ANNUAL REPORT
2018-19

Bharat PetroResources

Bharat PetroResources Limited

From left to right: Shri Jitender Pershad Waghray, Director (Operations & Business Development);
Shri Ajay Kumar V., Managing Director; Shri Pankaj Kumar, Director (Finance)

CONTENTS

Bankers
State Bank of India
BNP Paribas

Statutory Auditors
P. G. Joshi & Co.
Chartered Accountants

Secretarial Auditors
Ragini Chokshi & Co.
Company Secretaries

Registered Office
Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate,
Mumbai 400001
Tel : 022-22714000
Fax : 022-22713874
CIN : U23209MH2006GOI165152

Corporate Office
'E' Wing, 9th Floor,
Maker Towers, Cuffe Parade,
Mumbai 400005
Tel : 022-22175600
Fax : 022-22154364

MAP OF VENUE

Management Team

Board of Directors

D. Rajkumar

Ajay Kumar V.
Managing Director

Pankaj Kumar
Director (Finance)

J. P. Waghray
Director (Operations & Business Development)
(w.e.f. 20 August 2018)

Neelakantapillai Vijayagopal
Director
(w.e.f.6 December 2018)

Esha Srivastava
Director
(w.e.f. 9 July 2019)

Ajay Kadmawala
Director
(w.e.f. 18 July 2019)

Dr. Praphullachandra Sharma
Director
(upto 27 March 2019)

Barnali Tokhi
President
(Technical)

U.S.N. Bhat
Senior Vice-President
(Assets & Services)

Satheesh Kumar KV
Senior Vice-President
(Assets)

Vivek Maheshwari
Senior Vice-President
(Finance)

Prasanna Kumar Sahoo
Vice President (Finance)

Sarita Aggarwal
Company Secretary

NOTICE TO THE MEMBERS

Notice is hereby given that the 12th Annual General Meeting of the members of Bharat PetroResources Limited will be held at the Registered office of the Company at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai - 400 001, on Wednesday, 21 August 2019 at 1430 hrs to transact the following Businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including the audited consolidated financial statements) of the Company for the financial year ended 31 March 2019, the reports of the Board of Directors and Statutory Auditors.

2. To appoint a Director in place of **Shri Rajkumar Duraiswamy** (DIN No**. 00872597**) who retires by rotation. **Shri Rajkumar Duraiswamy**, being eligible, offers himself for re-appointment.

3. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2019-20 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 Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2019-20, as may be deemed fit by the Board."

SPECIAL BUSINESS

4. Appointment of Shri Jitender Pershad Waghray as Director

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Shri Jitender Pershad Waghray (DIN 08202910) who was appointed as Additional Director w.e.f. 20 August 2018 and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. Appointment of Shri Neelakantapillai Vijayagopal as Director

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Shri Neelakantapillai Vijayagopal (DIN 03621835) who was appointed as Additional Director w.e.f. 6 December 2018 and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. **Appointment of Smt. Esha Srivastava as Women Director**

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Smt. Esha Srivastava (DIN 08504560) who was appointed as Additional Director w.e.f. 9 July 2019 and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. **Appointment of Shri Ajay Kadmawala 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 Ajay Kadmawala (DIN: 0061429), who was appointed by the Board of Directors as an Additional Director with effect from 18 July 2019 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 18 July 2019 up to 17 July 2022 or until further orders from the Ministry of Petroleum & Natural Gas, whichever is earlier."

8. **Approval of Remuneration of the Cost Auditors for the Financial Year 2019-20**

To consider and, if thought fit, to pass the following Resolution, with or without modifications, 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 Auditor M/s. Rohit & Associates, 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 31 March 2020 be paid the remuneration as set out below:

Name of the Cost Auditor	Activities	Audit Fees (₹)
M/s. Rohit & Associates	BPRL's activities where cost records are to be maintained	20,000/- plus applicable taxes and reasonable 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."

9. Approval for increase in the Borrowing limits

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as Special Resolution:

"RESOLVED THAT in supersession of the Resolution passed under Section 180(1)(c) of the Companies Act, 2013 and pursuant to Section 180(1)(c) and other applicable provisions, if any, under the Companies Act, 2013 and statutory guidelines, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof (the "Board"), to borrow from time to time, for the business of the Company, any sum or sums of monies, from Govt. of India, and or its agencies, any Bank(s), Financial Institution(s), any other Institution(s), investor(s), parent company, firm(s), bodies corporate or other person(s) in India or abroad, whether unsecured or secured, in Indian or foreign currency or by way of Bonds/Notes/Debentures or any other securities, notwithstanding that the monies so to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from and/or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided however that the total amount so borrowed and outstanding shall not, at any time exceed ₹40,000 Crores.

RESOLVED FURTHER that the consent of the Company be and is hereby accorded, pursuant to Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014 and all other applicable provisions & Statutory Guidelines, as amended from time to time, to the Board of Directors of the Company to create, provide any security for the sums borrowed on such terms and conditions, and in such form and manner as the Board in its absolute discretion thinks fit, on the asset of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, to the concerned Lenders under the respective arrangements entered into / to be entered into by the Company.

RESOLVED FURTHER that the Board or any Committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle all the terms and conditions, execute such agreements, documents, deeds, matters etc. as may be required to give effect to the Resolution."

10. To increase the Authorised Share Capital of the Company

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 61 and Section 64 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules framed there under the consent of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from existing ₹5000,00,00,000

(Rupees Five thousand crores) divided into 500,00,00,000 (Five Hundred crores) equity shares of ₹10 (Rupees Ten) each to ₹15000,00,00,000 (Rupees Fifteen thousand crores) divided into 1500,00,00,000 (Fifteen Hundred crores) equity shares of ₹10 (Rupees Ten) each by creation of additional 1000,00,00,000 (one thousand crores) Equity Shares of ₹10/- each ranking pari pasu in all respect with the existing shares of the company."

RESOLVED FURTHER THAT any Director of the Company or Company Secretary of the Company, be and hereby are severally authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution."

11. Alteration in the Capital Clause of Memorandum of Association

To consider and, if thought fit, to pass the following Resolution, with or without modifications, as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded for substituting the existing Clause V of the Memorandum of Association of the Company with the following Clause:

V(a) The Authorised Share Capital of the Company is ₹15000,00,00,000 (Rupees Fifteen thousand crores) consisting of 1500,00,00,000 (Fifteen Hundred crores) equity shares of ₹10 (Rupees Ten) each".

RESOLVED FURTHER THAT any Director of the Company or Company Secretary of the Company, be and hereby are severally authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution."

Registered Office:
Bharat Bhavan, 4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai - 400 001
Date: 3 July 2019
Tel: 022-22713000 Fax: 022-22713874
CIN No U23209MH2006GOI165152

By Order of the Board
For Bharat PetroResources Limited

Sd/-
(Sarita Aggarwal)
Company Secretary

Notes:-

A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies, in the alternative, to attend and vote instead of himself and such proxy need not be a Member. Proxies, in order to be effective, should be duly completed & affixed with the revenue stamp and be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the meeting. A person can act as proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as proxy for any other person or shareholder.

