered good *	**4,819.32**	2,230.35	2,589.63
Less: Allowance as per Expected Credit Loss model	**(15.57)**	(13.46)	(9.75)
Considered doubtful	**265.29**	274.99	202.29
Less: Allowance for doubtful	**(265.29)**	(274.99)	(202.29)
Total	**4,803.75**	2,216.89	2,579.88

* Includes Secured debts ₹ **423.76 Crores** (31st March 2016: ₹ 564.14 Crores; 1st April 2015: ₹ 621.40 Crores)

Trade receivables pledged as collateral (Refer Note No. 29)

NOTE 16 CASH AND CASH EQUIVALENTS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Balances with Banks:			
On Current Account	**317.41**	182.38	287.43
Demand deposits with Banks with original maturity of less than three months	**281.17**	1,818.18	1,141.84
Cheques and drafts on hand	**38.69**	11.91	25.88
Cash on hand	**0.71**	24.34	26.88
Total	**637.98**	2,036.81	1,482.03

NOTE 17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Earmarked Balances			
Unpaid Dividend	**10.43**	5.80	3.56
Fixed deposits with banks with original maturity of more than three months and less than twelve months*	**1,236.13**	1,910.62	1,763.48
Fixed deposits with banks with original maturity of more than twelve months*	**-**	249.13	39.53
DBTL Account **	**-**	0.01	-
Total	**1,246.56**	2,165.56	1,806.57

*Includes ₹ **Nil** (31st March 2016: ₹ 341.10 Crores) fixed deposits with State Bank of India held on behalf of Government of India towards cash assistance under PAHAL - Direct Benefits Transfer for LPG (DBTL) Scheme 2014; includes acrrued interest of ₹ **Nil** (31st March 2016: ₹ 4.63 Crores) [Refer Note No. 31]

** Represents balance in current account with State Bank of India held on behalf of Government of India towards cash assistance under PAHAL - Direct Benefits Transfer for LPG (DBTL) Scheme 2014; [Refer Note No. 31]

NOTE 18 LOANS (CONSOLIDATED)

(Unsecured,considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Loans to employees (including accrued interest) (Secured) [Refer Note No. 53]	**66.60**	55.44	51.81
Loans to Others	**11.57**	7.76	13.47
Considered doubtful	**1.24**	1.58	1.56
Less: Allowance for doubtful	**(1.24)**	(1.58)	(1.56)
Total	**78.17**	63.20	65.28

NOTE 19 OTHER FINANCIAL ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Interest accrued on bank deposits, etc.,			
Considered good	**28.46**	32.27	19.39
Considered doubtful	**0.02**	14.67	0.02
Less: Allowance for doubtful	**(0.02)**	(14.67)	(0.02)
Interest accrued on loans to related parties	**25.38**	28.82	28.65
Derivative asset	**6.10**	2.49	24.22
Receivable from Central Government / State Government	**2,365.95**	3,479.57	5,869.65
Dues from Related Parties			
Dues from Joint Venture Companies	**21.31**	8.42	11.19
Advances and recoverables			
Considered good	**860.08**	581.79	232.70
Considered doubtful	**300.81**	303.76	319.65
Less: Allowance for doubtful	**(300.81)**	(303.76)	(319.65)
Total	**3,307.28**	4,133.36	6,185.80

NOTE 20 CURRENT TAX ASSETS (NET) (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Advance payment of Income Tax (Net of provision)	**33.76**	8.40	138.87
Total	**33.76**	8.40	138.87

NOTE 21 OTHER CURRENT ASSETS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Advances other than Capital Advances			
Other advances including prepaid expenses	**313.76**	117.55	123.42
Claims	**236.94**	160.46	81.13
Considered doubtful	**2.19**	2.04	2.04
Less: Allowance for doubtful	**(2.19)**	(2.04)	(2.04)
Recoverables from Customs, Excise, etc.	**371.51**	564.25	346.37
Non-current Assets Held for Sale*	**10.80**	10.65	15.95
Total	**933.01**	852.91	566.87

* Non-current assets held for sale consists of items such as Plant & Equipment, Dispensing Pumps, etc., which have been identified for disposal due to replacement / obsolescence of assets which happens in the normal course of business. These assets are expected to be disposed of within the next twelve months. On account of re-classification of these assets, an impairment loss of ₹ **5.52 Crores** during the year (previous year : ₹ 6.99 Crores) has been recognised in the Statement of Profit and Loss. The same are net of provisions for ₹ **0.27 Crores** (31st March 2016: ₹ 2.57 Crores and 1st April 2015: ₹ 0.47 Crores)

NOTE 22 EQUITY SHARE CAPITAL (CONSOLIDATED)

₹ in Crores

	Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
i	**Authorised**			
	2,50,00,00,000 equity shares	**2,500.00**	2,500.00	2,500.00
	(Previous year 31st March 2016: 2,50,00,00,000; 1st April 2015: 2,50,00,00,000)			
ii	**Issued, subscribed and paid-up**			
	1,44,61,68,496 (Previous year 31st March 2016: 72,30,84,248; 1st April 2015: 72,30,84,248) equity shares fully paid-up	**1,446.17**	723.08	723.08
	Less - BPCL Trust for Investment in Shares (Refer Note No. 46)	**(134.92)**	(67.46)	(67.46)
	Total	**1,311.25**	655.62	655.62

iii The Corporation has only one class of shares namely equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity share. In the event of liquidation of the Corporation, the holders of equity shares will be entitled to receive the remaining assets of the Corporation in proportion to the number of equity shares held.

The Corporation declares and pays dividend in Indian Rupees. The final dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iv During the Financial Year 2016-17, the Corporation has issued Bonus Shares in the ratio of 1:1 by capitalization of General Reserves. The total number of shares issued is 72,30,84,248 having face value of ₹ 10 each.

During Financial Year 2012-13, the Corporation had issued Bonus Shares in the ratio of 1:1 by capitalization of General Reserve. The total number of Bonus Shares issued were 36,15,42,124 equity shares having face value of ₹ 10 each.

v Reconciliation of No. of Equity Shares

Particulars		As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
A.	Opening Balance	**72,30,84,248**	72,30,84,248	72,30,84,248
B.	Shares Issued			
	- Bonus Shares	**72,30,84,248**	-	-
C.	Shares Bought Back	**-**	-	-
D.	Closing Balance	**1,44,61,68,496**	72,30,84,248	72,30,84,248

vi Details of shareholders holding more than 5% shares

Name of shareholder	As at 31/03/2017		As at 31/03/2016		As at 01/04/2015	
	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares
Government of India	**54.93**	**79,44,00,240**	54.93	39,72,00,120	54.93	39,72,00,120
BPCL Trust for Investment in shares (Refer Note No. 46)	**9.33**	**13,49,14,948**	9.33	6,74,57,474	9.33	6,74,57,474

NOTE 23 OTHER EQUITY (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Capital Reserve	**50.68**	50.68	50.68
Capital Reserve on Acquisition of Subsidiary	**(64.09)**	(64.09)	(64.09)
Debenture Redemption Reserve	**832.28**	607.70	529.15
General Reserve	**27,965.50**	28,688.59	23,332.35
Foreign Currency Monetary Item Translation Difference Account	**206.34**	(79.28)	27.20
Equity Instruments through Other Comprehensive Income	**94.03**	(88.88)	92.81
Retained Earnings	**1,473.52**	(1,060.53)	(244.05)
Foreign Currency Translation Reserve	**893.44**	690.47	400.45
Securities Premium Reserve	**249.26**	249.26	224.39
Non Controlling Interest	**(1,668.27)**	(1,264.62)	(1,004.29)
BPCL Trust for Investment in Shares (Refer Note No. 46)	**(524.19)**	(591.65)	(591.65)
Total	**29,508.50**	27,137.65	22,752.95

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016
Capital Reserve :		
Opening balance	**50.68**	50.68
Add/(Less) : Additions/(Deletions) during the year	**-**	-
Closing balance	**50.68**	50.68
Debenture Redemption Reserve :		
Opening balance	**607.70**	529.15
Add : Transfer from Retained Earnings	**224.58**	253.55
Less: Transfer to General Reserve on redemption of debentures	**-**	(175.00)
Closing balance	**832.28**	607.70
General Reserve :		
Opening balance	**28,688.59**	23,332.35
Add : Transfer from Retained Earnings	**-**	5,181.24
Add : Transfer from Debenture Redemption Reserve	**-**	175.00
Less : Amount utilised for issue of bonus shares (Refer Note No. 22)	**(723.09)**	-
Closing balance	**27,965.50**	28,688.59
Foreign Currency Monetary Item Translation Difference Account : (Refer Note No. 55)		
Opening balance	**(79.28)**	27.20
Additions / (Deletions) during the year	**155.79**	(340.39)
Less : Amortization during the year	**129.83**	233.91
Closing balance	**206.34**	(79.28)
Equity Instruments through Other Comprehensive Income:		
Opening balance	**(88.88)**	92.81
Additions / (Deletions) during the year	**182.91**	(181.69)
Closing balance	**94.03**	(88.88)

NOTE 23 OTHER EQUITY (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016
Capital Reserve on Acquisition of Subsidiary		
Opening balance	**(64.09)**	(64.09)
Additions / (Deletions) during the year	**-**	-
Closing balance	**(64.09)**	(64.09)
Foreign Currency Translation Reserve		
Opening balance	**690.47**	400.45
Additions / (Deletions) during the year	**202.97**	290.02
Closing balance	**893.44**	690.47
Securities Premium Reserve		
Opening balance	**249.26**	224.39
Additions / (Deletions) during the year		24.87
Closing balance	**249.26**	249.26
BPCL Trust for Investment in Shares: (Refer Note No. 46)		
Opening balance	**(591.65)**	(591.65)
Additions / (Deletions) during the year	**67.46**	-
Closing balance	**(524.19)**	(591.65)
Retained Earnings :		
Opening balance	**(1,060.53)**	(244.05)
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	**9,506.97**	8,088.87
Less : Remeasurements of defined benefit plans (net of tax)	**(55.03)**	(92.77)
Less : Transfer to Debenture Redemption Reserve	**(224.58)**	(253.55)
Less : Transfer to General Reserve	**-**	(5,181.24)
Less : Interim Dividends for the year	**(4,837.58)**	(1,255.66)
Less : Corporate Dividend Tax on Interim Dividends for the year	**(944.97)**	(254.92)
Less : Final Dividend for FY 2015-16	**(1,183.38)**	(1,739.78)
Less : Corporate Dividend Tax on Final Dividend for previous year	**(202.12)**	(391.33)
Add / (Less): Other Movements mainly on account of additional acquisition	**(51.43)**	4.19
Add : Income from BPCL Trust for Investment in Shares (Refer Note No. 46)	**526.17**	259.71
Closing balance	**1,473.52**	(1,060.53)
Total Other Equity	**31,176.77**	28,402.27

NOTE 23 OTHER EQUITY (CONSOLIDATED) (CONTD.)

Nature and purpose of reserves

Capital reserve

It includes capital reserve appearing in the financial statements of erstwhile Kochi Refineries Limited (KRL) transferred on amalgamation.

Debenture redemption reserve

Debenture redemption reserve represents reserve created out of the profits of the Group available for distribution to shareholders which is utilised for redemption of debentures/bonds.

General reserve

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents amounts recognised on account of translation of long term foreign currency denominated borrowings not related to acquisition of depreciable assets. Amounts so recognised are amortized in the statement of profit and loss over remaining maturity of related borrowings.

Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Proposed Dividends on Equity Shares not recognised by the Corporation:	**2016-17**	**2015-16**
Final Dividend for the year ended; ₹ **1** per share (Previous year : ₹ 15 per share)	**144.62**	1,084.63
Dividend Distribution Tax on Proposed Dividend	**29.44**	188.48
Total	**174.06**	1,273.11

NOTE 24 BORROWINGS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017 Current #	As at 31/03/2017 Non-Current	As at 31/03/2016 Current #	As at 31/03/2016 Non-Current	As at 01/04/2015 Current #	As at 01/04/2015 Non-Current
<u>Secured</u>						
From banks						
- Term Loan						
Term loan from Banks / Financial Institutions @	**1,945.16**	**5,264.95**	-	7,032.31	3,129.54	2,816.59
External Commercial Borrowings ##	**151.83**	**334.46**	-	497.50	-	469.43
From others						
- Debentures						
8.65% Secured Non-Convertible Debentures 2017 *	**-**	**-**	-	-	-	700.00

NOTE 24 BORROWINGS (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars	As at 31/03/2017 Current #	As at 31/03/2017 Non-Current	As at 31/03/2016 Current #	As at 31/03/2016 Non-Current	As at 01/04/2015 Current #	As at 01/04/2015 Non-Current
7.35% Secured Non-Convertible Debentures 2022 *	**-**	**549.80**	-	-	-	-
- Term Loan						
Loan from Oil Industry Development Board **	**412.94**	**1,357.94**	226.87	1,424.87	-	941.10
<u>Unsecured</u>						
From banks						
Foreign Currency Loans - Syndicated	**1,718.22**	**2,142.38**	1,989.99	3,915.13	1,251.82	5,554.04
Term loan	**-**	**2,000.00**	-	250.00	-	-
From Others						
- Bonds						
4.625% US Dollar International Bonds 2022	**-**	**3,222.60**	-	3,297.32	-	3,108.50
4% US Dollar International Bonds 2025	**-**	**3,211.28**	-	3,286.00	-	-
3% Swiss Franc International Bonds 2019	**-**	**1,292.45**	-	1,369.85	-	1,289.20
4.375% Bonds	**-**	**3,879.47**	-	-	-	-
- Term Loan						
Loan from Oil Industry Development Board	**24.25**	**-**	49.25	24.25	93.15	73.50
Total	**4,252.40**	**23,255.33**	2,266.11	21,097.22	4,474.51	14,952.36

Classified under other financial liabilities (Note no. 31)

Terms of Repayment Schedule of Long-term borrowings as at 31/03/2017:

Non-Current	**Interest Rate**	**₹ in Crores**	**Maturity**
Bonds	4.375%	3,890.31	2026-2027
4% US Dollar International Bonds 2025	4.00%	3,241.93	08-May-25
Term Loan	SBI MCLR	1,599.80	2023 - 2024
4.625% US Dollar International Bonds 2022	4.625%	3,241.93	25-Oct-22
Term Loan	SBI MCLR	133.40	2022 - 2023
7.35% Secured Non-Convertible Debentures 2022	7.35%	550.00	10-Mar-22
Term Loan	SBI MCLR	133.40	2021 - 2022
Loan from Oil Industry Development Board - Secured	7.68%	86.50	2021 - 2022
Foreign Currency Loans - Syndicated	L + 82 bps	2,139.67	26-Feb-21
Loan From Banks	L + Margin	5,349.18	2020-2022
Term Loan	SBI MCLR	133.40	2020 - 2021
Loan from Oil Industry Development Board - Secured	7.68% - 8.09%	272.56	2020 - 2021
3% Swiss Franc International Bonds 2019	3.00%	1,295.90	20-Dec-19
Loan from Oil Industry Development Board - Secured	7.68% - 9.11%	499.44	2019 - 2020
Foreign Currency Loans - Syndicated	L + 175 bps	32.42	07-Nov-18
Loan from Oil Industry Development Board - Secured	7.68% - 9.11%	499.44	2018 - 2019
External Commercial Borrowings	L + 1.85%	334.46	Average Maturity period of 5 years

NOTE 24 BORROWINGS (CONSOLIDATED) (CONTD.)

Current	Interest Rate	₹ in Crores	Maturity
Foreign Currency Loans - Syndicated	L + 75 bps	648.39	05-Feb-18
Loan From Banks	3 Months L + Margin	1,945.16	11-Dec-17
Loan from Oil Industry Development Board - Unsecured	8.62%	24.25	07-Nov-17
Foreign Currency Loans - Syndicated	L + 175 bps	1,069.83	07-Nov-17
Loan from Oil Industry Development Board - Secured	7.87% - 9.11%	412.94	2017 - 2018
External Commercial Borrowings	L + 1.85%	151.83	2017 - 2018

@ The above loans are secured against:

i) Pledge of shares held in BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV.

ii) A First rank security interest on fixed and current assets and cash flows of BPRL Ventures Mozambique BV and BPRL Ventures Indonesia BV.

External Commercial Borrowing of USD 75 million (Previous year USD 75 million) carries interest at 3 months LIBOR plus 1.85% Margin. The loan is repayable in 3 equal yearly instalments at the end of 4th, 5th and 6th year from the date of the loan taken on various dates and keeping the average age of the maturity of repayments as 5 years. The loan is secured in favour of participating banks ranking pari-passu inter-alia by hypothecation of plant & Equipments both present and future.

* The Corporation had allotted redeemable non-convertible 8.65% Debentures of face value of ₹ 700 Crores on 8th October 2012 redeemable on 8th October 2017 with a put call option which was exercised on 8th October 2015. Accordingly corporation has redeemed the debentures during the Financial Year 2015-16. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery. The relevant charge has been satisfied.

Further, the Corporation had allotted non-convertible 7.35% Debentures of face value of ₹ 550 Crores on 10th March 2017 redeemable on 10th March 2022. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over the fixed assets of the Company, mainly Plant and Machinery at Mumbai Refinery.

** Term Loan is secured by first legal mortgage mainly over Plant and Machinery at Mumbai Refinery and Kochi Refinery.

NOTE 25 OTHER FINANCIAL LIABILITIES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Security / Earnest Money Deposits	**11.96**	13.22	22.46
Retiral Dues	**52.63**	49.49	49.80
Others	**0.34**	0.76	0.51
Total	**64.93**	63.47	72.77

NOTE 26 PROVISIONS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Provision for abandonment for Oil and Gas Blocks	**15.57**	15.12	15.60
Contingencies for probable obligations	**118.36**	474.30	269.94
Provision for employee benefits (Refer Note No. 51)	**1,361.34**	1,163.74	1,118.65
Total	**1,495.27**	1,653.16	1,404.19

NOTE 27 TAX EXPENSE & DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED)

(a) Amounts recognised in profit and loss

₹ in Crores

Particulars	2016-17	2015-16
Current tax expense (A)		
Current year	**3,168.28**	3,418.45
Short/(Excess) provision of earlier years	**(111.24)**	10.64
Deferred tax expense (B)		
Origination and reversal of temporary differences	**1,135.60**	613.63
Tax expense recognised in the income statement (A+B)	**4,192.64**	4,042.72

(b) Amounts recognised in other comprehensive income

₹ in Crores

Particulars	2016-17			2015-16		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(83.46)**	**28.89**	**(54.57)**	(141.03)	48.80	(92.23)
Equity instruments through Other Comprehensive income- net change in fair value	**185.04**	**(1.93)**	**183.11**	(180.37)	(1.32)	(181.69)
Equity accounted investees - share of OCI	**(0.96)**	**0.30**	**(0.66)**	(0.17)	-	(0.17)
Items that will be reclassified to profit or loss						
Exchange differences in translating financial statements of foreign operations	**(22.74)**	**-**	**(22.74)**	290.02	-	290.02
Equity accounted investees - share of OCI	**225.71**	**-**	**225.71**	-	-	-
Total	**303.59**	**27.26**	**330.85**	(31.55)	47.48	15.93

NOTE 27 TAX EXPENSE & DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED) (CONTD.)