Explanatory Statements pursuant to Section 102 of the Companies Act, 2013

Item No.4 Appointment of Shri Jitender Pershad Waghray as Director

Shri Jitender Pershad Waghray was appointed as Additional Director by the Board of Directors, under the provision of Articles 9 and 11 of the Articles of Association of the Company, read with Section 161 of the Companies Act, 2013 with effect from 20 August 2018. He has attended all seven Board meetings held after his appointment.

Being, Additional Director, Shri Jitender Pershad Waghray holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 160 of the Companies Act, 2013 from a member, proposing his name as Director of the Company. His brief resume containing age, qualification, experience etc is attached.

Shri Jitender Pershad Waghray is not disqualified from being appointed as Director in terms of the Section 164 of the Companies Act, 2013. He does not hold any shares in the Company. He does not have any relationship with other Directors and Key Managerial Personnel of the Company.

Except Shri Jitender Pershad Waghray, no other Director, Key Managerial Personnel or their relatives are interested in the Resolution.

The Directors recommend the Resolution at Item No 4 for the approval of the members of the Company.

Item No.5 Appointment of Shri Neelakantapillai Vijayagopal as Director

Shri Neelakantapillai Vijayagopal was appointed as Additional Director by the Board of Directors, under the provision of Articles 9 and 11 of the Articles of Association of the Company, read with Section 161(3) of the Companies Act, 2013 with effect from 6 December 2018.

Being, Additional Director, Shri Neelakantapillai Vijayagopal holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 160 of the Companies Act, 2013 from a member, proposing his name as Director of the Company. His brief resume containing age, qualification, experience etc is attached.

Shri Neelakantapillai Vijayagopal is not disqualified from being appointed as Director in terms of the Section 164 of the Companies Act, 2013. He neither holds any share in the Company nor has any relationship with other Directors and Key Managerial Personnel of the Company.

Except Shri Neelakantapillai Vijayagopal, no other Director, Key Managerial Personnel or their relatives are interested in the Resolution.

The Directors recommend the Resolution at Item No 5 for the approval of the members of the Company.

Item No.6 Appointment of Smt. Esha Srivastava as Women Director

Smt. Esha Srivastava was appointed as Additional Director by the Board of Directors, under the provision of Articles 9 and 11 of the Articles of Association of the Company, read with Section 161(3) of the Companies Act, 2013 with effect from 9 July 2019.

Being, Additional Director, Smt. Esha Srivastava holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 160 of the Companies Act, 2013 from a member, proposing her name as Director of the Company. Her brief resume containing age, qualification, experience etc is attached.

Smt. Esha Srivastava is not disqualified from being appointed as Director in terms of the Section 164 of the Companies Act, 2013. She neither holds any share in the Company nor has any relationship with other Directors and Key Managerial Personnel of the Company.

Except Smt. Esha Srivastava, no other Director, Key Managerial Personnel or their relatives are interested in the Resolution.

The Directors recommend the Resolution at Item No 6 for the approval of the members of the Company.

Item No. 7 Appointment of Mr. Ajay Kadmawala as an Independent Director

Shri Ajay Kadmawala was appointed as Additional Director on the Board and as Independent Director of the Company under the relevant provisions of the Articles of Association of the Company, effective 18 July 2019 for a period of three years up to 17 July 2022 or until further orders from the Ministry of Petroleum & Natural Gas, whichever is earlier.

Shri Ajay Kadmawala, being Additional Director holds office up to the date of the ensuing Annual General Meeting. The Company has received a Notice in writing 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 Ajay Kadmawala 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 fulfils 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 Ajay Kadmawala 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 Ajay Kadmawala is a member of Institute of Chartered Accountants and holds a position of Managing Partner in Kadmawala & Co. and Director in Kadmawala Insolvency Professional (P) Limited. His brief resume containing his age, qualifications, 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 Ajay Kadmawala 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 Approval of Remuneration of the Cost Auditors for the Financial Year 2019-20

The board has approved the appointment and remuneration of M/s. Rohit & Associates, Cost Accountants as the Cost Auditors on 3 July 2019 on the remuneration of the Audit Committee to conduct the audit of the Cost records for the Financial Year 2019-20. 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 2019-20 by way of an Ordinary Resolution is being sought from the Members as set out at the Item No. 8 of the Notice.

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

Item No. 9 Approval for increase in the Borrowing limits of the Company

The Members of the Company at their Meeting held on 10 October 2016 had passed a resolution authorizing the Board of Directors of the Company to borrow monies, from time to time, upto ₹25,000 crore.

The Company is expediting its plan to scale up its capacity and coverage and hence it is considered necessary to increase the limits for borrowing of funds from ₹25,000 crore to ₹40,000 crore.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, set out at Item No. 9 of the Notice.

Item No. 10 and 11 Increase in Authorised Share Capital of the Company and Alteration in Memorandum of Association of the Company

The Current Authorized and Paid up Capital of the Company is ₹5000,00,00,000 (Rupees Five thousand crores) consisting of 500,00,00,000 (Five Hundred crores) equity shares of ₹10 (Rupees Ten) each. The Company proposes to increase its authorized share capital to ₹15000,00,00,000 (Rupees Fifteen thousand crores) divided into 1500,00,00,000 (Fifteen Hundred crores) equity shares of ₹10 (Rupees Ten) each by creation of additional 1000,00,00,000 (one thousand crores) Equity Shares of ₹10/- each to facilitate any fund raising in future via further issue of equity shares of the company.

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Clause V of the Memorandum of Association of the Company.

Pursuant to Section 13 and 61 the Companies Act, 2013, alteration of the Capital Clause requires approval of the members of the Company by way of passing an Ordinary Resolution to that effect.

The Directors recommend the Resolution set out in the Notice for the approval of the Members.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

Registered Office:

Bharat Bhavan, 4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai - 400 001
Date: 3 July 2019
Tel: 022-22713000 Fax: 022-22713874
CIN No U23209MH2006GOI165152

By Order of the Board
For Bharat PetroResources Limited

Sd/-
(Sarita Aggarwal)
Company Secretary

Brief Resume of Director seeking Appointment/Re-appointment at the 12th Annual General meeting

Name	**Shri Jitender Pershad Waghray**	**Shri Neelkantapillai Vijayagopal**	**Smt. Esha Srivastava**	**Shri Ajay Kadmawala**
Date of Birth	27 November 1961	31 July 1961	9 June 1980	13 March 1971
Date of Appointment	20 August 2018	6 December 2018	9 July 2019	18 July 2019
Qualifications	M.Sc., M.Tech	CA, LLB	B.A (H), M.A (Pol Sc.), M.Phil	CA, Insolvency Professional
Experience in specific functional Areas	Shri Jitender Pershad Waghray has vast experience of 35 years in exploration and production industry & knowhow of E&P activity in India as well as abroad both at technical as well as managerial level. He was associated in Oil Recovery (EOR) projects to improve Oil and Gas recovery, Short term/Long term perspective plans, involved in Planning of number of new initiatives, technology up- gradation/ reservoir management programme, studies & Planning, evaluation and establishing the strategic areas for hydrocarbon exploration & monitoring of the field performance and planning and management of steam injection performance.	Shri. N. Vijayagopal is a member of ICAI and a Bachelor of Law. He has held various senior positions in BPCL including in its upstream and pipeline subsidiary Companies and handled various areas of finance covering Refinery/Corporate Accounts, Treasury Management, Risk Management, Taxation and Budgeting, Fund Management etc. He has vast experience of 31 years in financial management.	She served in the Ministry of External Affairs as Deputy Chief of Mission in Thimphu. She was also posted Third Secretary at Paris. She also works as Deputy Secretay in New Delhi. Since March 2019, she holds position as Director in Ministry of Petroleum and Natural Gas	Shri Ajay Kadmawala is a member of ICAI and an Insolvency Professional. He has vast experience of 23 years in accounting and taxation. He holds position of Managing Partner in Kadmawala & Co. and Director in Kadmawala Insolvency Professional (P) Ltd. His firm is engaged in Statutory, Internal, Concurrent Audits and Consultancy of BCCL, CCL, BSNL, Oriental Insurance, New India Assurance,

Name	Shri Jitender Pershad Waghray	Shri Neelkantapillai Vijayagopal	Smt. Esha Srivastava	Shri Ajay Kadmawala
	He has carried out detailed reservoir characterization for different fields & involved in planning and implementation of field operations and also monitored Geological Operations/ Production / Drilling / Logging operations for timely intervention to avoid potential cost and time overruns.			Nationalised Banks, in addition to various big Corporate and others.
Directorships held in other Companies	**Director-** 1. BPRL International Singapore Pte. Lte. 2. Taas India Pte. Ltd. 3. Vankor India Pte. Ltd.	**Director-** 1. Bharat Oman Refineries Limited 2. Bharat Petroleum Corporation Limited 3. Bharat Gas Resources Limited	Nil	**Director-** 1. Kadmawala Insolvency Professional Private Limited
Memberships/ Chairmanships of Audit Committee		**Member-Audit Committee** Bharat Petroresources Limited	Nil	Nil

DIRECTORS' REPORT

The Directors present their 12th Report of Bharat PetroResources Limited (BPRL) for the Financial Year ended 31 March 2019:-

OPERATIONS OF THE COMPANY

BPRL has participating interest (PI) in twenty six blocks of which thirteen are located in India and thirteen overseas, along with equity stake in two Russian entities holding the licence to four producing blocks in Russia. Seven of the thirteen blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP), five blocks were awarded under Discovered Small Fields Bid Round 2016 and 1 block was awarded during the year 2018-19 under the Open Acreage Licensing Policy Bid Round I. Out of thirteen overseas blocks, six are in Brazil, two in United Arab Emirates and one each in Mozambique, Indonesia, Australia, Israel and Timor Leste. The blocks of BPRL are in various stages of exploration, appraisal, pre-development and production phase. The total acreage held by BPRL and its subsidiaries is around 31487 km^2 of which approximately 62% is offshore.

The PI in respect of Blocks in India, Israel and Australia are held directly by BPRL. BPRL has wholly owned subsidiary companies located in the Netherlands, Singapore and India. The PI in the Block-JPDA 06-103, in Timor Leste is held by BPRL's wholly owned subsidiary company in India, i.e. Bharat PetroResources JPDA Limited. The subsidiary located in the Netherlands, i.e. BPRL International BV, in turn has four wholly owned subsidiary companies viz. BPRL Ventures BV, BPRL Ventures Mozambique BV, BPRL Ventures Indonesia BV and BPRL International Ventures BV. BPRL Ventures BV has 50% stake in IBV Brasil Petroleo Limitada, which currently holds PI ranging from 20% to 40% in six blocks in offshore Brazil. BPRL Ventures Mozambique BV has PI of 10% in a block in Mozambique, and BPRL Ventures Indonesia BV holds PI of 12.5% in a block in Indonesia. BPRL, through BPRL International Ventures BV, has 30% stake in Falcon Oil and Gas BV, which holds 10% stake in the Lower Zakum concession in offshore Abu Dhabi, UAE. Further, BPRL's wholly owned subsidiary in Singapore, i.e. BPRL International Singapore Pte Ltd (BISPL) holds 33% each in two Special Purpose Vehicles (SPV) i.e. Taas India Pte Ltd (TIPL) and Vankor India Pte Ltd (VIPL) which hold 29.9% and 23.9 % in the Russian entities LLC TYNGD and JSC Vankorneft respectively. During the year 2018-19, a consortium of BISPL and IOC formed a SPV, viz., Urja Bharat Pte Limited (UBPL) in Singapore which was awarded the Onshore Block 1 concession in Abu Dhabi. The transaction marks entry of BPRL as an Operator of overseas assets for the first time in the prospective UAE region and is consistent with its stated strategic objective of balancing its portfolio by adding exploration assets in prolific basins to its existing E&P portfolio.

BPRL and its consortia have 26 exploration discoveries in respect of Blocks held in five countries i.e. Brazil, Mozambique, Indonesia, Australia and India.

BPRL also had a successful exploration campaign in its maiden operatorship block located in Cambay basin with two discoveries approved by Directorate General of Hydrocarbons (DGH). Further, the Field Development Plan (FDP) for the above two discoveries was approved by DGH on 11 June 2018 and currently pre-development activities are ongoing.

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 there under. During the Financial Year 2018-19, BPRL has increased its Paid Up Share Capital from Rs. 4,448 Crores to Rs. 5,000 Crores. As on 31 March 2019, BPRL has an authorized share capital of Rs. 5,000 Crores and paid up share capital of Rs. 5,000 Crores, which is entirely held by Bharat Petroleum Corporation Limited (BPCL), the holding company. BPRL has recorded consolidated income of Rs. 180.63 crores and a consolidated loss of Rs 95.69 crores for the Financial Year ending 31 March 2019. The consolidated loss was mainly due to interest on loans.

The Comptroller and Auditor General of India (C&AG) has vide letters dated 18 July 2019 which are enclosed to the Directors' Report as Annexure E, stated that on the basis of the audit, nothing significant has come to their knowledge which would give rise to any comment upon or supplement to the Statutory Auditor's report under section 143(6)(b) of the Act.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry structure and developments

The industry continued to fluctuate under the influence of uncertainty of supply from countries like Venezuela, Libya, Iran etc., which led to volatility in crude oil prices. Brent crude traded between $50 per barrel and $86 per barrel during the Financial Year 2018-19. The oil price rose above $80/barrel in September 2018 for the first time since 2014, although it has come down since and the Brent price averaged around $70 per barrel for the Financial Year 2018-19, compared to $57 per barrel in the Financial Year 2017-18.