(c) Reconciliation of effective tax rate

Particulars	2016-17 %	2016-17 ₹ in Crores	2015-16 %	2015-16 ₹ in Crores
Profit before tax		**13,699.61**		12,131.59
Tax using the Company's domestic tax rate	**34.61**	**4,741.16**	34.61	4,198.49
Tax effect of:				
Differences in the tax rate of foreign jurisdictions*	**-0.02**	**(2.24)**	0.11	12.94
Differences due to lower Tax Rate applicable on Subsidiary	**0.14**	**18.73**	0.05	6.58
Non-deductible tax expenses	**0.37**	**51.03**	1.81	219.81
Tax losses for which no deferred income tax was recognised	**1.35**	**184.51**	0.30	36.15
Tax-exempt income	**-0.47**	**(64.30)**	-0.32	(38.28)
Interest expense not deductible for tax purposes	**0.07**	**9.96**	0.24	29.36
Incremental deduction allowed for research and development costs	**-0.13**	**(18.38)**	-0.18	(21.81)
Investment allowance deduction	**-3.48**	**(477.04)**	-2.99	(363.18)
Proposed dividend	**0.45**	**62.16**	0.02	2.16
Undistributed Reserves of Associates	**0.44**	**60.04**	0.37	45.05
Share of profit of equity accounted investees reported net of tax	**-2.00**	**(274.62)**	-1.00	(121.48)
Others	**0.09**	**12.87**	0.22	26.29
Effective Income Tax Rate	**31.42**	**4,303.88**	33.24	4,032.08
Adjustments recognised in current year in relation to the current tax of prior years		**(111.24)**		10.64
Income Tax Expense		**4,192.64**		4,042.72

(d) Movement in deferred tax balances

₹ in Crores

Particulars	Net balance as at 01/04/2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at 31/03/2017 Net Balance	As at 31/03/2017 Deferred tax asset	As at 31/03/2017 Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, Plant and Equipment	(4,131.38)	(1,148.51)	-	-	**(5,279.89)**	**-**	**(5,279.89)**
Intangible assets	(31.57)	5.14	-	-	**(26.43)**	**-**	**(26.43)**
Derivatives	0.29	(1.55)	-	-	**(1.26)**	**-**	**(1.26)**
Inventories	18.16	45.27	-	-	**63.43**	**63.43**	**-**
Investments	122.37	(69.90)	(1.93)	-	**50.54**	**50.54**	**-**
Trade and other receivables	111.69	(14.49)	-	-	**97.20**	**97.20**	**-**
Loans and borrowings	13.74	1.22	-	-	**14.96**	**14.96**	**-**
Employee benefits	478.93	173.79	28.89	-	**681.61**	**681.61**	**-**
Deferred income	(6.60)	6.60	-	-	**-**	**-**	**-**
Proposed dividend	(66.69)	(62.16)	-	-	**(128.85)**	**-**	**(128.85)**
Provisions	411.22	(254.21)	-	-	**157.01**	**157.01**	**-**
Other Current Liabilities	200.95	161.25	-	-	**362.20**	**362.20**	**-**
Deferred Tax on Inter-company transaction	(63.32)	(3.02)	-	126.64	**60.30**	**60.30**	**-**
Other items	(129.76)	24.97	0.30	(1.13)	**(105.62)**	**-**	**(105.62)**
Tax Assets /(Liabilities)	**(3,071.97)**	**(1,135.60)**	**27.26**	**125.51**	**(4,054.80)**	**1,487.25**	**(5,542.05)**

NOTE 27 TAX EXPENSE & DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED) (CONTD.)

(e) Movement in deferred tax balances

₹ in Crores

Particulars	Net balance as at 01/04/2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at 31/03/2016 Net Balance as at	Deferred tax asset	Deferred tax liability
Deferred tax Asset / (Liabilities)							
Property, Plant and Equipment	(3,414.82)	(716.56)	-	-	(4,131.38)	-	(4,131.38)
Intangible assets	(13.47)	(18.10)	-	-	(31.57)	-	(31.57)
Derivatives	(7.44)	7.73	-	-	0.29	0.29	-
Inventories	(26.45)	44.61	-	-	18.16	18.16	-
Investments	100.93	22.76	(1.32)	-	122.37	122.37	-
Trade and other receivables	91.15	20.54	-	-	111.69	111.69	-
Loans and borrowings	8.39	5.35	-	-	13.74	13.74	-
Employee benefits	452.05	(21.95)	48.83	-	478.93	478.93	-
Deferred income	(6.64)	0.04	-	-	(6.60)	-	(6.60)
Proposed dividend	(63.57)	(2.16)	-	(0.96)	(66.69)	-	(66.69)
Provisions	371.98	39.24	-	-	411.22	411.22	-
Other Current Liabilities	108.13	92.82	-	-	200.95	200.95	-
Deferred Tax on Inter-company transaction	(63.32)	-	-	-	(63.32)	-	(63.32)
Other items	(41.81)	(87.95)	-	-	(129.76)	-	(129.76)
Tax Assets /(Liabilities)	(2,504.89)	(613.63)	47.51	(0.96)	(3,071.97)	1,357.35	(4,429.32)

(f) As at 31st March 2017, undistributed earning of subsidiaries and joint ventures amounted to ₹ **5,238.85 Crores** (31st March 2016: ₹ 4,261.55 Crores; 1st April 2015:₹ 3,569.71 Crores) The corresponding deferred tax liability of ₹ **1,813.06 Crores** (31st March 2016: ₹ 1,474.84 Crores;1st April 2015: ₹ 1,235.41 Crores) was not recognised because the Company controls the dividend policy of its subsidiaries and is able to veto the payment of dividends of its joint ventures - i.e. the Company controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

NOTE 27 TAX EXPENSE & DEFERRED TAX LIABILITIES (NET) (CONSOLIDATED) (CONTD.)

(g) Tax losses carried forward

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016	As at 31/03/2016	As at 01/04/2015	As at 01/04/2015
	Gross amount	Expiry date	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	-	-	-	-	7.21	2015-16
Business loss	-	-	13.74	2016-17	13.74	2016-17
Business loss	**97.58**	**2017-18**	97.58	2017-18	97.58	2017-18
Business loss	**113.48**	**2018-19**	113.48	2018-19	113.48	2018-19
Business loss	**275.48**	**2019-20**	275.48	2019-20	275.48	2019-20
Business loss	**399.03**	**2020-21**	399.03	2020-21	399.03	2020-21
Business loss	**63.56**	**2021-22**	63.56	2021-22	63.56	2021-22
Business loss	**29.79**	**2022-23**	29.79	2022-23	29.79	2022-23
Long-term Capital loss	**0.53**	**2018-19**	0.53	2018-19	0.53	2018-19
Unabsorbed depreciation	**53.75**	**No expiry date**	6.92	No expiry date	6.67	No expiry date
Business loss	**8.06**	**2023-24**	8.06	2023-24	-	-
Business loss	**115.96**	**2024-25**	-	-	-	-

Note: The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

NOTE 28 OTHER NON-CURRENT LIABILITIES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Deferred income (Capital Grant etc.)	**81.76**	70.02	46.40
Total	**81.76**	70.02	46.40

NOTE 29 BORROWINGS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Loans repayable on demand			
Secured			
From banks			
Working capital loans / Cash Credit *	**89.48**	24.40	40.27
From others			
Collateralized Borrowings and Lending Obligation **	**1,350.00**	-	-
Unsecured			
From banks			
Bank overdraft	**16.76**	-	1.08
Foreign Currency Loans	**6,761.47**	-	165.02
Total	**8,217.71**	24.40	206.37

* Secured in favour of the participating banks ranking pari-passu inter-alia by hypothecation of raw materials, finished goods, work-in-progress, book debts, stores, components and spares and all movables both present and future. [Refer Note No. 13 and 15].

** The Corporation has Collaterized Borrowing & Lending Obligations limits from Clearing Corporation of India Limited, the balance of which is ₹ **1,350 Crores** as at 31st March 2017 (31st March 2016 : Nil and 1st April 2015 : Nil). These are secured by 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ **2,200 Crores** (31st March 2016 : ₹ 2,450 Crores and 1st April 2015 : ₹ 2,450 Crores) [Refer Note No. 14]

NOTE 30 TRADE PAYABLES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Dues to Micro,Small and Medium Enterprises	**1.08**	2.96	0.65
Dues to others (Refer Note No. 47)	**11,381.39**	8,349.42	12,872.10
Total	**11,382.47**	8,352.38	12,872.75

NOTE 31 OTHER FINANCIAL LIABILITIES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Current maturities of long-term debt (Refer Note No.24)	**4,252.40**	2,266.11	4,474.51
Interest accrued but not due on borrowings	**221.00**	180.48	181.00
Unclaimed Dividend *	**10.34**	5.70	3.47
Unclaimed Deposits *	**-**	0.02	0.08
Unclaimed Interest on Deposits * #		-	0.04
Security/Earnest Money deposits	**582.30**	526.17	477.08
Deposits for Containers	**10,496.15**	8,800.84	7,677.48
Dues to Micro, Small and Medium Enterprises (Refer Note No. 62)	**160.13**	114.26	163.67
Derivative liability	**225.61**	126.87	114.90
Liability towards acquisition under common control		-	155.50
Other Liabilities (including creditors for expenses and others) **	**6,456.24**	5,055.94	3,431.43
Total	**22,404.17**	17,076.39	16,679.16

* No amount is due at the end of the period for credit to Investors Education and Protection Fund.

₹ **4,087** as at 31st March 2017 and ₹ 31,095 as at 31st March 2016.

** Includes balance payable to Government of India - DBTL account - **Nil** (31st March 2016 : ₹ 341.11 Crores and 1st April 2015 : Nil) [Refer note no. 17]

NOTE 32 OTHER CURRENT LIABILITIES (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Advances from Customers	**595.60**	604.98	702.81
Statutory Liabilities	**3,425.14**	2,975.34	2,650.76
Others (Deferred income etc.)	**112.98**	94.65	353.24
Total	**4,133.72**	3,674.97	3,706.81

NOTE 33 PROVISIONS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Provision for employee benefits (Refer Note No. 51)	**257.98**	224.76	199.02
Provision for CSR Expenditure	**128.11**	59.59	42.06
Others (Refer Note No.57)	**689.61**	667.34	753.35
Total	**1,075.70**	951.69	994.43

NOTE 34 CURRENT TAX LIABILITIES (NET) (CONSOLIDATED)

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Current tax liabilities (Net of Taxes paid)	**142.46**	914.47	882.25
Total	**142.46**	914.47	882.25

NOTE 35 REVENUE FROM OPERATIONS (CONSOLIDATED)

₹ in Crores

Particulars			2016-17	2015-16
A.	**(i)**	**Sales**		
		Petroleum products	**2,38,961.33**	2,16,433.82
		Crude oil	**3,423.19**	979.35
			2,42,384.52	2,17,413.17
	(ii)	Subsidy from Government of India (Refer Note No. 45)	**1,172.83**	1,598.49
			2,43,557.35	2,19,011.66
B.	Other operating revenues		**190.11**	215.13
Total			**2,43,747.46**	2,19,226.79

NOTE 36 OTHER INCOME (CONSOLIDATED)

₹ in Crores

Particulars	2016-17	2015-16
Interest Income		
Instruments measured at FVTPL	**492.94**	477.38
Instruments measured at amortized cost	**551.41**	502.43
Dividend Income		
Dividend income from non-current equity instruments at FVOCI	**30.60**	26.28
Dividend income from current investments at FVTPL	**34.34**	39.63
Profit / (Loss) on sale of current investments	**25.87**	-
Write back of liabilities no longer required*	**212.98**	20.64
Reversal of impairment in value of investments in Joint Ventures and Associates	**16.00**	-
Gain on foreign currency transactions and translations (net)	**31.41**	6.20
Fair valuation gain on instruments measured at FVTPL	**201.99**	73.09
Fair valuation gain on derivatives	**-**	3.12
Others #	**450.21**	447.07
Total	**2,047.75**	1,595.84

* Write back during the current year includes NRL's reversal of Entry Tax for ₹ **195.24 Crores** under amnesty scheme.

includes amortization of capital grants ₹ **2.34 Crores** (Previous year ₹ 1.95 Crores)

NOTE 37 COST OF MATERIALS CONSUMED (CONSOLIDATED)

₹ in Crores

Particulars	2016-17	2015-16
Opening Stock	**3,479.91**	3,694.99
Add : Purchases [Refer Note No. 45]	**75,676.51**	67,314.42
Less : Closing Stock	**(4,044.26)**	(3,479.91)
Total	**75,112.16**	67,529.50

NOTE 38 PURCHASE OF STOCK-IN-TRADE (CONSOLIDATED)

₹ in Crores

Particulars	2016-17	2015-16
Petroleum products [Refer Note No. 45]	**98,561.23**	89,164.07
Crude Oil	**3,423.19**	979.35
Others	**146.75**	96.85
Total	**1,02,131.17**	90,240.27

NOTE 39 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS (CONSOLIDATED)

₹ in Crores

Particulars	2016-17	2015-16
Value of Opening Stock of :		
Finished Goods	**6,197.62**	7,377.92
Stock-in-trade	**4,197.21**	4,275.63
Work-in-progress	**373.64**	419.74
	10,768.47	12,073.29
Less:		
Value of Closing Stock of:		
Finished Goods	**8,777.96**	6,197.62
Stock-in-trade	**7,079.33**	4,197.21
Work-in-progress	**743.56**	373.64
	16,600.85	10,768.47
Net (Increase)/Decrease in Inventories	**(5,832.38)**	1,304.82

NOTE 40 EMPLOYEE BENEFITS EXPENSE (CONSOLIDATED)

₹ in Crores

	2016-17	2015-16
Salaries and Wages (Refer Note No. 48)	**2,897.90**	2,079.84
Contribution to Provident and Other Funds	**373.68**	450.89
Staff Welfare Expenses	**397.50**	431.33
Total	**3,669.08**	2,962.06

NOTE 41 FINANCE COSTS (CONSOLIDATED)

₹ in Crores

Particulars	2016-17	2015-16
Interest Expense	**643.57**	578.32
Other Borrowing Costs	**27.00**	24.26
Interest on shortfall in payment of advance tax	**20.11**	68.85
Exchange differences regarded as an adjustment to borrowing costs (Net)	**5.68**	9.06
Total	**696.36**	680.49

NOTE 42 OTHER EXPENSES (CONSOLIDATED)

₹ in Crores

Particulars	2016-17	2015-16
Transportation	**5,712.95**	5,410.13
Octroi, Other Levies and Irrecoverable Taxes	**951.74**	934.35
Repairs and maintenance		
Machinery	678.43	679.91
Building	73.61	68.19
Others	317.65	297.31
Sub-Total	**1,069.69**	1,045.41
Power and fuel	**3,314.18**	3,595.07
Less: Consumption of fuel out of own production	**(1,830.21)**	(1,814.00)
Power and fuel consumed (net)	**1,483.97**	1,781.07
Stores, spares and materials	**314.18**	359.08
Less: Charged to other revenue accounts	**(284.48)**	(297.59)
Stores, spares and materials (net)	**29.70**	61.49
Packages consumed	**175.48**	168.42
Office Administration, Selling and Other expenses		
Rates and Taxes	**6.45**	39.67
Rent [Refer Note No. 50]	**347.28**	431.20
Utilities	**257.00**	245.64
Terminalling and related expenses	**306.78**	262.57
Travelling and conveyance	**213.38**	193.82
Insurance	**53.49**	64.32
Communication expenses	**38.88**	36.69
Remuneration to auditors		
Audit fees	1.09	0.91
Fees for other services - Certification	0.48	0.41
Reimbursement of out of pocket expenses	0.01	0.02
Sub-Total	**1.58**	1.34
Write offs		
Bad debts and claims	0.14	0.04
Other write offs	5.26	10.90
Sub-Total	**5.40**	10.94
Allowance for doubtful debts & advances (net)	**21.84**	110.59
Fair valuation loss on instruments measured at FVTPL	**252.58**	686.57
Loss on sale of Property plant and equipment / Non-current assets held for sale (net)	**37.15**	33.98
Loss on foreign currency transactions and translations (net)	**5.32**	-
CSR Expenditure	**181.19**	124.67
Impairment loss on Non-current assets held for sale	**5.52**	37.15
Others	**1,500.79**	1,160.83
Sub-Total-Office Administration, Selling and Other expenses	**3,234.63**	3,439.98
Total	**12,658.16**	12,840.85

NOTE 43 TRANSITION TO IND AS (CONSOLIDATED)

These are the Group's first Consolidated financial statements prepared in accordance with Ind AS. The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP". The Significant Accounting Policies set out in Note No. 1 have been applied in preparing the financial statements for the year ended 31st March 2017, 31st March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1st April 2015. In preparing its Ind AS Balance Sheet as at 1st April 2015 and in presenting the comparative information for the year ended 31st March 2016, the Group has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Group in restating its Consolidated financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

I. Explanation of transition to Ind AS

In preparing the Consolidated financial statement, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

Business combination exemption

The Group has elected to apply the requirements of Ind AS 103 "Business Combinations" prospectively to business combinations on or after the date of transition (1st April 2015). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under previous GAAP.