As per the International Energy Agency (IEA), oil price is projected to gradually increase to $88 per barrel in 2025 in light of geopolitical events, the decrease in Venezuelan output, and decisions made by major oil exporters. Crude oil demand is expected to grow annually at approximately 1.2 million bpd until 2024, most of which is expected to originate from India and China. As per the report, global oil supply is expected to increase annually at approximately 1.6 million bpd till 2024 with the United States contributing to 70% of the increase while Iraq, Brazil, Norway & Guyana would be the other major contributors. Global upstream capex for oil and gas is set to increase by 4% in 2019 – a third straight year of increase in capital spending as per preliminary plans announced by oil and gas companies. For the first time since the 2015 downturn, investment in conventional assets could increase faster than for the shale industry.

2. Strength and Weaknesses

After acquiring stakes in producing assets in Russia and UAE in the previous 2 years, BPRL added two more Operated Exploration / Appraisal assets to its portfolio through bidding rounds in India (Open Acreage Licensing Policy Bid Round I) and United Arab Emirates (Abu Dhabi 2018 Block Licensing Round) during the year. These assets will add to BPRL's substantial experience of on-land operations gained from executing a successful exploration campaign in the block CB-ONN-2010/8 in the Cambay Basin.

Being a wholly owned subsidiary of the Bharat Petroleum Corporation Limited (a Fortune 500 company and a Maharatna Public Sector Enterprise of the Government of India), BPRL largely depends on BPCL / Government of India for its funding support and investment decisions.

3. Opportunities and Threats

As per the IEA, Oil demand is expected to grow, although at a more measured pace. A key factor underpinning demand growth is that leading developing economies will continue to expand, with China and India continuing to be the major demand centres.

Demand centres are shifting further towards Non-OECD Asia, as OECD countries in Asia, Europe and America see declining demand. Going forward, Petrochemicals and light vehicles are expected to be a major source of new demand. BPRL's portfolio of discovered and under development assets in India and abroad, is suitably primed to meet this increased demand.

There are signs of substitution of oil by other energy sources in various countries. As the countries recognize the urgent need to tackle poor air quality in cities, efforts are intensifying. Sales of electric vehicles are rising and there is strong growth in the deployment of natural gas vehicles, particularly into fleets of trucks and buses. However, global economic growth is lifting more people into the middle class in developing countries and higher incomes mean sharply rising demand for consumer goods and services. Petrochemicals derived from oil and natural gas are crucial to the manufacture of many products that satisfy this rising demand.

Therefore, oil and natural gas are still projected to contribute to the majority of the energy mix.

4. Outlook

BPRL has PI in various blocks in India and abroad in consortium with world-renowned companies. The partnership of Mozambique Area 1 block, where BPRL has 10% PI, has recently taken Final Investment Decision on the initial two-train LNG project to develop the offshore Golfinho-Atum field located in Area 1. The Development plan for BPRL's discoveries in Indonesia have been approved; while the discoveries in Brazil are in the appraisal stage.

From Exploration to Appraisal to Development and Production, BPRL is moving up the Hydrocarbon value chain and has enhanced its skill base through Operatorship in on-land block in India and abroad. Further, following the approval of Field Development Plan (FDP) for the two discoveries in BPRL's operatorship block in Cambay, the Company intends to commence development and production activities. The technical and operational learning during exploration and development of the block will enhance the internal technical strength of BPRL.

5. **Risks and Concerns**

The world is seeing an acceleration in spread and scale of new technologies like renewables and clean technologies with factors like climate change and environmental concerns providing an impetus to the same.

Studies by oil majors and industry analysts point to the fact that oil, gas and coal are expected to remain the dominant sources of energy powering the world economy, accounting for more than three-quarters of total energy supplies until 2035. Gas is expected to be the fastest growing fuel, with its share in primary energy projected to increase as it overtakes coal to be the second-largest fuel source by 2035.

6. **Internal Control systems and their adequacy**

BPRL's internal control systems are commensurate with the nature of its business and the size & complexity of its operations and ensures the efficiency, reliability and completeness of accounting records and compliance of applicable laws and regulations. Further, all transactions adhere to the requisite procedures, policies and are in accordance with the statutory requirements. The Internal Audit of BPRL for the Financial Year ended 2018-19 was carried out by the team of Internal Audit in BPCL headed by ED (Audit), BPCL. Additionally, the non-operator audit for Blocks in Mozambique and select Indian Blocks has been carried out during the Financial Year. The Audit Committee of the Board periodically reviews significant findings of the Internal Auditor covering operational, financial and other areas and provides guidance on internal controls.

7. **Discussion on financial performance with respect to operational performance**

Performance details pertaining to various blocks have been covered suitably in the Report.

8. **Material developments in Human Resources/Industrial Relations front, including number of people employed**

BPRL comprises optimum combination of professionals from different background such as geology, engineering and finance. A separate cell exists for Human Resources, which looks after the activities relating to manpower and training of staff and administration. Most of the employees in BPRL are deputed from the parent Company i.e. BPCL. 4 staff have been recruited directly in BPRL cadre. The activities relating to Human Resources are looked after in line with the policies of BPCL. All necessary training, programmes are conducted for Human Resources development to operate in international environment. Further, senior Geoscientists are engaged as consultants to add value to its projects and to evaluate new projects. The total manpower of BPRL including 3 consultants is 53. BPRL is also assessing options for recruitment and placement of domain specialists like production engineers, facilities engineers, petrophysicists and drilling engineers as it moves to become a producing company and handle more blocks as Operator.

9. Environmental Protection and conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation

BPRL is lead Operator in two On-land blocks situated in Cambay basin and Joint Operator in three On-land blocks, one each in Jaisalmer Basin in Rajasthan,Cambay basin in Gujarat and Onshore Block 1 in Abu Dhabi. In the other blocks including foreign blocks, BPRL is consortium partner and hence not directly involved in the execution of works related to the blocks and the Operator of respective block performs the activities related to environmental protection and conservation, technological conservation, renewable energy developments and foreign exchange conservation.

Presently, BPRL is in the process of conducting Environmental Impact Assessment (EIA) in the operatorship block CB-ONN-2010/8 which is prerequisite for obtaining EC to carry out development activities.

10. Corporate Social Responsibility

At present, the blocks of BPRL are in various stages of exploration/appraisal/pre-development/production and there are no profits recorded during the Financial Year. Accordingly, no expenditure is being incurred on the Corporate Social Responsibility (CSR) by BPRL directly. However, BPRL is a consortium member of various blocks wherein the activities related to CSR are undertaken by the Operator.

In terms of the Companies Act, 2013, CSR committee shall comprise minimum three Directors including at least one Independent Director. Mr. Ajay Kadmawala was appointed as Independent Director on the Board with effect from 18 July 2019 and the CSR committee will be constituted in due course.

11. Exploration and Production Policy

Various factors are considered while making an investment decisions such as estimating the remaining resource potential of the asset, and thereafter, considering the anticipated production profile/costs/fiscal structure etc. to estimate projected returns for the project or to finalize the bid parameters/strategy. Other important factors include the track record of the Operator, the practicability of completing committed work commitments within time frames already committed, the terms of the agreements, the geo-political stability of the regime where the asset is located, the overall manageability of the project and strategic interests.

The oil /gas price index for such investment decisions considers forecasts by consultants, bankers, industry bodies and historical data. The prices are further calibrated based on the prevalent market conditions.

BPRL prefers a consortium approach, since the upstream oil and gas sector is a high risk, indeterminate reward sector, and a consortium approach minimizes the risks by limiting the risk capital in each project.

The due diligence on the investment opportunities are evaluated by in-house staff as well as external consultants as and when required. The consultants are engaged as per BPRL's internal processes, for conducting, inter alia, Technical, Financial, Legal, and Tax & Accounting due diligence as may be required. The due diligence of an investment opportunity includes the assessment of risks pertaining to sub-surface, fiscal regime, commodity prices, geo-politics, legal & contractual, above surface facilities etc.

CURRENT STATUS OF BLOCKS

BLOCKS ACQUIRED THROUGH FOREIGN SUBSIDIARY COMPANIES

RUSSIA

BPRL along with Oil India Limited (OIL) and Indian Oil Corporation Ltd (IOCL), jointly referred to as the Indian Consortium (IC), holds 23.9% stake in JSC Vankorneft; and 29.9% stake in LLC Taas Yuryakh Neftegazodobycha ("TYNGD").

In JSC Vankorneft, Rosneft holds 50.1% shares, ONGC Videsh Ltd. (OVL) (through its subsidiary) holds 26% shares and IC (through subsidiary companies) holds the remaining 23.9%. During the year, JSC Vankorneft produced approx. 15.9 MMT of Oil and 7.1 BCM of Gas (BPRL's effective share being 1.25 MMT Oil and 0.56 BCM Gas). During the year, IC received dividend amounting to approx. USD 250 Million (with BPRL's effective share of approx. USD 82 Million).

In TYNGD, Rosneft (through subsidiary) holds 50.1% shares, BP (through a subsidiary) holds 20% shares and IC (through subsidiary companies) holds the remaining 29.9% shares. During the year, TYNGD produced approx. 3.26 MMT of Oil and 1.2 BCM of Gas (BPRL's effective share being 0.32 MMT Oil and 0.11 BCM Gas). IC has started receiving dividends from TYNGD. During the year, IC received dividend amounting to approx. USD 137 Million (with BPRL's effective share of approx. USD 45 Million).

UNITED ARAB EMIRATES (UAE)

Onshore Block 1 Concession

BPRL, in consortium with IOCL, was awarded the Onshore Block 1 concession in Abu Dhabi on 24 March 2019 after emerging as the winning bidder in the Abu Dhabi 2018 Block Licensing Round. The award has been endorsed by the Supreme Petroleum Council (SPC) on behalf of the Government of the Emirate of Abu Dhabi and represents the continued expansion of BPCL's Upstream exploration operations. The transaction marks entry of BPRL as an Operator of overseas assets for the first time in the prospective UAE region and is consistent with its stated strategic objective of balancing its portfolio by adding exploration assets in prolific basins to its existing E&P portfolio.

The Concession has three exploration phases spread over total maximum period of 9 years effective from 24 March 2019. During the exploration phase, the Indian Consortium through UBPL will have a 100% PI and be the "Operator".

Lower Zakum Concession

BPRL along with OVL and IOCL as a consortium acquired 10% stake in the offshore producing oil asset, Lower Zakum Concession in Abu Dhabi, UAE. The Indian Consortium's share in the Lower Zakum Concession is held through Falcon Oil & Gas B.V, a SPV incorporated in the Netherlands where BPRL holds 30% shares through its step down subsidiary BPRL International Ventures B.V in the Netherlands.

The Concession has a term of 40 years effective from 9 March 2018.

The other shareholders in the Lower Zakum concession are JODCO (10%, a wholly owned subsidiary of Japan's INPEX Corporation), China National Petroleum Corporation (10%), Italy's ENI (5%) and France's Total S.A. (5%). The Abu Dhabi National Oil Company (ADNOC) holds a majority 60% stake in the concession.

The Lower Zakum field, located in Abu Dhabi Offshore shallow water, has been producing crude oil since 1967. The cumulative production from the field during the year 2018-19 has been 144.27 million barrels. The Indian Consortium's entitled crude oil from the concession has been approx.14.43 million barrels, with BPRL's effective entitlement being approx. 4.33 million barrels, during the year 2018-19.

BPCL Group Refineries have lifted approx. 5.1 million barrels of Das Blend Crude Oil including BPRL's entitlement in the Concession till June 2019.

MOZAMBIQUE

BPRL, through its Netherlands based step-down subsidiary company, i.e. BPRL Ventures Mozambique B.V, holds 10% PI in the Rovuma Offshore Area 1 concession in Mozambique. Anadarko Mocambique Area 1 Limitada, a wholly owned subsidiary of Anadarko Petroleum Corporation, USA, is the Operator with 26.5% PI and the other consortium partners are Mitsui E&P Mozambique Area 1 Limited (20%), ENH Rovuma Área Um, S.A. (15%), OVL (10%), Beas Rovuma Energy Mozambique Limited (10%) and PTTEP Mozambique Area 1 Limited (8.5%).

With the discovery of 75 trillion cubic feet of recoverable natural gas, the Area 1 partnership is advancing an initial plan for the development of an integrated onshore LNG project consisting of two liquefaction trains with total name plate capacity of 12.88 MMTPA (2 x 6.44 MMTPA) in the Afungi peninsula, Cabo Delgado province, northern Mozambique, utilizing the gas from the offshore Golfinho-Atum field.

De-risking of the project schedule through the Afungi Site Improvement works continued throughout the year. Significant progress has been made at the project site in terms of construction of camps, roads, an airstrip and the resettlement village. Approximately 5,000 Mozambican workers are being employed at site as the Area 1 partnership develops the key infrastructures to prepare the Afungi site for construction of the onshore LNG facility. Consortium has also signed a Project Support Plan in December 2018 with the Govt. of Mozambique to facilitate timely customs clearance, and the granting of visas and permits. A memorandum of understanding on security has also been signed (along with Area 4) with the Govt. of Mozambique in March 2019 to ensure security for the project site and deployment of police and military personnel is currently underway.