Property, Plant and Equipment; Investment Property and Intangible Assets exemption

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment, investment properties and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

Investment in equity shares other than Subsidiaries, Joint Ventures and Associates

The Group has designated its investment in equity shares other than subsidiaries, joint ventures and associates held as at 1st April 2015 as Fair Value through Other Comprehensive Income based on facts and circumstances at the date of transition to Ind AS (1st April 2015).

Joint ventures- transition from proportionate consolidation to the Equity method

As per Ind AS 101, when changing from proportionate consolidation method to equity method, an entity may measure its investment in a joint venture at date of transition as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The resultant amount is regarded as the deemed cost of the investment in the Joint venture at initial recognition. The Group has opted to avail this exemption.

De-recognition of financial assets and financial liabilities

The Group has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after 1st April 2015.

Long Term Foreign Currency Monetary Items

The Group has elected to continue the policy adopted Under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in “Foreign Currency Monetary Item Translation Difference Account” and amortized over the balance period of the liability.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Service Concession Arrangement

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value as per Previous GAAP for all of its intangible assets under the service concession arrangements.

Non controlling interest

Ind AS 110 requires entities to attribute Profit or loss and each component of Other comprehensive income to the owners of the parent and to the non-controlling interest. This requirement needs to be followed even if this results in the Non controlling interest having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the Group has applied the above requirement prospectively

NOTE 43 TRANSITION TO IND AS (CONSOLIDATED) (CONTD.)

II. Reconciliation of Consolidated Balance Sheet as at 1st April, 2015

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP	Reclassification	Joint Venture Impact	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
I. ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment	G, R	28,520.65	-	(6,371.48)	22,149.17	(176.51)	21,972.66
(b) Capital work-in-progress	H	15,762.27	(3,823.67)	(370.06)	11,568.54	(3,471.40)	8,097.14
(c) Investment Property	R	-	-	-	-	0.52	0.52
(d) Goodwill		14.45	-	(14.45)	-	-	-
(e) Other Intangible assets	R	574.30	-	(207.61)	366.69	(242.84)	123.85
(f) Intangible assets under development		25.07	3,823.67	-	3,848.74	-	3,848.74
(g) Investment accounted for using equity method	L	-	26.56	(583.91)	(557.35)	3,644.48	3,087.13
(h) Financial Assets							
(i) Investments	B	2,351.35	(26.56)	(1,073.42)	1,251.37	(474.88)	776.49
(ii) Loans	Q & R	2,637.11	(1,117.48)	4,122.05	5,641.68	(306.69)	5,334.99
(iii) Other financial assets		-	0.96	-	0.96	16.81	17.77
(i) Income Tax Assets (Net)		650.44	58.80	(650.44)	58.80	-	58.80
(j) Other non-current assets	R	142.57	1,057.72	(1.01)	1,199.28	340.24	1,539.52
Total Non-current assets		**50,678.21**	**-**	**(5,150.33)**	**45,527.88**	**(670.27)**	**44,857.61**
(2) Current Assets							
(a) Inventories	G &J	17,400.02	-	(1,477.45)	15,922.57	171.57	16,094.14
(b) Financial Assets							
(i) Investments	C	5,360.46	-	(34.57)	5,325.89	81.92	5,407.81
(ii) Trade receivables	D	2,901.85	-	(265.99)	2,635.86	(55.98)	2,579.88

NOTE 43 TRANSITION TO IND AS (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP	Reclassification	Joint Venture Impact	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
(iii) Cash and cash equivalents		3,446.26	(744.94)	(225.13)	2,476.19	(994.16)	1,482.03
(iv) Bank Balances other than Cash and cash equivalents		-	744.94	-	744.94	1,061.63	1,806.57
(v) Loans	R	1,065.26	(873.23)	(115.32)	76.71	(11.43)	65.28
(vi) Other financial assets	E& R	6,041.20	244.33	(57.75)	6,227.78	(41.98)	6,185.80
(c) Current Tax Assets (Net)		-	138.87	-	138.87	-	138.87
(d) Other current assets	R	79.27	490.03	-	569.30	(2.43)	566.87
Total current assets		**36,294.32**	**-**	**(2,176.21)**	**34,118.11**	**209.14**	**34,327.25**
TOTAL ASSETS		**86,972.53**	**-**	**(7,326.54)**	**79,645.99**	**(461.13)**	**79,184.86**
II. EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital	L	723.08	-	-	723.08	(67.46)	655.62
(b) Other Equity	VI	21,825.42	-	-	21,825.42	927.53	22,752.95
Total Equity		**22,548.50**	**-**	**-**	**22,548.50**	**860.07**	**23,408.57**
Non Controlling Interest		1,286.37	-	-	1,286.37	167.54	1,453.91
Share Warrants in respect of Joint venture		13.45	-	(13.45)	-	-	-
Liabilities							
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	F	19,341.82	-	(4,285.19)	15,056.63	(104.27)	14,952.36
(ii) Other financial liabilities		184.34	-	(111.85)	72.49	0.28	72.77
(b) Provisions		1,396.86	-	(8.90)	1,387.96	16.23	1,404.19
(c) Deferred tax liabilities (net)	S	1,852.49	-	-	1,852.49	652.40	2,504.89
(d) Other non-current liabilities	H	144.72	-	(144.72)	-	46.40	46.40
Total Non-current liabilities		22,920.23	-	(4,550.66)	18,369.57	611.04	18,980.61

NOTE 43 TRANSITION TO IND AS (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP	Reclassification	Joint Venture Impact	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
(2) Current Liabilities							
(a) Financial liabilities							
(i) Borrowings		1,675.88	-	(1,470.00)	205.88	0.49	206.37
(ii) Trade payables		12,865.29	-	18.47	12,883.76	(11.01)	12,872.75
(iii) Other financial liabilities	E, R	20,108.96	(3,405.56)	-	16,703.40	(24.24)	16,679.16
(b) Other current liabilities	R	1,334.07	3,405.56	(1,077.00)	3,662.63	44.18	3,706.81
(c) Provisions	A	4,219.78	(882.25)	(233.90)	3,103.63	(2,109.20)	994.43
(d) Current Tax Liabilities (Net)		-	882.25	-	882.25	-	882.25
Total Current Liabilities		**40,203.98**	**-**	**(2,762.43)**	**37,441.55**	**(2,099.78)**	**35,341.77**
Total Liabilities		**63,124.21**	**-**	**(7,313.09)**	**55,811.12**	**(1,488.74)**	**54,322.38**
TOTAL EQUITY AND LIABILITIES		**86,972.53**	**-**	**(7,326.54)**	**79,645.99**	**(461.13)**	**79,184.86**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

III. Reconciliation of Consolidated Balance Sheet as at 31st March, 2016

₹ in Crores

Assets	Note Reference	Amount as per IGAAP	Reclassification	Joint Venture Impact	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
(1) Non-current assets							
(a) Property, Plant and Equipment	G, R	31,899.14	-	(6,408.38)	25,490.76	(301.13)	25,189.63
(b) Capital work-in-progress	H	21,903.58	(4,500.52)	(559.94)	16,843.12	(4,097.97)	12,745.15
(c) Investment Property	R	-	-	-	-	0.48	0.48
(d) Goodwill on consolidation		61.00	-	-	61.00	(61.00)	-
(e) Other Intangible assets	R	563.71	-	(456.76)	106.95	61.92	168.87
(f) Intangible assets under development		215.18	4,500.52	-	4,715.70	(1.91)	4,713.79

NOTE 43 TRANSITION TO IND AS (CONSOLIDATED) (CONTD.)

₹ in Crores

Assets	Note Reference	Amount as per IGAAP	Reclassification	Joint Venture Impact	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
(g) Investment accounted for using equity method	L	-	-	515.90	515.90	3,051.23	3,567.13
(h) Financial Assets							-
(i) Investments	B	2,479.87	-	(2,298.09)	181.78	325.84	507.62
(ii) Loans	Q & R	2,698.35	(1,033.35)	4,924.62	6,589.62	(351.75)	6,237.87
(iii) Other financial assets		-	135.61	-	135.61	-	135.61
(i) Deferred tax assets (net)		547.15	-	(547.15)	-	-	-
(j) Income Tax Assets (Net)		-	72.78	-	72.78	-	72.78
(k) Other non-current assets	R	395.20	824.96	(14.90)	1,205.26	430.90	1,636.16
Total Non-current assets		**60,763.18**	**-**	**(4,844.70)**	**55,918.48**	**(943.40)**	**54,975.08**
(2) Current Assets							
(a) Inventories	G &J	15,496.85	-	(946.44)	14,550.41	93.29	14,643.70
(b) Financial Assets							
(i) Investments	C	5,256.43	-	(11.93)	5,244.50	81.32	5,325.82
(ii) Trade receivables	D	2,423.50	-	(230.54)	2,192.96	23.93	2,216.89
(iii) Cash and cash equivalents		4,629.00	(2,165.56)	(424.93)	2,038.51	(1.70)	2,036.81
(iv) Bank Balances other than Cash and cash equivalents		-	2,165.56	-	2,165.56	-	2,165.56
(v) Loans	R	1,148.44	(973.63)	(55.36)	119.45	(56.25)	63.20
(vi) Other financial assets	E& R	4,071.12	138.49	(14.08)	4,195.53	(62.17)	4,133.36
(c) Current Tax Assets (Net)		-	8.40	-	8.40	-	8.40
(d) Other current assets	R	-	826.74	-	826.74	26.17	852.91
Total Current Assets		**33,025.34**	**-**	**(1,683.28)**	**31,342.06**	**104.59**	**31,446.65**
TOTAL ASSETS		**93,788.52**	**-**	**(6,527.98)**	**87,260.54**	**(838.81)**	**86,421.73**

NOTE 43 TRANSITION TO IND AS (CONSOLIDATED) (CONTD.)

₹ in Crores

Assets	Note Reference	Amount as per IGAAP	Reclassification	Joint Venture Impact	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
II. EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital	L	723.08	-	-	723.08	(67.46)	655.62
(b) Other Equity	VI	27,296.62	-	-	27,296.62	(158.97)	27,137.65
Total equity		**28,019.70**	**-**	**-**	**28,019.70**	**(226.43)**	**27,793.27**
Share application money pending allotment in respect of Joint Venture		**0.43**	**(0.43)**	**-**	**-**	**-**	**-**
Non Controlling Interest		**1,572.74**	**-**	**-**	**1,572.74**	**105.58**	**1,678.32**
Share Warrants in respect of Joint venture		**13.45**	**-**	**(13.45)**	**-**	**-**	**-**
LIABILITIES							
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	F	26,043.05	-	(4,729.07)	21,313.98	(216.76)	21,097.22
(ii) Other financial liabilities		243.94	0.43	(180.88)	63.49	(0.02)	63.47
(b) Provisions		1,663.43	-	(10.27)	1,653.16	-	1,653.16
(c) Deferred tax liabilities (net)	S	2,338.36	-	-	2,338.36	733.61	3,071.97
(d) Other non-current liabilities	H	185.69	-	(185.69)	-	70.02	70.02
Total non current liabilities		**30,474.47**	**0.43**	**(5,105.91)**	**25,368.99**	**586.85**	**25,955.84**
(2) Current Liabilities							
(a) Financial liabilities							
(i) Borrowings		583.79	-	(559.39)	24.40	-	24.40
(ii) Trade payables		8,470.67	-	(118.29)	8,352.38	-	8,352.38
(iii) Other financial liabilities	E, R	20,606.67	(3,612.74)	26.61	17,020.54	55.85	17,076.39
(b) Other current liabilities	R	594.80	3,612.74	(594.80)	3,612.74	62.23	3,674.97
(c) Provisions	A	3,451.80	(914.47)	(162.75)	2,374.58	(1,422.89)	951.69
(d) Current Tax Liabilities (Net)		-	914.47	-	914.47	-	914.47
Total Current liabilities		**33,707.73**	**-**	**(1,408.62)**	**32,299.11**	**(1,304.81)**	**30,994.30**
Total liabilities		**64,182.20**	**0.43**	**(6,514.53)**	**57,668.10**	**(717.96)**	**56,950.14**
TOTAL EQUITY AND LIABILITIES		**93,788.52**	**-**	**(6,527.98)**	**87,260.54**	**(838.81)**	**86,421.73**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTE 43 TRANSITION TO IND AS (CONSOLIDATED) (CONTD.)

IV. Reconciliation of Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP	Joint Venture Impact	Effects of transition to Ind AS	Amount as per Ind AS
Income					
I. Revenue from operations	I,R	1,88,651.36	89.99	30,485.44	2,19,226.79
II. Other income	C	1,740.89	30.76	(175.81)	1,595.84
III. Total Income (I + II)		**1,90,392.25**	**120.75**	**30,309.63**	**2,20,822.63**
IV. Expenses					
Cost of materials consumed	G	77,356.03	(9,796.69)	(29.84)	67,529.50
Purchase of stock-in-trade	R	77,485.49	12,657.94	96.84	90,240.27
Changes in inventories of finished goods, stock-in-trade and work-in-progress	J	1,585.86	(419.97)	138.93	1,304.82
Excise Duty	I	-	-	31,412.19	31,412.19
Employee Benefits Expense	K	3,172.35	(91.58)	(118.71)	2,962.06
Finance costs	F	1,132.07	(454.41)	2.83	680.49
Depreciation and Amortization Expense	G, R	2,428.63	(363.00)	6.24	2,071.87
Other Expenses	I, R	14,637.91	(733.28)	(1,063.78)	12,840.85
Total Expenses (IV)		**1,77,798.34**	**799.01**	**30,444.70**	**2,09,042.05**
Profit/(Loss) before Tax (III - IV)		**12,593.91**	**(678.26)**	**(135.07)**	**11,780.58**
Profit/(Loss) from continuing operations before share of profit of equity accounted investes		2.49	459.79	(111.27)	351.01
V. Profit from continuing operations before income tax		12,596.40	(218.47)	(246.34)	12,131.59
VI. Tax expense:		**4,129.93**	**(218.47)**	**131.26**	**4,042.72**
1. Current Tax		3,507.09	(88.64)	-	3,418.45
2. Deferred Tax	S	626.13	(143.76)	131.26	613.63
3. MAT credit entitlement		(11.89)	11.89	-	-
4. Short/(Excess) provision of earlier years		8.60	2.04	-	10.64
VII. Profit/(Loss) for the year (V- VI)		**8,466.47**	**-**	**(377.60)**	**8,088.87**
VIII. Other comprehensive income					
Items that will not be subsequently reclassified to profit or loss	B, K	-	-	(321.40)	(321.40)
Income tax related to items that will not be reclassified to profit or loss	S	-	-	47.48	47.48

₹ in Crores

Particulars	Note Reference	Amount as per IGAAP	Joint Venture Impact	Effects of transition to Ind AS	Amount as per Ind AS
Equity accounted investees - share of OCI		-	-	(0.17)	(0.17)
Items that will be subsequently reclassified to profit or loss		-	-	290.02	290.02
		-	-	**15.93**	**15.93**
IX. Total comprehensive income for the period (VII + VIII)		**8,466.47**	-	**(361.66)**	**8,104.80**

V. On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended 31st March 2016

VI. Reconciliation of Equity as on 31st March 2016 and 1st April 2015

₹ in Crores

Particulars	Note Reference	As at 31/03/2016	As at 01/04/2015
Total Shareholders' Funds as per Previous GAAP		29,606.32	23,848.32
Reversal of Proposed Dividend including Dividend Distribution Tax	A	1,365.14	2,068.26
Fair value measurement of investment in equity instruments	B	(77.78)	102.59
Fair value measurement of Investment in Government Securities	C	13.56	15.24
Loss allowance of trade receivables as per expected credit loss model	D	(13.46)	(9.75)
Fair Valuation of derivative contracts	E	(0.85)	22.10
Amortised cost measurement of borrowings	F	(0.90)	3.91
Impact of Spares accounting	G	38.11	(3.94)
Reclassification of Government Grant	H	(10.12)	(12.05)
Alignment of method of valuation of inventories	J	(0.11)	118.06
BPCL Trust for investment in shares netted off	L	(659.11)	(659.11)
Fair value measurement of optionally convertible debentures	M		79.70
Common control restatement	O	(61.00)	(15.19)
Fair Valuation of Loan given to IBV Brazil	Q	(1.56)	(74.17)
Imapact of Ind AS adjustment in Joint Ventures	N & T	57.89	43.34
Others	R	(67.39)	(34.12)
Deferred tax	S	(717.15)	(630.72)
Total Impact		**(134.73)**	**1,014.14**
Total Equity as per Ind AS		**29,471.59**	**24,862.48**

₹ in Crores

VII. Reconciliation of Profit and Loss for the year ended 31st March 2016

Particulars	Note Reference	2015-16
Profit and Loss as per Previous GAAP		8,466.47
Fair value measurement of Investment in Government Securities	C	(1.68)
Loss allowance of trade receivables due to expected credit loss model	D	(3.71)
Fair Valuation of derivative contracts	E	(22.95)
Amortised cost measurement of borrowings	F	(4.81)
Impact of Spares accounting	G	38.11
Alignment of method of valuation of inventories	J	(118.17)
Remeasurements on defined benefit liability	K	141.03
Income from BPCL Trust for investment in shares	L	(259.71)
Fair value measurement of optionally convertible debentures	M	(79.70)
Impact of Ind AS adjustments on share of equity accounted investees	N	(21.93)
Fair Valuation of Loan given to IBV Brazil	Q	73.09
Others	R	15.14
Deferred tax	S	(132.31)
Total adjustments		**(377.60)**
Profit and Loss as per Ind AS		**8,088.87**

Notes to reconciliations:-

A. Proposed Dividend

Under previous GAAP, proposed dividend including dividend distribution tax (DDT), were recognised as a liability in the period in which they relate, as the same was considered as an adjusting event. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is authorised and the distribution of dividend is no longer at the discretion of the Group.

B. Equity Investments at Fair value through Other Comprehensive Income

Under previous GAAP, the Group accounted for non-current investments in equity shares of companies other than subsidiaries, joint ventures and associates at cost less any provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated these investments at fair value through other comprehensive income.

C. Fair valuation of investments in Government Securities

Under previous GAAP, investment in Government securities are classified as current investments and were carried at lower of cost or fair value. Under Ind AS, these investments are measured at Fair Value through Profit or Loss.