During the year Area 1 group has also been designated as the first mover constructing entity for the construction of the marine facilities, namely, LNG Marine Terminal and Material Offloading Facilities which will be shared with adjacent Area 4 group.

Based on this progress, Area 1 partnership has formally launched project financing in early December 2018. Area 1 partnership has received sufficient lender support and the necessary Mozambique Government-related financing approvals to proceed with FID. The financing will be secured by the Project's assets and the concessionaires' equity interests. This will enable access to significant debt to fund approximately two-third of expected project costs.

Area 1 partnership has achieved a number of major milestones which have positioned the two-train Golfinho-Atum project to be Mozambique's first onshore LNG project. The partnership has executed eight long-term LNG Sale and Purchase Agreements for an overall off-take volume of approx. 11.1 MMTPA and Govt. of Mozambique's approvals have also been obtained. On 18 June 2019, Area 1 Concessionaires have announced Final Investment Decision (FID) on the two-train onshore LNG Project.

BRAZIL

IBV Brasil Petroleo Limitada (incorporated in Brazil) a joint venture company of BPRL Ventures BV, and Videocon Energy Brazil Ltd, step down subsidiaries of BPRL & Videocon Industries Limited respectively, holds PI in 6 blocks in 3 concessions in Brazil.

Sergipe Alagoas (BM-SEAL-11) concession

The concession currently consists of three blocks and Petrobras is the Operator with 60% PI and IBV holds the remaining 40% PI. During the exploration periods, four discoveries of oil and gas i.e. 'Barra', 'Farfan', 'Cumbe' and 'Barra#1' have been made in this concession. Presently, the consortium is carrying out appraisal activities in three appraisal plans namely "Barra", "Farfan",& "Cumbe" in blocks SEAL-M 426 and SEAL-M 349 which are valid till 1 December 2020. The Block SEAL-M 497 wherein Poco Verde appraisal plan was in progress, is proposed for relinquishment by the Operator. The Operator i.e., Petrobras is taking steps for assessing reservoir extent including extended well testing in Farfan and based on the results of the appraisal further development activities would be commenced.

Potiguar (BM-POT-16) concession

The concession is operated by Petrobras with 30% PI and the other partners are IBV (20% PI), Petrogal (20% PI) and BP (30% PI). 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 and G&G studies. The 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 has completed acquisition of new 3D seismic data and the same is being analysed for better understanding of fault entrapment. The new 3D seismic study will help to reduce the risk/ uncertainty involved in fault entrapment.

Campos (BM-C-30) concession

During the exploration period in the concession, Wahoo discovery was announced. After the completion of the exploratory period in November 2010, the consortium decided to move on to Appraisal phase. Under the Appraisal plan, drilling of two firm Appraisal wells, screening of Development concepts and Pre-FEED engineering studies on identified facility options were completed. ANP has, in March 2016, approved the extension of Wahoo Appraisal Plan from September 2015 to June 2022. The operator M/s Anadarko resigned from the operatorship and withdrew from the concession contract in March 2018. BP has been selected as the new Operator and formal approval is being obtained from the Regulator for PI redistribution and appointment of new Operator. Post redistribution of Anadarko's PI, IBV Brasil and BP will have 35.7% PI each and TOTAL will have 28.6% PI in the concession.

The consortium is in the process to study various available options including possible tie back arrangement with nearby developed oil fields 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.

INDONESIA

BPRL farmed in to the Nunukan Block Production Sharing Contract (PSC) in September 2009 and currently has a PI of 12.5%, through its step-down subsidiary BPRL Ventures Indonesia BV, in the block. PT Pertamina Hulu Energi, a wholly owned subsidiary of Pertamina, the National Oil Company of Indonesia, has 64.5 % PI in the consortium and is the Operator for the block. Videocon Indonesia with a PI of 23.0 % is the other consortium partner of the block.

There has been discovery of oil and natural gas in Badik 1 and West Badik-1 wells. Based on the discoveries in Badik & West Badik Fields, the Plan of Development (POD-1) of these fields has been approved by the Ministry of Energy and Mineral Resources, Indonesia. The exploratory well, Parang-1 drilled in 2017, has a discovery of Gas in 5 zones and Oil in 1 zone which was also ranked amongst the Top 10 discoveries of the world for 2017 by IHS Markit.

Front End Engineering Design (FEED) for Badik & West Badik Development and the 3D seismic acquisition over Parang & adjoining prospects have been completed during the year 2018-19. The appraisal of the Parang discovery and further exploration in the adjoining prospect (Keris) to enable an integrated development of the fields is being planned during the year 2019.

BLOCKS ACQUIRED THROUGH INDIAN SUBSIDIARY BPR JPDA IN TIMOR LESTE

Bharat PetroResources JPDA Limited ("the Company") was incorporated as a wholly owned Subsidiary Company of BPRL. The Company was formed as a Special Purpose Vehicle for undertaking the exploration activities in the Block JPDA 06-103 awarded to the Company, in the Joint Petroleum Development Area (JPDA), by the Autoridade Nacional do Petroleo E Minerais (ANPM) of Timor Leste. The Company currently holds 20% participating interest (PI) in this block. 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.

Timor Leste Government has initiated arbitration proceedings against the Government of Australia to have the Certain Maritime Arrangements in Timor Sea (CMATS) Treaty declared void ab initio. The termination of CMATS results in automatic Termination of Timor Sea Treaty governing petroleum operations in the JPDA, and in effect the Production Sharing Contract (PSC).

In view of the uncertainty arising out of arbitration proceedings, the Joint Venture (JV) had submitted its request to ANPM for termination of PSC without claim or penalty. ANPM, however rejected Joint Venture's claim and terminated the PSC with a demand of payment towards termination cost & damages. The JV, while accepting the termination, requested for negotiation for amicable settlement of contractor's liabilities upon termination. Various negotiations were held, however no consensus was obtained.

In October 2018, ANPM initiated Arbitration Proceedings against the JV in the International Chamber of Commerce (ICC) under the provisions of PSC and the Arbitration Proceedings are under progress.

BLOCKS IN INDIA

A. Operated Blocks:

i) NELP IX Block (CB-ONN-2010/8, Cambay Basin)

Under NELP-IX bid round, BPRL led consortium was awarded one on-land block CB-ONN-2010/8, in Cambay basin. BPRL is the Lead Operator with 25% PI and the other consortium partners are GAIL (India) Ltd - 25% PI (Jt. Operator), Engineers India Ltd (EIL) - 20% PI, BF Infrastructure Ltd (BFIL) - 20% PI and Monnet Ispat & Energy Ltd (MIEL) - 10% PI. Due to MIEL's cash call payment default under the JOA, the other non-defaulting parties have agreed to distribute MIEL's 10% PI in proportion to their existing share for which a request has been submitted to DGH for approval.