D. Trade receivables

Under previous GAAP, the Group had recognised provision on trade receivables based on the expectation of the Group. Under Ind AS, the Group provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

E. Derivative Contracts

Under previous GAAP, in respect of all derivative contracts (except forward contracts), only mark-to-market loss was provided. Premium / discount arising at the inception of the forward exchange contracts to hedge foreign currency risks were amortized as expense or income over the life of the contract. Exchange differences on such forward exchange contracts were recognised in the Statement of Profit and Loss. Under Ind AS, all derivative contracts are measured at fair value through profit or loss.

F. Borrowings

Under previous GAAP, transaction costs in relation to borrowings were initially recognised as an asset and subsequently, amortized over the period of the loan as borrowing costs. Under Ind AS, financial liabilities in the form of borrowings have been measured at amortized cost using the effective interest rate method.

G. Spare parts

Under previous GAAP, machinery spares that were specific to a particular Property, Plant and Equipment (PPE) were capitalized to the cost of the PPE. Replacement of such spares were charged to the Statement of Profit and Loss. Spares other than above, were inventorised on procurement and were charged to Statement of Profit and Loss on consumption. Under Ind AS, all significant spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment and in other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

H. Capital Grant

Under previous GAAP, Government Grants in respect of Property, Plant and Equipment was presented as part of Reserves and Surplus. Under Ind AS, Government Grants in respect of Property, Plant and Equipment needs to be presented as deferred income as part of liabilities.

I. Excise Duty

Under previous GAAP, revenue from sale of goods was presented net of the Excise Duty. Under Ind AS, revenue from sale of goods is presented inclusive of Excise Duty. Accordingly, Excise Duty has been presented in the Statement of Profit and Loss as an expense.

J. Inventory valuation

Under previous GAAP, the Group during financial year 2015-16, changed the method of determination of cost of inventories from ‘Weighted Average’ to ‘First in First Out’ (FIFO) in respect of crude oil and finished products (except lubricants which were continued to be determined at weighted average). Under Ind AS, the Corporation is required to use the same accounting policies in its Opening Ind AS Balance Sheet and throughout for all periods presented in its first Ind AS financial statements. Accordingly, the Group has restated the opening value of inventories as per FIFO method.

K. Remeasurement of defined benefit liabilities

Under previous GAAP, the Group recognised remeasurement of defined benefit plans under Statement of profit and loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

L. BPCL Trust for investment in shares

As per the scheme of Amalgamation of the erstwhile Kochi Refineries Limited ("KRL") with the Corporation approved by the Government of India, 3,37,28,737 equity shares of the Corporation were allotted (in lieu of the shares held by the Corporation in the erstwhile KRL) to a trust for the benefit of the Corporation in the financial year 2006-07. After the 1:1 Bonus issue in July 2012 and July 2016, presently the trust holds 13,49,14,948 equity shares of the Corporation. Under Ind AS, the cost of the original investment together with the additional contribution to the corpus of the trust made in 2014-15 has been reduced from the total equity of the Corporation. To the extent of the face value of the shares, the same has been reduced from the Paid up Share capital of the Corporation and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust during the financial year 2015-16 has been recognised directly under Other Equity.

M. Fair value measurement of optionally convertible debentures

Under previous GAAP, the Group accounted for optionally convertible debentures which are classified as long term investments at cost. Under Ind AS, these investments are measured at fair value through profit or loss.

N. Impact of Ind AS adjustments on share of equity accounted investees

Equity accounted investees of the Corporation have adopted Ind AS w.e.f. 1 April 2015. Accordingly, proportionate impact of the Ind AS adjustments recognised by the respective equity accounted investees has been considered on the net worth as of 1 April 2015 and 31 March 2016 and the profit for the financial year ended 31 March 2016.

O. Common control restatement

The Group has acquired additional stake in its Joint Ventures and accordingly has aquired control over the same.The transaction was regarded as a business combination under common control in a manner similar to Pooling-of-interests and was accounted for with reference to the principles of Appendix C of Ind AS 103 "Business Combination".The Consolidated financial statements as at transition date have been restated as of merger accounting for the business combination under common control.

P. Impact of Joint operations

The Group recognises its direct rights to the assets, liabilities, revenues and expenses of Joint operation and its share of any jointly held or incurred assets, liabilities, revenue and expenses.These have been incorporated in the Consolidated financial statements under the appropriate headings.

Q. Fair Valuation of Loan given to IBV Brazil

Under Indian GAAP, the Group accounted for loan given to IBV Brazil at face value. Under Ind AS the Group has measured the loan given at fair value through Profit or Loss.

R. Others

Other adjustments on account of transition to Ind AS include reversal of amortization of Intangible asset at indefinite useful life, reclassification of Property, Plant and Equipment (PPE) to Intangible asset as part of service concession arrangements, amortization impact of land leases classified as Finance Lease and reclassification of Land lease classified as Operating Leases from PPE to Prepaid rentals, classification of Investment Property, fair valuation of deposits and loans given at concessional rate of interest to employees and effect of adjustments relating to revenue recognition.

S. Deferred Tax

Under previous GAAP, tax expenses in the Consolidated financial statements was computed by performing line by line addition of tax expense of the parent and subsidiaries. No adjustment to tax expenses was made on consolidation. Under Ind AS, deferred taxes are also recognised on undistributed profits / reserves of Associates and profit elimination on inter-company transactions.

T. Joint Venture Impact

The Group has investment in several joint ventures companies. Under Indian GAAP, the Group had proportionately consolidated its interest in these companies in the consolidated financial statements. On the date of transition, the Group has accounted for its interest in these companies using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amounts of assets and liabilities that the group had previously proportionately consolidated.

NOTE 44 (CONSOLIDATED)

In line with the General Circular No. 39/2014, dated 14th October 2014, issued by the Ministry of Corporate Affairs, the disclosures relevant to Consolidated Financial Statements only have been provided.

NOTE 45 (CONSOLIDATED)

Consequent to non-revision in retail selling prices corresponding to the international prices and applicable foreign exchange rates prevailing during the year, the Corporation has suffered gross under-recovery of ₹ **1,172.83 Crores** (Previous year ₹ 1,796.50 Crores) on sale of sensitive petroleum products.

As advised by the Ministry of Petroleum & Natural Gas, the Corporation has accounted compensation towards sharing of under-recoveries on sale of sensitive petroleum products as follows:

a) ₹ **Nil** (Previous year ₹ 198.01 Crores) discount on crude oil / products purchased from ONGC/GAIL/NRL which has been adjusted against purchase cost;

b) ₹ **1,172.83 Crores** (Previous year ₹ 1,598.49 Crores) subsidy from Government of India has been accounted as Revenue from operations.

After adjusting the above compensation, the net under recovery absorbed by the Corporation is ₹ **Nil** (Previous year under-recovery ₹ Nil).

NOTE 46 (CONSOLIDATED)

As per the scheme of Amalgamation of the erstwhile Kochi Refineries Limited ("KRL") with the Corporation approved by the Government of India, 3,37,28,737 equity shares of the Corporation were allotted (in lieu of the shares held by the Corporation in the erstwhile KRL) to a trust for the benefit of the Corporation in the financial year 2006-07. After the 1:1 Bonus issue in July 2012 and July 2016, presently the trust holds 13,49,14,948 equity shares of the Corporation. Accordingly the cost of the original investment together with the additional contribution to the corpus of the trust made in 2014-15 has been reduced from the total equity of the Corporation. To the extent of the face value of the shares, the same has been reduced from the Paid up Share capital of the Corporation and the balance has been reduced from Other Equity. Accordingly, the income received from the Trust during the financial years 2016-17 and 2015-16 has been recognised directly under Other Equity of the Corporation.

NOTE 47 (CONSOLIDATED)

The Group has numerous transactions with other oil companies. The outstanding balances (included under Trade Payables / Trade Receivables, etc) from them including certain other outstanding credit and debit balances are subject to confirmation / reconciliation. Adjustments, if any, arising therefrom are not likely to be material on settlement and are accounted as and when ascertained.

NOTE 48 (CONSOLIDATED)

During the Financial Year 2016-17, the Corporation has made a provision under Salaries and Wages in respect of pay revision dues (including retiral dues) to employees w.e.f. 1st January 2017 at an estimated amount of ₹ 596.86 Crores based on the available information and judgement.

NOTE 49 SERVICE CONCESSION ARRANGEMENTS (CONSOLIDATED)

The Corporation has entered into service concession arrangements with entities supplying electricity ("The Regulator") to construct, own, operate and maintain a wind energy based electric power generating station ("Plant").

Under the terms of agreement, the Corporation will operate and maintain the Plant and sell electricity generated to Regulator for a period which covers the substantial useful life of the Plant which may be renewed for such further period as may be mutually agreed upon between the parties. The Corporation will be responsible for any maintenance services during the concession period.

The Corporation in turn has a right to charge the Regulator at the agreed rate as stated in the service concession arrangement.

NOTE 49 SERVICE CONCESSION ARRANGEMENTS (CONSOLIDATED) (CONTD.)

The fair value towards the construction of the Plant has been recognised as an Intangible Asset and is amortized over the useful life of the asset or period of contract whichever is less.

During the year ended 31st March 2017, the Corporation has earned ₹ **Nil** profit (Previous year ₹ 2.42 Crores) from construction of the plant. The Corporation has recognised an intangible asset of ₹ **57.82 Crores** as at 31st March 2017 (31st March 2016: ₹ 61.36 Crores and 1st April 2015: ₹ 16.66 Crores) of which ₹ **0.58 Crores** (Previous year ₹ 0.24 Crores) has been amortized during the period.

NOTE 50 LEASES (CONSOLIDATED)

Operating leases

A. Leases as lessee

The Group enters into cancellable/non-cancellable operating lease arrangements for land, godowns, office premises, staff quarters and others. The lease rentals paid for the same are charged to the Statement of Profit and Loss.

a) The future minimum lease payments under Non-cancellable leases payable as at the year ending are as follows:

₹ in Crores

	Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
i)	Less than one year	**382.75**	12.84	14.75
	Between one and five years	**1,937.06**	19.03	24.25
	More than five years	**4,440.84**	676.86	680.07
ii)	Lease Rentals recognized in the Statement of Profit and Loss	**17.51**	4.69	NA

b) The Group enters into cancellable operating leases in respect of land, office premises, staff quarters and others which are cancellable by giving appropriate notices as per respective agreements. During the year ₹ **241.04 Crores** (Previous year ₹ 330.02 Crores) has been charged to Statement of Profit and Loss on account of lease rentals.

B. Leases as lessor

a) The Group enters into cancellable/non-cancellable operating lease arrangements in respect of lands, commercial spaces, storage distribution facilities, etc. The details are as follows:

As at 31/03/2017 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicle
Gross Carrying Amount	0.89	114.63	107.47	311.23	6.26	4.30	62.87	0.01
Accumulated depreciation	-	6.58	16.25	27.67	3.28	0.85	10.89	-
Depreciation recognised in statement of Profit & Loss	-	5.05	8.46	14.00	1.45	0.47	5.48	-

NOTE 50 LEASES (CONSOLIDATED) (CONTD.)

As at 31/03/2016 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicle
Gross Carrying Amount	0.88	112.57	101.71	304.07	5.98	2.64	62.11	0.01
Accumulated depreciation	-	4.23	7.78	13.67	1.94	0.57	5.41	-
Depreciation recognised in statement of Profit & Loss	-	4.23	7.78	13.67	1.94	0.57	5.41	-

As at 01/04/2015 ₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Tanks & Pipelines	Furnitures and Fixtures	Office Equipment	Railway Sidings	Vehicle
Gross Carrying Amount	0.88	107.83	77.11	296.42	5.78	1.83	59.51	-
Accumulated depreciation	-	-	-	-	-	-	-	-

b) Total contingent rent recognised as income in the Statement of Profit and Loss in the Financial Year 2016-17 is ₹ **25.16 Crores** (Previous year ₹ 23.20 Crores).

c) The future minimum lease payments under Non-cancellable leases receivable as at the year ending are as follows:

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Less than one year	**26.01**	26.04	26.08
Between one and five years	**104.02**	104.00	104.00
More than five years	**84.47**	110.36	136.36

Finance Lease

A. Leases as lessee

i) The Corporation has finance lease arrangements for various Land leases. The carrying amount of these assets are shown below:

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Gross Carrying Amount	**0.74**	0.71	0.70
Accumulated depreciation	**0.05**	0.02	-
Depreciation recognised in statement of Profit and Loss	**0.03**	0.02	NA

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED)

[A] Post Employment Benefit Plans:

Defined Contribution Scheme

Defined Contribution Scheme (DCS) was introduced effective from 1st Jan 2007. Group contributes at a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme. This Fund is maintained under a trust.

₹ in Crores

Amount recognised in the Statement of Profit and Loss	2016-17	2015-16
Defined Contribution Scheme	**173.30**	263.60

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

Defined Benefit Plans

The Group has the following Defined Benefit Plans

Gratuity

The Corporation and its Subsidiary NRL has a defined benefit gratuity plan managed by a trust. The Trustees administer contributions made to the trust, investments thereof, etc. Based on actuarial valuation, the contribution is paid to the trust which is invested in plan assets as per the investment pattern prescribed by the Government. Gratuity is paid to a staff member, who has put in a minimum qualifying period of 5 years of continuous service, on superannuation, resignation, termination or to his nominee on death.

Other Defined Benefits include: (a) Post Retirement Medical Scheme (managed by a trust) to employees, spouse, dependent children and dependent parents; (b) Pension / Ex-Gratia scheme to the retired employees who are entitled to receive the monthly pension / ex-gratia for life; (c) Death in service / Permanent Disablement benefit given to the spouse of the employee / employee, provided the deceased's family / disabled employee deposits with the Corporation, retirement dues such as PF, Gratuity, Leave Encashment etc., payable to them; (d) Resettlement allowance paid to employees to permanently settle down at the time of retirement; and (e) The Corporation makes contribution towards Provident Fund, which is administered by the trustees. The Corporation has an obligation to fund any shortfall on the yield of the trust's investments over the interest rates declared by the Government under EPF scheme. In case of NRL, the contribution to Provident Fund is remitted to Employees Provident Fund Organisation on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, and market (investment) risk.

Movement in net defined benefit (Asset)/ liability

a) Reconciliation of balances of Defined Benefit Obligations. ₹ in Crores

Particulars	Gratuity - Funded		Gratuity Non Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
	2016-17	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Defined Obligations at the beginning of the year	**663.95**	639.58	**0.65**	0.50	**879.06**	669.57	**79.04**	82.72
Interest Cost	**53.06**	50.55	**0.05**	0.04	**68.97**	53.24	**6.16**	6.00
Current Service Cost	**5.85**	3.63	**0.04**	0.04	**40.22**	30.93	**-**	-
Past Service cost	**-**	-	**-**	-	**1.48**	1.90	**-**	-
Benefits paid	**(55.20)**	(48.37)	**(0.02)**	-	**(33.07)**	(28.68)	**(17.66)**	(15.36)
Actuarial (Gains)/ Losses on obligations								
- Changes in financial Assumptions	**27.57**	23.46	**0.05**	(0.01)	**137.79**	86.09	**2.89**	0.51
- Experience adjustments	**(32.85)**	(4.90)	**0.02**	0.08	**(82.84)**	66.01	**18.06**	5.17
Defined Obligations at the end of the year	**662.38**	**663.95**	**0.79**	**0.65**	**1,011.61**	**879.06**	**88.49**	**79.04**

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

b) Reconciliation of balances of Fair Value of Plan Assets in respect of:

₹ in Crores

Particulars	Gratuity - Funded		Post Retirement Medical - Funded	
	2016-17	2015-16	2016-17	2015-16
Fair Value at the beginning of the year	**669.83**	651.99	**726.69**	620.90
Interest income (a)	**53.54**	51.53	**58.57**	49.37
Return on Plan Assets, excluding interest income(b)	**2.82**	14.68	**16.32**	8.44
Actual Return on Plan assets (a+b)	**56.36**	66.21	**74.89**	57.81
Contribution by employer	**0.08**	-	**185.12**	75.74
Contribution by employee	**-**	-	**1.14**	0.92
Benefits paid	**(55.20)**	(48.37)	**(33.07)**	(28.68)
Fair Value of Plan Assets at the end of the year	**671.07**	**669.83**	**954.77**	**726.69**

c) Amount recognised in Balance sheet (a-b)

₹ in Crores

Particulars	Gratuity - Funded		Gratuity - Non Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Amount recognised in Balance sheet	**(8.69)**	(5.88)	**0.79**	0.65	**56.84**	152.37	**88.49**	79.04
d) Amount recognised in Statement of Profit and Loss								
Current Service Cost	5.85	3.63	0.04	0.04	40.22	30.93	-	-
Past Service cost	-	-	-	-	1.48	1.90	-	-
Interest Cost	53.06	50.55	0.05	0.04	68.97	53.24	6.16	6.00
Interest income	(53.54)	(51.53)	-	-	(58.57)	(49.37)	-	-
Contribution by employee	-	-	-	-	(1.14)	(0.92)	-	-
Expenses for the year	**5.37**	**2.65**	**0.09**	**0.08**	**50.96**	**35.78**	**6.16**	**6.00**

e) Amount recognised in Other Comprehensive Income :

₹ in Crores

Remeasurements

Particulars	Gratuity - Funded		Gratuity - Non Funded		Post Retirement Medical - Funded		Burmah Shell Pension - Non Funded	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Actuarial (Gains)/ Losses								
- Changes in financial assumptions	**27.57**	23.46	**0.05**	(0.01)	**137.79**	86.09	**2.89**	0.51
- Experience adjustments	**(32.85)**	(4.90)	**0.02**	0.08	**(82.84)**	66.01	**18.06**	5.17
Return on plan assets excluding net interest cost	**(2.82)**	(14.68)	**-**	-	**(16.32)**	(8.44)	**-**	-
Total	**(8.10)**	**3.88**	**0.07**	**0.07**	**38.63**	**143.66**	**20.95**	**5.68**

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

f) Major Actuarial Assumptions

Particulars	Gratuity - Funded			Gratuity - Non Funded			Post Retirement Medical - Funded			Burmah Shell Pension - Non Funded		
	2016-17	**2015-16**	**2014-15**	**2016-17**	**2015-16**	**2014-15**	**2016-17**	**2015-16**	**2014-15**	**2016-17**	**2015-16**	**2014-15**
Discount Rate (%)	**7.26-7.39**	7.99-8.04	7.90	**7.34**	8.08	7.94	**7.39 - 7.45**	8.04 - 8.06	7.95	**6.81**	7.79	7.99
Salary Escalation/ Inflation (%)	**8.00**	8.00	8.00	**5.00**	5.00	5.00	**7.00**	7.00	7.00	**-**	-	-
Expected Return on Plan assets (%)	**7.26-7.39**	7.99 - 8.04	7.90	**-**	-	-	**7.39 - 7.45**	8.04 - 8.06	7.95	**-**	-	-

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation at the beginning of the period, for returns over the entire life of the related obligation.

g) Investment pattern for Fund

Particulars	Gratuity - Funded			Post Retirement Medical - Funded		
	As at 31/03/2017	**As at 31/03/2016**	**As at 01/04/2015**	**As at 31/03/2017**	**As at 31/03/2016**	**As at 01/04/2015**
Category of Asset	**%**	%	%	**%**	%	%
Government of India Asset	**22.47**	22.64	24.94	**5.03**	8.71	7.96
Corporate Bonds	**17.93**	19.88	27.06	**73.09**	61.03	54.48
Insurer Managed funds	**55.98**	51.74	40.19	**2.51**	2.74	-
State Government	**2.18**	4.03	5.38	**15.31**	22.68	34.10
Others	**1.44**	1.71	2.43	**4.06**	4.84	3.46
Total (%)	**100.00**	100.00	100.00	**100.00**	100.00	100.00

For the funded plans, the trust maintains appropriate fund balance considering the analysis of maturities. Projected Unit credit method is adopted for Asset-Liability Matching.

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

Movement in net defined benefit (asset)/ liability ₹ in Crores

Particulars	Death / Permanent Disablement - Non Funded		Re-settlement Allowance - Non Funded		Ex-gratia scheme - Non Funded	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
a) Reconciliation of balances of Defined Benefit Obligations.						
Defined Obligations at the beginning of the year	**12.11**	11.64	**17.53**	7.47	**321.09**	333.38
Interest Cost	**0.95**	0.44	**1.40**	0.62	**25.66**	26.90
Current Service Cost	**-**	-	**3.55**	1.37	**6.48**	15.04
Past service cost	**-**	-	**-**	-	**(27.59)**	-
Benefits paid	**(11.63)**	(12.25)	**(2.02)**	(1.71)	**(21.32)**	(19.99)
Actuarial (Gains)/ Losses on obligations						
-Changes in financial assumptions	**2.95**	0.45	**0.27**	(0.18)	**14.61**	(2.74)
-Experience adjustments	**9.63**	11.83	**(3.04)**	9.96	**7.50**	(31.50)
Defined Obligations at the end of the year	**14.01**	**12.11**	**17.69**	**17.53**	**326.43**	**321.09**
b) Amount recognised in Balance sheet	**14.01**	12.11	**17.69**	17.53	**326.43**	321.09
c) Amount recognised in Statement of Profit and Loss						
Current Service Cost	**-**	-	**3.55**	1.37	**6.48**	15.04
Past Service Cost	**-**	-	**-**	-	**(27.59)**	-
Interest Cost	**0.95**	0.44	**1.40**	0.62	**25.66**	26.90
Expenses for the year	**0.95**	**0.44**	**4.95**	**1.99**	**4.55**	**41.94**
d) Amount recognised in Other Comprehensive Income Remeasurements:						
Actuarial (Gains)/ Losses						
-Changes in financial assumptions	**2.95**	0.45	**0.27**	(0.18)	**14.61**	(2.74)
-Experience adjustments	**9.63**	11.83	**(3.04)**	9.96	**7.50**	(31.50)
Total	**12.58**	12.28	**(2.77)**	9.78	**22.11**	(34.24)

e) Major Actuarial Assumptions

Particulars	Death / Permanent Disablement - Non Funded			Re-settlement Allowance - Non Funded			Ex-gratia scheme - Non Funded		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
Discount Rate (%)	**6.81**	7.84	8.04	**7.26 - 7.39**	7.99 - 8.04	7.90	**7.45**	8.06	7.95

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation at the beginning of the period, for returns over the entire life of the related obligation.

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

Sensitivity analysis

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31st March 2017 is as below:

₹ in Crores

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Re-settlement allowance- Non funded	Exgratia scheme- Non funded
+ 1% change in rate of Discounting	(37.44)	(115.93)	(2.95)	(2.87)	(1.14)	(23.34)
- 1% change in rate of Discounting	42.67	143.15	3.20	3.10	1.31	26.70
+ 1% change in rate of Salary increase/ inflation	3.41	143.16	-	-	-	-
- 1% change in rate of Salary increase/ inflation	(3.87)	(116.68)	-	-	-	-

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31st March 2016 is as below:

₹ in Crores

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Re-settlement allowance- Non funded	Exgratia scheme- Non funded
+ 1% change in rate of Discounting	(36.78)	(97.51)	(2.50)	(2.92)	(1.81)	(23.10)
- 1% change in rate of Discounting	41.59	119.51	2.70	2.96	0.47	26.51
+ 1% change in rate of Salary increase/ inflation	3.42	119.74	-	-	-	-
- 1% change in rate of Salary increase/ inflation	(4.00)	(98.27)	-	-	-	-

Sensitivity for significant actuarial asssumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.

The expected future cash flows as at 31st March 2017 were as follows:

₹ in Crores

Expected contribution	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Re-settlement allowance- Non funded	Exgratia scheme- Non funded
Projected benefits payable in future years from the date of reporting						
1st following year	81.66	37.78	14.71	3.08	1.79	21.98
2nd following year	53.42	45.02	12.94	2.73	0.93	23.02
3rd following year	85.12	54.28	11.31	2.33	2.05	24.30
4th following year	78.81	59.00	9.80	2.01	1.84	25.34
5th following year	71.69	64.94	8.42	1.76	1.81	26.08
Years 6 to 10	306.05	427.14	25.88	5.12	8.29	137.98

NOTE 51 EMPLOYEE BENEFITS (CONSOLIDATED) (CONTD.)

Other details as at 31st March 2017

Particulars	Gratuity - Funded	Post Retirement Medical - Funded	Burmah shell Pension- Non Funded	Death/ Permanent Disablement- Non funded	Resettlement allowance- Non funded	Exgratia scheme- Non funded
Weighted average duration of the Projected Benefit Obligation(in years)	7-10	13-26	4	6	7-12	9
Prescribed contribution for next year (₹ in Crores)	1.53	98.34	-	-	3.37	-

Provident Fund:

The Corporation's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Corporation and charged to Statement of Profit and Loss. The actual return earned by the fund has mostly been higher than the Government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2017, 31st March 2016 and 1st April 2015.

The details of fund obligations are given below:

₹ in Crores

Particulars	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Present value of benefit obligation at period end	**4,505.00**	4,083.00	3,639.00

Note: In case of NRL, the contribution to Provident Fund is remitted to Employees Provident Fund Organisation on a fixed percentge of the eligible employee's salary and charged to Statement of Profit and Loss.

NOTE 52 RELATED PARTY TRANSACTIONS (CONSOLIDATED)

a) **Names of the Related parties**

Joint Venture & Associate Companies

Indraprastha Gas Limited
Petronet India Limited*
Petronet CCK Limited#
Petronet CI Limited*
Petronet LNG Limited
Bharat Oman Refineries Limited
Maharashtra Natural Gas Limited
Central UP Gas Limited
Sabarmati Gas Limited
Bharat Stars Services Private Limited
Bharat Stars Services (Delhi) Pvt. Ltd.
Bharat Renewable Energy Limited *
Matrix Bharat Pte. Ltd.
Delhi Aviation Fuel Facility Private Limited
Kannur International Airport Limited
GSPL India Gasnet Limited
GSPL India Transco Limited
Mumbai Aviation Fuel Farm Facility Private Limited

Kochi Salem Pipeline Private Limited
Brahmaputra Cracker and Polymer Limited
DNP Limited
Petroleum India International
BPCL-KIAL Fuel Farm Private Limited
Haridwar Natural Gas Pvt. Ltd.
Goa Natural Gas Pvt. Ltd.
FINO Paytech Limited
IBV (Brazil) Petroleo Pvt. Ltda.
Taas India Pte. Ltd.
Vankor India Pte. Ltd.
LLC TYNGD
Mozambique LNG 1 Pte. Ltd.
JSC Vankorneft
*Companies in the process of winding up
Petronet CCK Limited has become subsidiary w.e.f 29th May 2015

Key Management Personnel :
Shri S. Varadarajan Chairman & Managing Director (Up to 30.09.2016)
Shri D. Rajkumar Chairman & Managing Director (Appointed w.e.f 01.10.2016)
Shri K. K. Gupta Director (Marketing) (Up to 29.02.2016)
Shri S. Ramesh Director (Marketing) (Appointed w.e.f 01.03.2016)
Shri B. K. Datta Director (Refineries) (Up to 31.07.2016)
Shri R. Ramachandran Director (Refineries) (Appointed w.e.f 01.08.2016)
Shri S. P. Gathoo Director (Human Resource)
Shri P. Balasubramanian Director (Finance)
Shri Neeraj Mittal Govt. Nominee Director (Up to 11.12.2015)
Smt Sushma Taishete Govt. Nominee Director (Appointed w.e.f 19.05.2015, Up to 01.01.2016)
Shri Anant Kumar Singh Govt. Nominee Director (Appointed w.e.f 02.01.2016)
Shri P. H. Kurian Govt. Nominee Director
Shri J. R. Varma Independent Director (Up to 09.08.2015)
Shri B. Chakrabarti Independent Director (Up to 09.08.2015)
Shri Rajesh Kumar Mangal Independent Director (Appointed w.e.f 01.12.2015)
Shri Deepak Bhojwani Independent Director (Appointed w.e.f 01.12.2015)
Shri Gopal Chandra Nanda Independent Director (Appointed w.e.f 01.12.2015)
Shri Vishal V Sharma Independent Director (Appointed w.e.f 09.02.2017)

b) The nature wise transactions with the above related parties are as follows:

₹ in Crores

S.No.	Nature of Transactions	2016-17	2015-16
1	Purchase of goods	**31,748.02**	30,602.57
2	Sale of goods	**4,171.38**	2,429.92
3	Rendering of Services	**50.38**	58.96
4	Receiving of Services	**148.82**	92.28
5	Interest Income / Share of profit	**120.90**	130.21
6	Dividend Received	**91.40**	49.55
7	Investment and Advance for Investments- Equity	**3,007.97**	233.45
8	Other Investments	**1,001.10**	-
9	Loans and advances given	**-**	268.78
10	Management Contracts (Employees on deputation/consultancy services)	**22.81**	24.06

NOTE 52 RELATED PARTY TRANSACTIONS (CONSOLIDATED)(CONTD.)

₹ in Crores

S.No.	Nature of Transactions	2016-17	2015-16
11	Lease Rental & other charges received	**30.36**	27.09
12	Lease Rental & Other Charges paid	**0.08**	0.07
13	Receivables as at year end	**4,079.63**	6,062.10
14	Payables as at year end	**1,462.44**	1,065.48

The outstanding balances are unsecured and are settled in cash except advance against equities which are settled in equity.

c) In the course of its ordinary business, the Group enters into transactions with other Government controlled entities (not included in the list above). The Group has transactions with other Government-controlled entities,including but not limited to the following:

- Sales and purchases of goods and ancillary materials;
- Rendering and receiving of services;
- Receipt of dividends;
- Loans and advances;
- Depositing and borrowing money; and
- Uses of public utilities.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government controlled entities.

d) Key management personnel compensation

₹ in Crores

Particulars	2016-17	2015-16
Short-term employee benefits	**3.26**	2.48
Post-employment benefits	**0.63**	0.37
Other long-term benefits	**0.43**	0.42
Others (including sitting fees to non-executive directors)	**0.38**	0.12

NOTE 53 (CONSOLIDATED)

Dues from Directors of the Corporation is ₹ **0.40 Crores** (31st March 2016: ₹ 0.35 Crores and 1st April 2015: ₹ 0.32 Crores) and Dues from Officers of the Corporation is ₹ **4.13 Crores** (31st March 2016: ₹ 3.98 Crores and 1st April 2015: ₹ 3.30 Crores).

NOTE 54 EARNINGS PER SHARE (EPS) (CONSOLIDATED)

₹ in Crores

	Particulars	2016-17	2015-16
i.	**Profit attributable to owners of the Corporation**	**8,720.94**	7,584.51
ii.	**Weighted average number of ordinary shares**		
	Issued ordinary shares at 1st April (In Crores)	**144.62**	72.31
	Effect of shares issued as Bonus shares* (In Crores)	**-**	72.31
	Less : Investment held by BPCL Trust for Investment in Shares * [Refer Note No. 46] (In Crores)	**(13.49)**	(13.49)
	Weighted average number of shares at 31st March for basic and diluted EPS (in Crores)	**131.13**	131.13
	Basic and Diluted EPS (₹)	**66.51**	57.84

*The Corporation has issued bonus shares in the ratio of 1:1 during financial year 2016-17. The EPS for the financial year 2015-16 has been appropriately adjusted.

NOTE 55 (CONSOLIDATED)

The Corporation has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in “Foreign Currency Monetary Item Translation Difference Account” and amortized over the balance period of the liability.

For the current financial year, the impact on account of above (net of depreciation and amortization) is decrease in profit before tax of ₹ **165.19 Crores** (increase in profit in previous year ₹ 244.01 Crores). The net gain remaining unamortized under Foreign Currency Monetary Item Translation Difference Account as at 31st March 2017 is ₹ **206.34 Crores** (net loss as at 31 March 2016 ₹ 79.28 Crores and net gain of ₹ 27.20 Crores as at 01 April 2015).

NOTE 56 IMPAIRMENT OF ASSETS (CONSOLIDATED)

It is assumed that suitable mechanism would be in place by the Government of India, in line with earlier/ current year(s), to provide compensation towards under recoveries of margin, if any, and recoveries against Direct Benefit Transfer for LPG Scheme on account of sale of sensitive petroleum products in subsequent years. Hence, there is no indication of impairment of assets of the Corporation as at 31st March 2017.

NOTE 57 (CONSOLIDATED)

In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

₹ in Crores

Nature	Opening balance	Additions during the year	Utilisation during the year	Reversals during the year	Closing balance
Excise	117.61	17.87	-	7.40	128.08
Customs	2.51	-	-	-	2.51
VAT/ Sales Tax/ Entry Tax/ Service Tax	950.97	73.26	171.32	266.23	586.68
Property Tax/Legal Cases	100.68	30.32	-	81.70	49.30
Total	**1,171.77**	**121.45**	**171.32**	**355.33**	**766.57**
Previous year	1,023.76	326.80	0.07	178.72	1,171.77

The above provisions are made based on estimates and the expected timing of outflows is not ascertainable at this stage.

Above includes provision of ₹ **62.57 Crores** (Previous year ₹ 62.47 Crores) in respect of which deposits have been made.

In case of BPRL, the non current and current provisions for Liquidated Damages and Abandonment is ₹ **119.55 Crores** (31st March 2016: ₹ 47.46 Crores and 1st April 2015: ₹ 41.39 Crores). It includes provision made during the year ended 31st March 2017 and capitalized ₹ **3.63 Crores** under Intangible asset under development.

Liquidated Damages: In case of blocks held in India, as per the Production Sharing Contracts signed by BPRL with Government of India (GOI), it is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case it does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GOI. Accordingly, BPRL has provided ₹ **101.21 Crores** towards liquidated damages as on 31st March 2017 (31st March 2016: ₹ 30.54 Crores and 1st April 2015: ₹ 25.48 Crores) in respect to various blocks. A provision of ₹ **75.42 Crores** has been made in Financial Year 2016-17 in respect of block RJ ONN 2005/01, CB ONN 2010/08 and MB 2010/02.

Abandonment**:** BPRL has Participating Interest in different oil and gas blocks along with other consortium partners. It has made a provision of ₹ **18.34 Crores** as on 31st March 2017 (31st March 2016: ₹ 16.92 Crores and 1st April 2015: ₹ 15.91 Crores) in respect of its share of the abandonment obligation.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED)

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in Crores

As at 31/03/2017	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	692.65	-	692.65	594.85	-	97.80	692.65
Investment in mutual funds	14	312.45	-	-	312.45	312.45	-	-	312.45
Investment in debt instruments	8 & 14	5,360.34	-	0.01	5,360.35	5,360.34	-	-	5,360.34
Derivative instruments - Commodity related	19	3.28	-	-	3.28	-	3.28	-	3.28
Derivative instruments - Interest rate swap	19	2.81	-	-	2.81	-	2.81	-	2.81
Deposits	9	-	-	8.47	8.47	-	10.71	-	10.71
Loan to Joint Venture-fixed rate	9	-	-	1,254.10	1,254.10	-	1,243.19	-	1,243.19
Loan to Joint Venture-variable rate	9	1,544.41	-	-	1,544.41	-	-	1,544.39	1,544.39
Other Loans									
-Non-current- Loans to employee	9	-	-	421.59	421.59	-	389.89	-	389.89
-Non-current- Others	9	-	-	92.40	92.40				
-Current	18	-	-	78.17	78.17				
Cash and cash equivalents	16	-	-	637.98	637.98				
Bank Balances other than Cash and cash equivalents	17	-	-	1,246.56	1,246.56				
Trade receivables	15	-	-	4,803.75	4,803.75				
Others									
-Non-current	10	-	-	46.09	46.09				
-Current	19	-	-	3,302.19	3,302.19				
Total		**7,223.29**	**692.65**	**11,891.31**	**19,807.25**				

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

As at 31/03/2017	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Derivative Liability on forwards	31	71.52	-	-	71.52	-	71.52	-	71.52
Derivative Liability on Swaps	31	154.07	-	-	154.07	-	154.07	-	154.07
Derivative Liability on commodity derivatives	31	0.01	-	-	0.01	-	0.01	-	0.01
Bonds	24	-	-	11,605.80	11,605.80	8,091.46	3,879.47	-	11,970.93
OIDB Loans	24 & 31	-	-	1,795.13	1,795.13	-	1,833.04	-	1,833.04
Debentures	24	-	-	549.80	549.80	553.01	-	-	553.01
Term loans	24	-	-	9,696.40	9,696.40				
Foreign Currency Loans - Syndicated	24 & 31	-	-	3,860.60	3,860.60				
Other Non-Current financial liabilities	25	-	-	64.93	64.93				
Borrowings -Current	29	-	-	8,217.71	8,217.71				
Trade and Other Payables	30	-	-	11,382.47	11,382.47				
Other Current liabilities	31	-	-	17,926.17	17,926.17				
Total		**225.60**	**-**	**65,099.01**	**65,324.61**				

Note: There are no other categories of financial instruments other than those mentioned above.