As Lead Operator of the block, BPRL undertook the committed Minimum Work Programme (MWP) of the initial exploration period of the Production Sharing Contract (PSC). In line with the MWP commitment, the seismic data acquisition, processing, interpretation and drilling of 6 exploratory wells and testing of 5 wells have been completed during Initial Exploration Period. Consortium has also decided not to enter into the Subsequent Exploration Period.

There are two oil discoveries in the block CB-ONN-2010/8 in exploratory wells Pasunia#01 (PA#01) and Pasunia#02 (PA#02). The Field Development Plan (FDP) was approved by DGH/ Management Committee (MC) on 11 June 2018. At present, FDP is being implemented as an Exclusive Operation by BPRL (50%), GAIL (27.78%) and EIL (22.22%). The PI assignment for Exclusive Operation is under approval by Government of India.

The Petroleum Mining Lease (PML) of the Pasunia discovery has been granted by Govt. of Gujarat for a period of 15 years for the entire block area. Expert Appraisal Committee (EAC) meeting has been conducted recently towards grant of Environment Clearance (EC) by MOEF&CC for carrying out development activities. Presently, various tendering activities are also in progress towards implementation of FDP.

ii) ***OALP Block (CB-ONHP-2017/9, Cambay Basin)***

Under Open Acreage Licensing Policy (OALP) Bid Round 1, block CB-ONHP-2017/9 in Cambay basin was awarded to BPRL and the Revenue Sharing Contract (RSC) of the block was signed with the GOI in October 2018.

Application for grant of PEL has been submitted and the approval is awaited. Seismic reprocessing of existing raw 3D data is in progress. Further, pre-drilling Environmental Impact Assessment (EIA) study is in progress, which is required for EC for drilling of exploratory wells.

iii) ***Discovered Small Field Blocks***

BPRL has also been awarded 5 Contract Areas (2 offshore and 3 onshore) through the Discovered Small Field (DSF) bid rounds of 2016. The two offshore blocks (B15 and B127E) are in the Mumbai Offshore basin, two in Rajasthan (Bakhri Tibba and Sadewala) and one in Cauvery Basin, Tamil Nadu (Karaikal). Petroleum Mining Lease (PML) for Karaikal is yet to be received while the PML for other blocks has been received. Based on the in-house G&G studies, a techno-commercial analysis was carried out for the Contract Areas B15, B127E, Bakhri Tibba and Sadewala. The report has been submitted to DGH and is awaiting the approval of the Management Committee in this regard.

B. Non-Operated Blocks

i) ***NELP IV Block (CY-ONN-2002/2 Madanam Field, Cauvery Basin)***

BPRL has a PI of 40% in an On-land Block CY-ONN-2002/2 in Cauvery Basin with ONGC being the Operator with 60% PI. During the exploration phase, the consortium has made one oil discovery viz. Madanam Oil Discovery. Based on the discovery, two appraisal wells (MD-5 & MD-6) were drilled. The first appraisal well (MD-5) flowed Gas, which was identified as Thirunagari gas discovery. The second appraisal well (MD-6) flowed Oil/Gas.

The consortium has completed drilling of 8 wells under the development phase. Construction activities for the setting up of Central Processing Facility (CPF) at Madanam, and laying of pipelines for evacuation of Oil / Gas from the block are under progress. During the year, the consortium completed drilling of three development wells and testing of two wells.

The block currently has 6 producing wells with a combined daily average oil production of 1890 BBLs. During the current financial year, 691,506 barrels (109,941 m^3) of oil and associated gas of 25,491,209m^3 has been produced from the block.

ii) ***NELP VI Block (CY-ONN-2004/2, Cauvery Basin)***

Government of India, during year 2004, awarded this on-land block to the consortium of ONGC and BPRL. A PI of 20% is held by BPRL in this block with ONGC holding 80% PI as the operator of the block.

The consortium has completed drilling of 4 exploratory wells and 2 appraisal wells as on date. Out of the four exploratory wells drilled, one Well (PN#8) produced Oil & Gas during testing, and was declared as discovery well. Based on the testing results of PN#8 well, a Field Development Plan (FDP) was prepared and submitted to the Management Committee (MC) which was approved on 13.7.2017 and accordingly the block has entered into the Development Phase.

iii) ***NELP VII Block (RJ-ONN-2005/1, Rajasthan Basin)***

RJ-ONN-2005/1, an On-land block, was awarded by the Government of India on 22 December 2008, to a Consortium consisting of Hindustan Oil Exploration Corporation (HOEC), BPRL, IMC Limited and Jindal Petroleum Limited (JPL). HOEC is the Lead Operator and BPRL is the Joint Operator of this block. The Petroleum Exploration License (PEL) for the block was granted by the Government of Rajasthan on 13 July 2009. On award, all the consortium partners had an equal participating interest of 25% each, in this block. BPRL's PI was increased to 33.33% subsequent to JPL's exit from the block.

The Phase I of exploration period including all granted extensions expired on 12 October 2015. All the MWP commitments except drilling of six wells have been completed in the block. The drilling of exploratory wells was delayed because of inordinate delay in obtaining clearance from Ministry of Defence and Environmental clearance. The Lead Operator HOEC expressed interest to withdraw from the block. BPRL and IMC have submitted joint proposal for recommencement of exploration activities in the block in order to complete the MWP. The proposal is under consideration by DGH.

iv) ***NELP IX Blocks***

a) ***CB-ONN-2010/11 (Cambay Basin)***

CB-ONN-2010/11, an On-land block was awarded by Government of India to a Consortium consisting of GAIL, BPRL, EIL, BFIL and MIEL. GAIL with 25% PI is the Operator of the block. BPRL with 25% PI is the Joint Operator of the block.

Due to MIEL's cash call payment default under the JOA, the other non-defaulting parties have agreed to distribute MIEL's 15% PI in proportion to their existing share for which a request has been submitted to DGH for approval.

The Declaration of Commerciality for the discovery Galiyana#1 was approved by Management Committee on 10 April 2019. Operator is in the process of submitting FDP for the same.

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

AA-ONN-2010/3, an On-land block was awarded by Government of India to a consortium consisting of OIL, ONGC and BPRL. OIL with 40% PI is the Operator of the block. BPRL is having 20% PI and ONGC holds 40 % PI in the block. The Petroleum Exploration License (PEL) for the block was granted by the Government of Assam with effect from 12 December 2013 which is valid up to 11 December 2020 Pre-drilling activities for the committed MWP well are currently in progress.

c) MB-OSN-2010/2 (Mumbai Basin)

MB-OSN-2010/2, a shallow water offshore block was awarded by Government of India to a consortium consisting of OIL, HPCL and BPRL. OIL with 50% PI is the Operator of the block. BPRL is having 20% PI in the block. 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 was submitted by the consortium to DGH and the same has been approved.