NOTE 58 FINANCIAL INSTRUMENTS(CONSOLIDATED) (CONTD.)

₹ in Crores

As at 31/03/2016	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	507.61	-	507.61	419.26	-	88.35	507.61
Investment in mutual funds	14	146.39	-	-	146.39	146.39	-	-	146.39
Investment in debt instruments	8 & 14	5,158.35	-	0.01	5,158.36	5,158.35	-	-	5,158.35
Investment in convertible Debentures	14	21.08	-	-	21.08	-	-	21.08	21.08
Derivative instruments - Commodity related	19	2.49	-	-	2.49	-	2.49	-	2.49
Derivative Asset on forwards	19	0.01	-	-	0.01	-	0.01	-	0.01
Deposits	9	-	-	7.70	7.70	-	9.40	-	9.40
Loan to Joint Venture- fixed Rate	9	-	-	1,254.10	1,254.10	-	1,380.90	-	1,380.90
Loan to Joint Venture- variable Rate	9	4,400.36	-	100.00	4,500.36	-	-	4,400.35	4,400.35
Other Loans									
-Non-current- Loans to employee	9	-	-	400.63	400.63	-	366.99	-	366.99
-Non-current- Others	9	-	-	75.08	75.08				
-Current	18	-	-	63.20	63.20				
Cash and cash equivalents	16	-	-	2,029.82	2,029.82				
Bank Balances other than Cash and cash equivalents	17	-	-	2,172.55	2,172.55				
Trade receivables	15	-	-	2,216.89	2,216.89				
Others									
-Non-current	10	-	-	135.61	135.61				
-Current	19	-	-	4,130.86	4,130.86				
Total		**9,728.68**	**507.61**	**12,586.45**	**22,822.74**				

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

As at 31/03/2016	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Derivative Liability on Interest rate swaps	31	0.09	-	-	0.09	-	0.09	-	0.09
Derivative Liability on forwards	31	14.70	-	-	14.70	-	14.70	-	14.70
Derivative Liability on swaps	31	112.08	-	-	112.08	-	112.08	-	112.08
Bonds	24	-	-	7,953.17	7,953.17	8,322.62	-	-	8,322.62
OIDB Loans	24 & 31	-	-	1,725.24	1,725.24	-	1,748.37	-	1,748.37
Term loans	24	-	-	7,779.81	7,779.81	-	-	-	-
Other Non-Current financial liabilities	25	-	-	63.04	63.04				
Foreign Currency Loans - Syndicated	24 & 31	-	-	5,905.12	5,905.12				
Borrowings-current	29	-	-	24.40	24.40				
Trade and other payables	30	-	-	8,352.38	8,352.38				
Other current liabilities	31	-	-	14,683.40	14,683.40				
Total		**126.87**	**-**	**46,486.56**	**46,613.43**				

Note: There are no other categories of financial instruments other than those mentioned above.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

As at 01/04/2015	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity instruments	8	-	674.85	-	674.85	606.77	-	68.08	674.85
Investment in mutual funds	14	236.80	-	-	236.80	236.80	-	-	236.80
Investment in debt instruments	8 & 14	5,171.01	-	0.01	5,171.02	5,171.01	-	-	5,171.01
Investment in convertible Debentures	8	101.63	-	-	101.63	-	-	101.63	101.63
Derivative instruments - Forwards	19	0.05	-	-	0.05	-	0.05	-	0.05
Derivative instruments - Commodity related	19	24.10	-	-	24.10	-	24.10	-	24.10
Loan to Joint Venture- fixed rate	9	-	-	1,254.10	1,254.10	-	1,291.24	-	1,291.24
Loan to Joint Venture- variable rate	9	3,538.29	-	100.00	3,638.29	-	-	3,538.28	3,538.28
Other Loans									
-Non-current- Loans to employee	9	-	-	380.79	380.79	-	347.89	-	347.89
-Non-current- Others	9	-	-	61.81	61.81				
-Current	18	-	-	65.28	65.28				
Cash and cash equivalents	16	-	-	1,482.03	1,482.03				
Bank Balances other than Cash and cash equivalents	17	-	-	1,806.57	1,806.57				
Trade receivables	15	-	-	2,579.88	2,579.88				
Others									
-Non-current	10	-	-	17.77	17.77				
-Current	19	-	-	6,161.65	6,161.65				
Total		**9,071.88**	**674.85**	**13,909.89**	**23,656.62**				

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

As at 01/04/2015	Note Reference	Carrying amount				Fair value			
		Mandatorily at FVTPL	FVOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
Derivative Liability on forwards	31	3.40	-	-	3.40	-	3.40	-	3.40
Derivative Liability on currency swaps	31	111.50	-	-	111.50	-	111.50	-	111.50
Bonds	24	-	-	4,397.70	4,397.70	4,705.92	-	-	4,705.92
OIDB Loans	24 & 31	-	-	1,107.75	1,107.75	-	1,073.43	-	1,073.43
Term Loans	24	-	-	6,415.56	6,415.56				
Non-convertible debentures	24	-	-	700.00	700.00	699.80	-	-	699.80
Foreign Currency Loans - Syndicated	24 & 31	-	-	6,805.86	6,805.86				
Other Non-Current financial liabilities	25	-	-	72.77	72.77				
Borrowings-current	29	-	-	206.37	206.37				
Trade and other payables	30	-	-	12,872.75	12,872.75				
Other current liabilities	31	-	-	12,089.75	12,089.75				
Total		**114.90**	**-**	**44,668.51**	**44,783.41**				

Note: There are no other categories of financial instruments other than those mentioned above.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the Consolidated Balance Sheet, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity shares	The valuation is based on market multiples derived from quoted prices of companies comparable to investee and the expected revenue and PAT of the investee.	Adjusted market multiple (P/E)	The estimated fair value would increase/ (decrease) if adjusted market multiple were higher/(lower)
Optionally convertible Debentures.	The valuation is based on market multiples derived from quoted prices of companies comparable to investee and EBITDA of the investee.	Adjusted market multiple (EBITDA)	The estimated fair value would increase/ (decrease) if adjusted market multiple were higher/(lower)
Derivative instruments - forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable
Derivative instruments - interest rate swap	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates. This technique also involves using the interest rate curve for projecting the future cash flows.	Not applicable	Not applicable
Derivative instruments - commodity contracts	Fair valuation of Commodity Derivative instruments are based on forward assessment done by Platts which is an independent agency which assesses benchmark global crude oil and product prices. Globally counterparties also use Platts assessment for settlement of transactions.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Loan to Joint Venture (in case of BPRL)	Binomial model: The share price is simulated using a Binomial model from the valuation date to the maturity of the loan. As the number of shares is dependent on USD/BRL exchange rate, the same was simulated using a GARCH model	Share price (31st March 2017: 1.09) Credit spread (31st March 2017: 2.50%)	Not applicable

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

₹ in Crores

Paticulars	Equity securities	Optionally convertible debentures	Loan to joint venture (in case of BPRL)
Opening Balance (1st April 2015)	68.08	101.63	3,538.28
Net change in fair value (unrealised)	20.27	(80.55)	73.09
Addition	-	-	788.98
Closing Balance (31st March 2016)	88.35	21.08	4,400.35
Opening Balance (1st April 2016)	88.35	21.08	4,400.35
Net change in fair value (unrealised)	9.45	-	(252.58)
Redemption / Conversion	-	21.08	(2,603.38)
Closing Balance (31st March 2017)	**97.80**	**-**	**1,544.39**

Sensitivity analysis

For the fair values of unquoted equity shares in case of Corporation and loan to joint venture in case of BPRL reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

₹ in Crores

Particulars	As at 31/03/2017 Profit or Loss		As at 31/03/2016 Profit or Loss	
Significant unobservable inputs	**Increase**	**Decrease**	**Increase**	**Decrease**
P/E (5% movement)	**4.92**	**(4.92)**	4.44	(4.45)
Credit spread (10% movement)	**(25.77)**	**26.31**	(89.39)	91.14
Share price (10% movement)	**208.98**	**(208.98)**	574.16	(574.16)

C. Financial risk management

C. i. Risk management framework

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

C.ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, cash and cash equivalents and other bank balances, derivatives and debt securities. The maximum exposure to credit risk in case of all the financial instuments covered below is restricted to their respective carrying amount.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As at 31st March 2017, 31st March 2016 and 1st April 2015, the Group's industrial customers accounted for the majority of the trade receivables.

Expected credit loss assessment for Trade and other receivables from customers as at 1st April 2015, 31st March 2016 and 31st March 2017:

The Group uses an allowance matrix to measure the expected credit losses of trade and other receivables.

The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made. Roll rates are calculated separately for exposures based on common credit risk characteristics for a set of customers.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

₹ in Crores

As at 31/03/2017	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Debts not due	1,324.87	0.25%	3.31
Debts over due	2,907.49	19.89%	578.36
Total	**4,232.36**	**13.74%**	**581.67**

₹ in Crores

As at 31/03/2016	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Debts not due	923.18	0.56%	5.19
Debts over due	1,898.25	30.92%	587.02
Total	**2,821.43**	**20.99%**	**592.21**

₹ in Crores

As at 01/04/2015	Gross carrying amount	Weighed average loss rate - range	Loss allowance
Debts not due	661.19	0.41%	2.71
Debts over due	1,982.31	26.69%	528.98
Total	**2,643.50**	**20.11%**	**531.69**

The Group does not provide for any loss allowance on trade receivables where risk of default is negligible such as receivables from other oil marketing companies, if any.

Loss rates are based on actual credit loss experience over the past three years.

The movement in the loss allowance in respect of trade and other receivables during the year was as follows.

₹ in Crores

Balance as at 1st April, 2015	531.69
Movement during the year	60.52
Balance as at 31st March, 2016	592.21
Movement during the year	(10.54)
Balance as at 31st March, 2017	**581.67**

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

(b) Cash and cash equivalents and Other Bank Balances

The Group held cash and cash equivalents and other bank balances of ₹ **1,884.54 Crores** at 31st March 2017 (31st March 2016: ₹ 4,202.37 Crores, 1st April 2015 : ₹ 3,288.60 Crores). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing. Also, Group invests its short term surplus funds in bank fixed deposit, Government of India Treasury-bills and liquid schemes of mutual funds, which carry no / low mark to market risks for short duration, therefore does not expose the Group to credit risk.

(c) Derivatives

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits.

(d) Investment in debt securities

Investment in debt securities are mainly instruments such as loans to joint venture companies and investment in Government securites which do not carry any significant credit risk.

C.iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Group through effective fund management. The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, foreign currency borrowings and other debt instruments.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

Maturity Analysis of Significant Financial Liabilities

₹ in Crores

As at 31/03/2017	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities					
Bonds	15,456.57	488.69	2,273.29	899.64	11,794.95
OIDB Loans	2,076.13	565.04	1,130.52	380.57	-
Term loans	11,601.49	2,470.81	950.56	3,522.00	4,658.12
Non Convertible Debentures	731.92	40.43	80.85	610.64	-
Foreign Currency Loans - Syndicated	4,122.25	1,796.32	144.23	2,181.70	-
Short term borrowings	8,226.22	8,226.22	-	-	-
Trade and other payables	11,382.47	11,382.47	-	-	-
Other current liabilities	17,926.17	17,926.17	-	-	-
Financial guarantee contracts*	1,589.93	72.71	972.58	544.64	-
Derivative financial liabilities					
Interest rate swaps	0.98	0.38	0.30	0.30	-
Currency Swaps	260.40	25.37	235.03	-	-
Commodity Contracts	0.01	0.01	-	-	-
Forward exchange contracts					
Inflows	3,272.73	3,272.73	-	-	-
Outflows	(3,384.13)	(3,384.13)	-	-	-

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

As at 31/03/2016	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities					
Bonds	10,505.48	327.26	654.52	1,986.62	7,537.08
OIDB Loans	2,062.24	405.50	1,016.45	640.29	-
Term loans	8,744.00	208.71	2,618.80	2,887.41	3,029.08
Foreign Currency Loans - Syndicated	6,284.65	2,116.47	1,915.86	2,252.32	-
Short term borrowings	24.40	24.40	-	-	-
Trade and other payables	8,352.38	8,352.38	-	-	-
Other current liabilities	14,683.40	14,683.40	-	-	-
Financial guarantee contracts*	1,632.92	80.73	994.99	557.20	-
Derivative financial liabilities					
Interest rate swaps	0.17	0.09	0.08	-	-
Currency Swaps	244.83	25.96	51.91	166.96	-
Forward exchange contracts					
Inflows	1,518.97	1,518.97	-	-	-
Outflows	(1,533.66)	(1,533.66)	-	-	-

₹ in Crores

As at 01/04/2015	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities					
Bonds	5,774.76	183.54	367.08	1,660.38	3,563.76
OIDB Loans	1,350.58	190.30	664.91	495.37	-
Term loans	6,698.47	3,287.36	3,090.70	320.41	-
Foreign Currency Loans - Syndicated	7,284.51	1,388.97	4,794.01	1,101.53	-
Foreign Currency Loans - Others	165.02	165.02	-	-	-
Non-convertible debentures	821.10	60.55	760.55	-	-
Short term borrowings	40.27	40.27	-	-	-
Trade and other payables	12,872.75	12,872.75	-	-	-
Other current liabilities	12,089.75	12,089.75	-	-	-
Financial guarantee contracts*	1,516.78	52.16	-	938.86	525.76
Derivative financial liabilities					
Currency Swaps	244.35	24.49	48.99	170.87	-
Forward exchange contracts					
Inflows	1,149.90	1,149.90	-	-	-
Outflows	(1,152.96)	(1,152.96)	-	-	-

* Guarantees issued by the Group on behalf of joint venture are with respect to borrowings raised by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary/joint venture has defaulted and hence, the Group does not have any present obligation to third parties in relation to such guarantees.

C.iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

C.iv.a Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Corporation and its Indian Subsidiaries is Indian Rupee. Our exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Group has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks. The Group uses derivative instruments, (mainly foreign exchange forward contracts) to mitigate the risk of changes in foreign currency exchange rates in line with our policy.

The Group does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March 2017, 31st March 2016 and 1st April 2015 are as below:

₹ in Crores

As at 31/03/2017	USD	EURO	JPY	CHF	Others
Financial Assets					
Cash and cash equivalents	0.24	-	-	-	-
Trade receivables	618.34	-	-	-	-
Other Current financial asset	1.62	-	-	-	-
Net exposure for Assets	**620.20**	-	-	-	-
Financial liabilities					
Bonds	6,433.88	-	-	1,292.45	-
Long term borrowings	334.46	-	-	-	-
Foreign Currency Loans - Syndicated	3,860.60	-	-	-	-
Short term borrowings	5,789.76	-	-	-	-
Trade and other payables	5,792.69	106.62	21.15	0.20	0.32
Derivative instruments - Forwards	4.11	-	-	-	-
Other Current financial liabilities	1,920.72	33.17	66.12	0.02	1.45
Less: Foreign currency forward exchange contracts	(3,384.13)	-	-	-	-
Less: Foreign currency swaps	1,480.20	-	-	(1,292.45)	-
Net exposure for liabilities	**22,232.29**	**139.79**	**87.27**	**0.22**	**1.47**
Net exposure (Assets - Liabilities)	**(21,612.09)**	**(139.79)**	**(87.27)**	**(0.22)**	**(1.47)**

₹ in Crores

As at 31/03/2016	USD	EURO	JPY	CHF	Others
Financial Assets					
Cash and cash equivalents	12.19	-	-	-	-
Trade receivables	388.20	-	-	-	-
Other Current financial asset	14.83	-	-	-	0.01
Net exposure for Assets	415.22	-	-	-	0.01
Financial liabilities					
Bonds	6,583.32	-	-	1,369.85	-
Foreign Currency Loans - Syndicated	3,915.13	-	-	-	-
Long term borrowings	497.50	-	-	-	-
Trade and other payables	4,762.69	(0.33)	0.90	0.28	(0.20)
Other Current Financial Liabilities	2,126.06	68.39	0.72	0.01	1.56
Less: Foreign currency forward exchange contracts	(1,533.66)	-	-	-	-
Less: Foreign currency swaps	1,514.31	-	-	(1,369.85)	-
Net exposure for liabilities	**17,865.35**	**68.06**	**1.62**	**0.29**	**1.36**
Net exposure (Assets - Liabilities)	**(17,450.13)**	**(68.06)**	**(1.62)**	**(0.29)**	**(1.35)**

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

₹ in Crores

As at 01/04/2015	USD	EURO	JPY	CHF	Others
Financial assets					
Cash and cash equivalents	6.89	-	-	-	-
Trade receivables	829.98	-	-	-	-
Other Current financial asset	37.15	-	-	-	-
Net exposure for Assets	874.02	-	-	-	-
Financial liabilities					
Bonds	3,108.50	-	-	1,289.20	-
Long term borrowings	469.43	-	-	-	-
Foreign Currency Loans - Syndicated	6,805.86	-	-	-	-
Short term borrowings	164.53	-	-	-	-
Trade and other payables	5,299.72	(7.52)	105.95	0.01	0.15
Other Current Financial Liabilities	1,362.92	31.23	54.92	0.01	1.73
Derivative Liability on forwards	0.29	-	-	-	-
Less: Foreign currency forward exchange contracts	(1,152.96)	-	-	-	-
Less: Foreign currency swaps	1,428.88	-	-	(1,289.20)	-
Net exposure for liabilities	**17,487.17**	**23.71**	**160.87**	**0.02**	**1.88**
Net exposure (Assets - Liabilities)	**(16,613.15)**	**(23.71)**	**(160.87)**	**(0.02)**	**(1.88)**

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the USD against INR at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalized to fixed assets or recognised directly in reserves, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

₹ in Crores

Effect in INR (before tax)	Profit or Loss	
For the year ended 31st March, 2017	**Strengthening**	**Weakening**
3% movement		
USD	(648.36)	648.36

₹ in Crores

Effect in INR (before tax)	Profit or Loss	
For the year ended 31st March, 2016	**Strengthening**	**Weakening**
3% movement		
USD	(523.50)	523.50

C.iv.b Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Group's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

Exposure to interest rate risk

Group's interest rate risk arises primarily from borrowings. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

₹ in Crores

Particulars	Note Reference	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
Fixed-rate instruments				
Financial Assets - measured at amortized cost				
Investment in debt instruments	8	**0.01**	0.01	0.01
Loan to Joint Venture	9	**1,254.10**	1,254.10	1,254.10
Financial Assets - measured at FVTPL				
Investment in convertible Debentures	8 &14	**-**	21.08	101.63
Investment in debt instruments	14	**5,360.34**	5,158.35	5,171.01
Total of Fixed Rate Financial Assets		**6,614.45**	**6,433.54**	**6,526.75**
Financial liabilities - measured at amortized cost				
Bonds	24	**11,605.80**	7,953.17	4,397.70
OIDB Loans	24 & 31	**1,795.13**	1,725.24	1,107.75
Non- Convertible Debentures	24	**549.80**	-	700.00
Total of Fixed Rate Financial Liabilities		**13,950.73**	**9,678.41**	**6,205.45**
Variable-rate instruments				
Financial Assets - measured at FVTPL				
Loan to Joint Venture	9	**1,544.41**	4,400.36	3,538.29
Total of Variable Rate Financial Assets		**1,544.41**	**4,400.36**	**3,538.29**
Financial liabilities - measured at amortized cost				
Foreign Currency Loans - Syndicated*	24 & 31	**3,860.60**	5,905.12	6,805.86
Unsecured - Foreign Currency Loan	29	**-**	-	165.02
Short term borrowings	29	**8,217.71**	24.40	41.35
Term loans	24 & 31	**9,696.40**	7,779.80	6,415.56
Total of Variable Rate Financial Liabilities		**21,774.71**	**13,709.32**	**13,427.79**

* In respect of Syndicated Foreign Currency Loans, the Corporation has entered into IRS of USD 10 million during 2016-17, USD 10 million during 2015-16 and Nil during 2014-15

Fair value sensitivity analysis for fixed-rate instruments

The Group accounts for certain investments in fixed-rate financial assets such as investments in Oil bonds at fair value through profit or loss. Accordingly, a decrease in 25 basis point in interest rates is likely to increase the profit or loss (before tax) for the year ending 31st March 2017 by ₹ **80.21 Crores** (31st March 2016: ₹ 86.34 Crores) and an increase in 25 basis point in interest rates is likely to decrease the profit or loss (before tax) for the year ending 31st March 2017 by ₹ **81.76 Crores** (31st March 2016: ₹ 88.18 Crores).

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalized to fixed assets, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets.

₹ in Crores

Cash flow sensitivity (net)	Profit or loss	
	0.25% increase	0.25% decrease
As at 31/03/2017		
Variable-rate loan instruments	(29.50)	29.50
Cash flow sensitivity (net)	**(29.50)**	**29.50**
As at 31/03/2016		
Variable-rate loan instruments	(16.95)	16.95
Interest on Loan given to JVC	0.25	(0.25)
Cash flow sensitivity (net)	**(16.70)**	**16.70**

C.iv.c Commodity rate risk

Group's profitability gets affected by the price differential (also known as Margin or Crack spread) between prices of products (output) and the price of the crude oil and other feed-stocks used in production (input), prices of both are set by markets. Hence Group uses derivatives instruments (swaps, futures, options, and forwards) to hedge exposures to commodity price risk to cover refinery operating cost using Basic Swaps on various products cracks like Naphtha, Gasoline (Petrol), Jet/Kerosene, Gasoil (Diesel) and Fuel Oil against Benchmark Dubai Crude. Further volatility in freight costs is hedged through Freight Forwards and bunker purchases. Settlement of all derivative transactions take place on the basis of monthly average of the daily prices of the settlement month quoted by Platts.

Group measures market risk exposure arising from its trading positions using value-at-risk (VAR) techniques. These techniques make a statistical assessment of the market risk arising from possible future changes in market prices over a one-day holding period.

Group uses historical model of VAR techniques based on variance/covariance to make a statistical assessment of the market risk arising from possible future changes in market values over a 24-hour period and within a 95% confidence level. The calculation of the range of potential changes in fair value takes into account positions, the history of price movements for last two years and the correlation of these price movements. VAR calculation for open position as on 31st March 2017 is as given below:

Product	Naphtha-Dubai	Jet Kero – Dubai	Dt Brent-Dubai	HSFO ZCC
Unit	USD/Bbl	USD/Bbl	USD/Bbl	USD/MT
Mean	3.2	11.99	1.81	261.23
Standard Deviation	3.7	1.59	1.64	64.97
Var95	6.09	2.62	2.69	106.86
Mean+Var95	9.29	14.61	-0.88	154.37
Avg.Trade Price	1.24	14.8	1.43	302.25
Lots as on 31.03.2017	3	3	6	1
Standard Lot size	50000 BBL	50000 BBL	50000 BBL	1000 MT
VAR USD million ("-ve" VAR of Jet/Kero ignored)	1.21	-0.03	0.69	0.15
Total Portfolio VAR in USD million	**2.05**			

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

C.iv. d Price risk

The Corporation's exposure to equity investments price risk arises from investments held by the Corporation and classified in the financial statements at fair value through OCI. The corporation intends to hold these investments for long-term for better returns and price risk will not be significant from a long term perspective.

Exposure to price risk

₹ in Crores

Effect in INR (before tax)	Profit or loss		Other components of Equity	
	Strengthening	Weakening	Strengthening	Weakening
As at 31/03/2017				
1% movement				
Investment in Oil India - FVOCI	-	-	5.95	(5.95)
Investment in CIAL - FVOCI	-	-	0.98	(0.98)
Total	**-**	**-**	**6.93**	**(6.93)**

₹ in Crores

Effect in INR (before tax)	Profit or loss		Other components of Equity	
	Strengthening	Weakening	Strengthening	Weakening
As at 31/03/2016				
1% movement				
Investment in Oil India - FVOCI	-	-	4.19	(4.19)
Investment in CIAL - FVOCI	-	-	0.88	(0.88)
Total	-	-	5.07	(5.07)

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

D. Offsetting

The following table presents the recognised financial instruments that are offset and other similar agreements that are not offset, as at 31st March 2017, 31st March 2016 and 1st April 2015.

The column 'net amount' shows the impact on the Corporation's balance sheet if all set-off rights are exercised.

₹ in Crores

Particulars	Note reference	Effect of offsetting on the balance sheet			Related amounts not offset		
		Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument	Amounts to be offset	Net Amount
As at 31/03/2017		**(A)**	**(B)**	**(A-B)**			
Financial assets							
Investment in GOI Bonds	A	-	-	-	5,360.34	(1,350.00)	4,010.34
Trade and other receivables	B & C	1,595.66	1,595.66	-	-	-	-
Derivative Assets	D	-	-	-	1.25	(1.25)	-
Financial liabilities							
Short term borrowings	A	-	-	-	7,227.68	(1,350.00)	5,877.68
Trade and other payables	B & C	6,369.88	1,595.66	4,774.22	-	-	-
Derivative Liabilities	D	-	-	-	16.81	(1.25)	15.56
As at 31/03/2016							
Financial assets							
Trade and other receivables	B & C	1,541.38	1,541.38	-	-	-	-
Financial liabilities							
Trade and other payables	B & C	4,638.61	1,541.38	3,097.23	-	-	-
As at 01/04/2015							
Financial assets							
Trade and other receivables	B & C	1,911.45	1,911.45	-	-	-	-
Derivative Assets	C	24.11	0.01	24.10	-	-	-
Financial liabilities							
Trade and other payables	B & C	6,529.06	1,911.45	4,617.61	-	-	-
Derivative Liabilities	C	0.01	0.01	-	-	-	-

NOTE 58 FINANCIAL INSTRUMENTS (CONSOLIDATED) (CONTD.)

Notes

A. The Corporation has Collaterised Borrowing and Lending Obligations limits from Clearing Corporation of India Limited, which are secured by 6.90% Oil Marketing Companies GOI Special Bonds 2026. As the Counterparty currently does not have a legally enforceable right to off set these amounts, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

B. The Corporation purchases and sells petroleum products from different Oil Marketing Companies. Under the terms of the agreement, the amounts payable by the Corporation are offset against receivables and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

C. The Corporation enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

D. The Corporation enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. The ISDA master netting agreements do not meet the criteria for offsetting in the balance sheet. This is because the Counterparty does not currently have legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events.

NOTE 59 CAPITAL MANAGEMENT (CONSOLIDATED)

The Group's objective is to maximize the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

The Group's debt to equity ratio as at 31st March, 2017 is 1.16 (31st March 2016: 0.84 and 1st April, 2015: 0.84)

Note: For the purpose of computing debt to equity ratio, equity includes Equity Share Capital and Other Equity and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings.

NOTE 60 (CONSOLIDATED)

Segment reporting

A. Basis for segmentation

The Group has following two reportable segments. Details of the segments are as follows:

a) Downstream Petroleum i.e. refining and marketing of petroleum products.

b) Exploration and Production of hydrocarbons (E & P)

Segments have been identified taking into account the nature of activities and its risks and returns.

Committee of Functional Directors (CFD), periodically reviews the internal management reports and evaluates performance/allocates resources based on the analysis of various performance indicators relating to the segments referred to above.

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment profit /(loss) after tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry.

NOTE 60 (CONSOLIDATED) (CONTD.)

₹ in Crores

Particulars*	For the Year Ended 31st March 2017 Downstream Petroleum	E&P	Total	For the Year Ended 31st March 2016 Downstream Petroleum	E&P	Total
Revenue						
External Customers	**243,699.96**	**47.50**	**243,747.46**	219,226.79	-	219,226.79
Inter-segment	-	-	-	-	-	-
Total Revenue	**243,699.96**	**47.50**	**243,747.46**	219,226.79	-	219,226.79
Results						
Segment Results	**11,801.00**	**(143.59)**	**11,657.41**	12,168.41	(0.58)	12,167.83
Unallocated Corporate expenses	-	-	-	-	-	-
Operating Profit	**11,801.00**	**(143.59)**	**11,657.41**	12,168.41	(0.58)	12,167.83
Add:						
a) Interest Income			**1,044.35**			979.81
b) Other Income (excluding Interest Income)			**1,003.40**			-
c) Share of profit of equity accounted investees	**805.61**	**137.78**	**943.39**	449.23	(98.22)	351.01
Less:						
a) Finance Cost			**696.36**			680.49
b) Fair valuation loss on instruments measured at FVTPL			**252.58**			686.57
c) Income tax (including deferred tax)			**4,192.64**			4,042.72
Profit / (loss) after tax			**9,506.97**			8,088.87
Other Information						
Segment assets	**83,204.91**	**14,570.60**	**97,775.51**	66,901.24	4,846.38	71,747.62
Unallocated Corporate Assets			**11,310.75**			14,674.11
Total Assets	**83,204.91**	**14,570.60**	**109,086.26**	66,901.24	4,846.38	86,421.73
Segment liabilities	**33,598.18**	**127.59**	**33,725.77**	27,590.13	109.26	27,699.39
Unallocated Corporate Liabilities			**42,582.55**			29,250.75
Total Liabilities	**33,598.18**	**127.59**	**76,308.32**	27,590.13	109.26	56,950.14
Depreciation and amortization	**2,060.81**	**46.83**	**2,107.64**	2,071.43	0.44	2,071.87
Material Non-cash expenses other than depreciation and amortization	**68.27**	**254.14**	**322.41**	828.71	39.58	868.29
Segment assets include:						
Investment in equity accounted investees	**5,495.70**	**9,465.98**	**14,961.68**	3,567.13	-	3,567.13
Capital expenditure	**9,369.39**	**116.44**	**9,485.83**	9,299.37	564.06	9,863.43

* For the purposes of review by the Committee of Functional Directors (CFD), information referred to above is measured consistent with the accounting policies applied for preparation of these financial statements.

NOTE 60 (CONSOLIDATED) (CONTD.)

C. Geographic information

The geographic information analyses the Group's revenue and non-current assets by the country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic selling location and segment assets were based on the geographic location of the respective non-current assets.

₹ in Crores

Geography		For the year ended 31st March, 2017	For the year ended 31st March, 2016
I)	**Revenue**		
	India	**243,747.46**	219,226.79
	Other Countries	**-**	-
	Total Revenue	**243,747.46**	219,226.79
II)	**Non-current Assets ***		
	India	**53,178.81**	43,817.23
	Other Countries		
	Mozambique	**4,166.83**	3,994.51
	Singapore	**6,744.53**	-
	Other Countries	**3,026.29**	285.24
	Total Non-current Assets	**67,116.46**	48,096.98

*non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising from insurance contracts.

D. Information about major customers

In case of the corporation, approximately 15% of the revenues are derived from customers under common control.

NOTE 61 SPECIFIED BANK NOTES (CONSOLIDATED)

The details for the Group of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are provided in the Table below:-

₹ in Crores

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	342.45	34.69	377.14
(+) Withdrawal from banks	-	0.49	0.49
(+) Permitted receipts	670.22	1,086.86	1,757.08
(-) Permitted payments	0.01	523.79	523.80
(-) Amount deposited in Banks	1,012.66	284.62	1,297.28
Closing cash in hand as on 30.12.2016	**-**	**313.64**	**313.64**

Note: Above excludes ₹ **0.22 Crores** collected during 09th December 2016 to 11th December 2016 in one of the Company Owned Company Operated Retail Outlet since the same was stolen before depositing into the bank.

NOTE 62 MICRO, SMALL AND MEDIUM ENTERPRISES (CONSOLIDATED)

To the extent, the Corporation has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

₹ in Crores

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Amount Due and Payable at the year end			
-Principal	**0.47**	0.89	3.10
-Interest on above Principal	**-**	-	-
Payment made during the year after the due date			
-Principal	**-**	-	-
-Interest	**-**	-	-
Interest due and payable for Principal already paid	**-**	-	-
Total Interest accrued and remained unpaid at year end	**-**	-	-

The interest payable to such vendors is not likely to be material.

NOTE 63 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONSOLIDATED)

₹ in Crores

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Contingent Liabilities :			
In respect of Income Tax matters	**75.58**	80.38	80.68
Other Matters :			
i) Claims against the Corporation not acknowledged as debts * :			
Excise and customs matters	**1,766.16**	1,314.27	1,313.61
Service Tax matters	**159.67**	132.65	50.82
Sales tax matters	**8,354.42**	7,299.76	6,672.53
Land Acquisition cases for higher compensation	**159.74**	176.75	121.05
Others	**448.93**	510.05	546.74

* These include ₹ **6,058.74 Crores** (31st March 2016: ₹ 5,017.03 Crores, 1st April 2015: ₹ 4,163.89 Crores) against which the Group has a recourse for recovery and ₹ 169.84 Crores (31st March 2016: ₹ 216.34 Crores, 1st April 2015: ₹ 156.22 Crores) which are on capital account.

ii) Claims on account of wages, bonus / ex-gratia payments in respect of pending court cases	**19.09**	16.28	15.95
iii) Guarantees	**80.61**	88.81	1,285.58
Share of Interest in Joint Ventures & Associates	**717.61**	1,037.66	997.97

NOTE 63 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONSOLIDATED) (CONTD.)

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(b)	**Capital Commitments :**			
	i) Estimated amount of contracts remaining to be executed on capital account and not provided for	**3,475.92**	5,425.94	8,050.19
	ii) Uncalled liability on shares and other investments partly paid	**-**	-	50.00
	Share of Interest in Joint Ventures & Associates	**1,098.44**	499.12	259.25

NOTE 64 NON-CONTROLLING INTERESTS (NCI) (CONSOLIDATED)

Below is the list of partly owned subsidiaries of the Corporation and the respective share of the non-controlling interests.

			Non-controlling interest		
Sr No	**Name**	**Country of Incorporation**	**As at 31/03/2017**	**As at 31/03/2016**	**As at 01/04/2015**
1	Numaligarh Refinery Limited	India	**38.35%**	38.35%	38.35%
2	Petronet CCK Limited	India	**-**	26.04%	31.03%

The principal place of business of all the entities listed above is the same as their respective country of incorporation.

The following table comprises the information relating to each of the groups subsidiaries that has material Non-Controlling Interest (NCI), before any intra group eliminations.

31/03/2017 ₹ in Crores

Particulars	**Numaligarh Refinery Limited**	**Total**
NCI percentage	38.35%	
Non Current Assets	2,840.30	2,840.30
Current Assets	4,323.20	4,323.20
Non Current Liabilities	690.43	690.43
Current Liabilities	1,366.43	1,366.43
Net Assets	**5,106.63**	**5,106.63**
Net assets attributable to NCI	**1,958.39**	**1,958.39**
Revenue	14,317.21	14,317.21
Profit	2,049.83	2,049.83
Other Comprehensive Income	(3.85)	(3.85)
Total Comprehensive Income	**2,045.97**	**2,045.97**
Profit allocated to NCI	**786.11**	**786.11**
OCI allocated to NCI	(1.48)	(1.48)
Total comprehensive income allocated to NCI	**784.63**	**784.63**
Cash flow from operating activities	1,631.54	1,631.54
Cash flow from investing activities	75.22	75.22
Cash flow from financing activities	(1,456.41)	(1,456.41)
Net Increase (decrease) in cash and cash equivalents	**250.35**	**250.35**
Dividends paid to Non-controlling interest	(458.38)	(458.38)

NOTE 64 NON-CONTROLLING INTERESTS (NCI) (CONSOLIDATED) (CONTD.)

31/03/2016 ₹ in Crores

Particulars	**Numaligarh Refinery Limited**	**Petronet CCK Limited**	**Total**
NCI percentage	38.35%	26.04%	
Non Current Assets	2,589.77	181.67	2,771.44
Current Assets	3,874.34	28.00	3,902.34
Non Current Liabilities	1,090.56	4.01	1,094.57
Current Liabilities	1,117.63	2.87	1,120.50
Net Assets	**4,255.92**	**202.79**	**4,458.71**
Net assets attributable to NCI	**1,632.15**	**52.81**	**1,684.95**
Revenue	12,066.45	117.41	12,183.86
Profit	1,182.27	59.62	1,241.89
Other Comprehensive Income	0.96	(0.05)	0.92
Total Comprehensive Income	**1,183.23**	**59.57**	**1,242.80**
Profit allocated to NCI	453.40	15.52	468.92
OCI allocated to NCI	0.37	(0.01)	0.36
Total comprehensive income allocated to NCI	**453.77**	**15.51**	**469.28**
Cash flow from operating activities	1,222.05	(20.39)	1,201.66
Cash flow from investing activities	(752.12)	(2.55)	(754.67)
Cash flow from financing activities	(500.73)	(2.06)	(502.79)
Net Increase (decrease) in cash and cash equivalents	**(30.80)**	**(25.00)**	**(55.80)**
Dividends paid to Non-controlling interest	254.66	1.57	256.23

01/04/2015 ₹ in Crores

Particulars	**Numaligarh Refinery Limited**	**Petronet CCK Limited**	**Total**
NCI percentage	38.35%	31.03%	
Non Current Assets	2,581.09	104.32	2,685.41
Current Assets	4,357.90	52.35	4,410.25
Non Current Liabilities	939.05	4.49	943.54
Current Liabilities	2,263.20	2.94	2,266.14
Net Assets	**3,736.75**	**149.24**	**3,885.98**
Net assets attributable to NCI	**1,433.04**	**46.31**	**1,479.35**

65. DISCLOSURES AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS (CONSOLIDATED)

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
		As % of consolidated net assets	Amount ₹ Crores	As % of consolidated profit or loss	Amount ₹ Crores	As % of consolidated Other comprehensive income	Amount ₹ Crores	As % of consolidated profit or loss	Amount ₹ Crores
	Parent								
1	Bharat Petroleum Corporation Limited	78.00%	24,046.10	83.10%	7,895.47	39.90%	131.88	81.60%	8,027.36
	Subsidiaries								
	Indian								
1	Bharat PetroResources Limited	4.00%	1,221.89	-5.20%	(491.08)	61.10%	202.13	-2.90%	(288.95)
2	Numaligarh Refinery Limited	13.40%	4,138.90	21.20%	2,013.16	-1.20%	(3.83)	20.40%	2,009.32
3	Petronet CCK Limited	0.30%	94.61	0.60%	57.37	0.00%	(0.04)	0.60%	57.33
	Minority Interest	-6.40%	(1,958.19)	-8.30%	(786.03)	0.40%	1.48	-8.00%	(784.55)
	Joint Ventures								
	Indian								
1	Bharat Oman Refineries Limited	4.40%	1,351.23	4.20%	396.84	0.00%	(0.08)	4.00%	396.76
2	Bharat Renewable Energy Limited *								
3	Bharat Stars Services Private Limited	0.00%	14.37	0.00%	2.86	0.00%	(0.01)	0.00%	2.85
4	Central U.P. Gas Limited	0.10%	41.98	0.10%	11.91	0.00%	(0.03)	0.10%	11.88
5	Delhi Aviation Fuel Facility Private Limited	0.20%	58.64	0.10%	13.93	-	-	0.10%	13.93
6	Maharashtra Natural Gas Limited	0.20%	60.58	0.20%	16.92	0.00%	(0.06)	0.20%	16.86
7	Sabarmati Gas Limited	0.40%	126.46	0.20%	20.87	0.00%	(0.01)	0.20%	20.86
8	Mumbai Aviation Fuel Farm Facility Private Limited	0.10%	37.64	0.10%	6.53	-	-	0.10%	6.53
9	Kochi Salem Pipeline Private Limited	0.10%	42.43	0.00%	(1.31)	-	-	0.00%	(1.31)
10	BPCL- KIAL Fuel Farm Facility Private Limited*								
11	Haridwar Natural Gas Private Limited	0.00%	5.80	0.00%	(0.34)	-	-	0.00%	(0.34)
12	Goa Natural Gas Private Limited*								
	Foreign								
1	Matrix Bharat Pte. Ltd.	0.00%	7.65	0.10%	8.96	0.00%	(0.00)	0.10%	8.96
	Associates								
1	GSPL India Gasnet Limited	0.10%	25.21	0.00%	0.12	-	-	0.00%	0.12
2	GSPL India Transco Limited	0.10%	18.79	0.00%	0.10	-	-	0.00%	0.10
3	Fino PayTech Limited	0.30%	88.00	-0.20%	(18.58)	0.00%	(0.15)	-0.20%	(18.73)
4	Petronet LNG Limited	2.70%	828.57	2.20%	211.54	-0.10%	(0.22)	2.10%	211.31
5	Petronet CI Limited *								
6	Indraprastha Gas Limited	1.80%	553.00	1.40%	135.61	-0.10%	(0.19)	1.40%	135.41
7	Kannur International Airport Limited *								
8	Petronet India Limited	0.00%	13.70	0.10%	9.32	-	-	0.10%	9.32
9	Petroleum India International	0.00%	2.41	0.00%	2.82	-	-	0.00%	2.82
	Total	**100.00%**	**30,819.75**	**100.00%**	**9,506.97**	**100.00%**	**330.85**	**100.00%**	**9,837.82**

* Subsidiaries / Joint Ventures have not been considered for consolidation

NOTE 66 ADDITIONAL INFORMATION AS APPEARING IN THE FINANCIAL STATEMENTS OF BPRL (CONSOLIDATED)

I. Joint Operations

The Group has participating interest in the nature of Production Sharing Contracts (PSC) with the Government of India and/or various bodies corporate in the oil and gas blocks for exploration, development and production activities. The arrangements require unanimous consent from all parties for all relevant activities and hence it is classified as joint operations. The partners to the agreement have direct right to the assets and are jointly and severally liable for the liabilities incurred by the un-incorporated joint operation. In accordance with Ind AS 111 on "Joint Arrangements", the financial statements of the Group includes the Group's share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the respective operators. The income, expenditure, assets and liabilities of the joint operations are merged on line by line basis according to the participating interest with the similar items in the Financial Statements of the Company.

i) In respect of Block CB/ONN/2010/8, the Company is the operator. The Company's share of the assets and liabilities have been recorded under respective heads based on the audited statement.

ii) Out of the remaining **six** Indian Blocks (Previous year six) the Company has received **one** (Previous year three) audited financial statements as at March 31, 2017 and this has been considered for the financial statements of the company. The Company has not received financial statement for five (Previous year three) blocks and expenses for these blocks are accounted based on unaudited financial statement from the operator for the period upto 31st March 2017.

iii) In respect of **one** (Previous year one) Joint Venture block outside India, the assets, liabilities, income and expenditure have been incorporated on the basis of unaudited financial statements as on 31st March 2017.

The following table provides the details of the blocks:

Name	**Company**	**Country**	**Participating Interest of the Group**		
			31/03/2017	**31/03/2016**	**1/04/2015**
		Blocks in India			
NELP – IV					
CY/ONN/2002/2 (b)	BPRL	India	**40.00%**	40.00%	40.00%
NELP – VI					
CY/ONN/2004/1(a)	BPRL	India	**-**	-	-
CY/ONN/2004/2	BPRL	India	**20.00%**	20.00%	20.00%
NELP – VII					
RJ/ONN/2005/1 (c)	BPRL	India	**33.33%**	33.33%	33.33%
NELP – IX					
CB/ONN/2010/11	BPRL	India	**25%**	25%	25%
AA/ONN/2010/3	BPRL	India	**20%**	20%	20%
CB/ONN/2010/8	BPRL	India	**25%**	25%	25%
MB/OSN/2010/2 (d)	BPRL	India	**20%**	20%	20%
Discovery of New field*					
CY/ONDSF/ KARAIKAL/2016	BPRL	India	**100%**	-	-
RJ/ONDSF/BAKHRI TIBBA/2016	BPRL	India	**100%**	-	-

NOTE 66 ADDITIONAL INFORMATION AS APPEARING IN THE FINANCIAL STATEMENTS OF BPRL (CONSOLIDATED) (CONTD)

Name	Company	Country	Participating Interest of the Group		
			31/03/2017	31/03/2016	1/04/2015
RJ/ONDSF/ SADEWALA/2016	BPRL	India	**100%**	-	-
MB/OSDF/B15/2016	BPRL	India	**100%**	-	-
MB/OSDF/B127E/2016	BPRL	India	**100%**	-	-
*Alloted on 27 March 2017					
			Blocks outside India		
JPDA 06-103 (e)	BPRL JPDA	Australia / Timor	**-**	-	-
EP-413	BPRL	Australia	**27.80%**	27.80%	27.80%
Mozambique Rovuma Basin (h)	BPRL Ventures Mozambique B.V.	Mozambique	**10.00%**	10.00%	10.00%
Nunukan PSC, Tarakan Basin	BPRL Ventures Indonesia B.V.	Indonesia	**12.50%**	12.50%	12.50%

The table below provides summarized financial information of the company's share of assets, liabilities, income and expenses in the joint operations

₹ in Crores

Sr. No.	Particulars	As at 31/03/ 2017	As at 31/03/ 2016	As at 01/04/ 2015
1	Property, Plant and Equipment	**0.99**	0.50	-
2	Other Intangible assets	**70.33**	-	-
3	Intangible asset under development	**4,402.03**	4,404.21	3,944.30
4	Other Non-Current Assets	**0.03**	0.02	0.02
5	Current Assets	**18.17**	9.90	4.06
6	Cash and Bank Balances	**5.41**	3.81	6.94
7	Current & Non Current Liabilities/Provisions	**104.03**	35.35	23.25
8	Expenses	**14.18**	0.46	3.10

II. Additional Information

In case of two blocks, no audited statements have been received by the Company.Total assets, liabilities, income and expenses in respect of these blocks, amount to ₹ 70.04 Crores, ₹ 1.12 Crores, Nil and Nil respectively.

In case of one foreign block (EP413), the information relating to the same is provided on the basis of audited financial statements for the year ended 31st December, 2016 and unaudited statement for subsequent 3 months. Total assets, liabilities, income and expenses related to the said block amounts to ₹ 65.62 Crores, ₹ 0.43 Crores, Nil and Nil respectively.

The audited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts and are special purpose statement. None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act. Some of the Operators use acounting policies other than those adopted by BPRL for like transactions. Appropriate adjustment has been made while incorporating the relevant data.

No break up of assets and liabilities is available in respect of one block where BPRL has invested ₹ 37.66 Crores including provision for site restoration cost of ₹ 1 Crore.

NOTE 67: ADDITIONAL INFORMATION IN CASE OF CERTAIN JOINT VENTURE COMPANIES (CONSOLIDATED)

I. Delhi Aviation Fuel Facility Private Limited (DAFFPL)

Security Deposit has been presented at fair value considering Effective Interest Rate (EIR) method at initial recognition. On this fair valued deposit, interest will be accounted annually at EIR which will have an incremental impact on the interest income and security deposit every year. Further, portion of security deposit is shown as other Intangible Asset which will be amortized over the period of concession on straight line basis every year. Hence, there is an impact of reduction in net profit amounting to ₹ **3.58 Crores** (Previous year ₹ 3.54 Crores) in the Statement of Profit & Loss and an impact of reduction in non-current assets amounting to ₹ **20.29 Crores** (Previous year ₹ 16.71 Crores) in security deposit and other intangible asset together in the Balance Sheet as compared to the generally accepted acounting principles (IGAAP).

II. Kochi Salem Pipeline Private Limited (KSPPL)

KSPPL was incorporated on 22nd January 2015, under Companies Act, 2013, developing a LPG Pipeline for transmission of LPG from Kochi to Salem. The project is under construction and yet to be commissioned. It has signed a facility for term loan with State Bank of India on 15th January 2016 for an amount of ₹ 722.87 Crores against which an amount of ₹ 144.31 Crores was availed as on 31st March 2017. The term loan repayment will start from April 2021.

Signature to Notes '1' to '67'

For and on behalf of the Board of Directors		As per our attached report of even date For and on behalf of	
Sd/- **D. RAJKUMAR** Chairman and Managing Director DIN: 00872597		**CNK & ASSOCIATES LLP** Chartered Accountants ICAI FR No.: 101961W/W-100036	**HARIBHAKTI & CO. LLP** Chartered Accountants ICAI FR No.: 103523W/W-100048
Sd/- **K. SIVAKUMAR** Director (Finance) DIN: 06913284	Sd/- **M. VENUGOPAL** Company Secretary	Sd/- **HIMANSHU KISHNADWALA** Partner Membership No.: 37391	Sd/- **SNEHAL SHAH** Partner Membership No.: 48539

Place: Mumbai
Dated: 29th May 2017

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

Sr. No.	Particulars	(Amount in ₹ Crores)		
1	Name of the Subsidiary	Numaligarh Refinery Limited*	Bharat PetroResources Limited *	Petronet CCK Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
3	Reporting Currency and Exchange rates as on the last date of the relevant Financial Year in case of foreign subsidiaries	NA	NA	NA
4	Share Capital	735.63	2,920.00	100.00
5	Reserves & Surplus	4,371.00	(1,412.42)	16.73
6	Total Assets	7,163.49	16,128.84	124.49
7	Total Liabilities	2,056.86	14,621.26	7.76
8	Investments	425.10	9,465.98	-
9	Turnover	13,945.14	47.50	109.78
10	Profit before Taxation (A)	3,096.83	(505.14)	90.07
11	Provision for taxation (B)	1,047.00	(5.11)	31.66
12	Profit after Taxation (A) - (B)	2,049.83	(500.03)	58.41
13	Dividend Paid	993.10	-	120.00
14	% of Shareholding	61.65%	100.00%	100.00%

* figures based on consolidated financial statements of the Company.

Part “B”: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

Sr. No.	Name of Associates/Joint Ventures	Refer Note	1	2			3	4	5	6	
			Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company at the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				No.	Amount of Investment in Associates/Joint Ventures	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Indraprastha Gas Limited	1 & 4	31-Mar-16	3,15,00,080	31.50	22.50%	By virtue of Shareholding / Joint venture agreement		682.30	124.05	
2	Petronet LNG Limited	1	31-Mar-17	9,37,50,000	98.75	12.50%			1,022.30	215.39	
3	Bharat Oman Refineries Limited		31-Mar-17	88,86,13,336	888.61	50.00%			1,667.17	404.07	
4	Central UP Gas Limited		31-Mar-17	1,49,99,600	15.00	25.00%			51.80	12.12	
5	Maharashtra Natural Gas Limited		31-Mar-17	2,24,99,600	22.50	22.50%			74.75	17.23	
6	Sabarmati Gas Limited		31-Mar-17	99,87,400	122.40	49.94%			156.02	21.25	
7	Bharat Stars Services Private Limited	1 & 4	31-Mar-16	1,00,00,000	10.00	50.00%			17.73	2.90	
8	Matrix Bharat Pte. Ltd.		31-Dec-16	20,00,000	8.41	50.00%			9.44	9.12	
9	Delhi Aviation Fuel Facility Private Limited		31-Mar-17	6,06,80,000	60.68	37.00%			72.35	14.19	
10	Bharat Renewable Energy Limited	2		33,60,000	3.36	33.33%		Note 2			Note 2
11	Petronet CI Limited	2		15,84,000	1.58	11.00%		Note 2			Note 2
12	Petronet India Limited		31-Mar-17	1,60,00,000	16.00	16.00%			16.91	9.49	
13	GSPL India Gasnet Limited		31-Mar-17	3,04,72,128	30.47	11.00%			31.10	0.12	
14	GSPL India Transco Limited		31-Mar-17	2,25,50,000	22.55	11.00%			23.18	0.10	
15	Kannur International Airport Limited	3 & 5		2,13,80,000	213.80	21.68%		Note 3			Note 3
16	Fino PayTech Ltd.	4 & 6	31-Mar-16	2,84,35,423	251.00	21.10%			108.58	(4.73)	
17	Kochi Salem Pipeline Private Limited		31-Mar-17	5,50,00,000	55.00	50.00%			52.36	(1.33)	
18	Mumbai Aviation Fuel Farm Facility Private Limited		31-Mar-17	3,82,71,250	38.27	25.00%			46.44	6.65	
19	BPCL-KIAL Fuel Farm Facility Private Limited			55,50,000	5.55	74.00%		Note 3			Note 3
20	Haridwar Natural Gas Private Limited		31-Mar-17	75,00,000	7.50	50.00%			7.16	(0.35)	
21	Petroleum India International		31-Mar-17		0.10	18.18%			2.84	0.63	
22	Goa Natural Gas Private Limited	3		25,00,000	2.50	50.00%		Note 3			Note 3

Note 1 : Figures based on consolidated financial statements of the Company.

Note 2 : Equity method of accounting in respect of Investment have not been considered in the preparation of Consolidated Financial Statements as the parent company has decided to exit from these Companies and provision for full diminution in the value of investment has been done in the standalone financial statements of the parent company.

Note 3 : Kannur International Airport Limited, BPCL-KIAL Fuel Farm Facility Private Limited and Goa Natural Gas Private Limited have not yet started operations. Hence, the same has not been considered for consolidation since no financial statements have been prepared and the same are not expected to be material.

Note 4 : The financial statements of these companies are yet to be audited and hence the provisional financial statements provided by the respective management have been considered for the purpose of preparation of Consolidated Financial Statements.

Note 5 : Current year percentage of ownership interest in Kannur International Airport Limited is after considering proposed increase in equity participation.

Note 6: Profit/ (Loss) for the year includes share of profits/ (loss) for the last quarter based on the date of acquisition.

For and on behalf of the Board of Directors

Sd/-
D. RAJKUMAR
Chairman and Managing Director
DIN: 00872597

Sd/-
K. SIVAKUMAR
Director (Finance)
DIN: 06913284

Sd/-
M. VENUGOPAL
Company Secretary

Place: Mumbai
Dated: 29th May 2017

As per our attached report of even date
For and on behalf of

CNK & ASSOCIATES LLP
Chartered Accountants
ICAI FR No.: 101961W/W-100036

Sd/-
HIMANSHU KISHNADWALA
Partner
Membership No.: 37391

HARIBHAKTI & CO. LLP
Chartered Accountants
ICAI FR No.: 103523W/W-100048

Sd/-
SNEHAL SHAH
Partner
Membership No.: 48539

Community Development in Lachhda Village in Odisha

Computer Assisted Learning in Jaipur

Library project in Delhi

Project Boond in Betagerahalli village in Ramanagara

Sanitation Block - Swachha Vidyalaya in Khordha

Skilling of women in Loni Ghaziabad

Bharat
Petroleum