OTHER FOREIGN BLOCKS

ISRAEL

BPRL acquired 25% PI in the License of exploration Block 32 awarded to the Indian Consortium in the 1st Offshore Bid Round 2016, conducted by the State of Israel. OVL is the Operator while IOCL and OIL are the other partners in the block, each having a PI of 25%.

The exploration period under the license is for 3 years. The seismic and other G&G data acquisition, reprocessing /interpretation of data etc. is currently in progress under the License area.

AUSTRALIA

BPRL farmed into EP - 413 (on-land) Shale Gas Block, in December 2010 and currently has a PI of 27.803% in the block in consortium with Norwest Energy NL, and AWE Perth Pty Ltd. (formerly known as Arc Energy Ltd), 100% subsidiary of Australia Worldwide Exploration. The operator for the block is Norwest Energy who has a PI 27.945% in the block. An exploratory well Arrowsmith -2 was drilled in May 2011. Hydraulic fracturing of the well was carried out and there was hydrocarbon find in all five zones with oil in one zone and gas shows in four zones of the well. This Block is being explored for Shale gas/tight gas. As a part of the 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. Further activities in the block will be commenced once the Regulator issues the revised regulations. 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 22 February 2022.

Relinquished Foreign Block

UNITED KINGDOM

BPCL farmed into the North Sea block 48/1b & 2c and had a PI of 25% in the block which was subsequently assigned to BPRL. The other consortium partners are Premier Oil UK Ltd. (Operator), Tata Petrodyne Ltd and Verus Petroleum (formerly known as Bridge Energy (Exploration) Ltd. with PI of 25% each.

The commitment well (Cobra 48/2c- 5) was drilled in the year 2008. Following drilling & testing, the well was left suspended. The consortium has fulfilled the License obligation and there are no further Minimum Work Program (MWP) commitment pending in this block except for the abandonment of the suspended well. The consortium has withdrawn from the License and the balance liabilities of the plug and abandonment of the well is being taken up by the operator during the year.

DIVIDEND

The Directors do not recommend any dividend for the Financial Year ended 31March 2019.

FIXED DEPOSITS

BPRL has not accepted any Fixed Deposits during the Financial Year 2018-19.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report of the Company as required under the DPE Guidelines on Corporate Governance is enclosed as Annexure D. The forward looking statements made in this report are based on certain assumptions & expectations of future events. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

BPRL, being a Government Company, the provisions of Section 134(3)(e) of the Companies Act, 2013 regarding the disclosure of details of company's policy on Directors appointment and other matters under Section 178(3) are not applicable. The appointment of Directors are made as per the nomination from the Govt. of India. Further, information in respect of the ratio of the remuneration of each director to the median employee's remuneration and other details such as particulars of employees' remuneration are not required to be given in terms of Section 197 of the said Act read with Rules, as BPRL is a Government Company.

NUMBER OF MEETINGS OF THE BOARD

There were 13 (Thirteen) meetings of the Board held during the Financial Year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013, an extract of the annual return in the prescribed format is enclosed as Annexure A.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details regarding Loans, guarantees or investments in terms of Section 186 of the Companies Act, 2013 are covered suitably, in the notes 5, 6 and 12 to the standalone financial statements provided in the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There are no contracts or arrangements made with related parties in terms of Section 188(1) of the Companies Act, 2013.

IMPLEMENTATION OF RISK MANAGEMENT

BPRL has Risk management policy. The risks are identified, categorized from high risk to low risk and requisite actions are taken by the concerned team to mitigate the risks.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and materials orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

HUMAN RESOURCES

BPRL comprises optimum combination of professionals from different background such as geology, engineering and finance. At present, majority of all the employees of BPRL have been assigned from the holding company i.e. BPCL wherein the guidelines from the Government with regard to reservation and other welfare measures to Schedule Caste, Schedule Tribes and other Backward classes, Sexual Harassment of Women Act, 2013, Disability Act 1995, employment opportunities to persons with disabilities are complied with. The employees of BPRL are governed by the policies applicable in BPCL.

CITIZENS' CHARTER, OFFICIAL LANGUAGE, FULFILLMENT OF SOCIAL OBLIGATIONS AND RIGHT TO INFORMATION ACT, 2005

All possible steps are being taken with regard to Citizens Charter, Official Language implementation, fulfillment of Social Obligations and Right to Information Act, 2005, with the support of the holding company, BPCL.

The Central Public Information Officer (CPIO) and Appellate Authority are the concerned Officers for handling Right to Information (RTI) matters. During the year 2018-19, BPRL had received 6 RTI Queries and 0 Appeal, which were replied on time. In the Company's corporate website, BPRL has a separate section on RTI for better understanding of the public at large.

MICRO & SMALL ENTERPRISES

In line with "Public Procurement Policy for MSEs, Order 2012", BPRL had procured 42.36% of its Goods and Services, through MSEs as against a target of 25%, annually. BPRL has also been fully abiding by the other mandates of the Policy. All the high value tenders at BPRL are through press tender route. The General Conditions of Contract (GCC) and General Purchase Conditions (GPC) of open tenders have the Purchase Preference Clause for MSEs.

BPRL organized one vendor meet / workshop to promote the Public Procurement Policy for MSEs. Annual procurement plan for 2018-19 was put up in the BPRL website. It can be viewed at http://bharatpetroresources.com/Tenders/Tenders.aspx. As per the mandate of MSE Purchase Preference Policy, nodal officer in BPRL is already appointed and the contact details and name is communicated regularly to the Ministry.

For the year 2018-19, the total procurement value for BPRL for Goods and Services, Rs 1587.18 Lakhs and the actual procurement value from MSEs was Rs 672.27 Lakhs, i.e. an achievement of 42.36% as against the target of 25%. The MSE procurement details was also uploaded in MSME Sambandh portal. BPRL is registered in Government e Marketplace (GeM) portal as well as Trade Receivable Discounting System (TReDS) platform with Receivables Exchange of India Limited (RXIL).

MEMORANDUM OF UNDERSTANDING WITH BPCL

BPRL has entered into a Memorandum of Understanding (MOU) with BPCL for the Financial Year 2019-20. BPRL has achieved Very Good Rating for the Financial Year 2017-18. The MOU for Financial Year 2018-19 is under evaluation.

VIGILANCE

At BPRL, Vigilance activities are governed under the purview of our Parent Company, i.e. BPCL. Vigilance has focused and intensified on proactive and preventive efforts to promote good governance and ethical standards in all business processes at BPRL. Special emphasis was laid to create awareness of guidelines through various sessions organized and conducted at BPRL.

Summary of Vigilance Cases pertaining to BPRL handled during the Financial Year 2018-19 is given below:

Opening Balance (as on 01 April 2018)	Received during the year	Total	Disposed during the Year	Closing Balance (as on 31 March 2019)
01	01	02	02	0

Vigilance Awareness Week, an annual outreach program instituted by Central Vigilance Commission for the staff of the organizations / departments and general public to rededicate their commitments towards Honesty, Probity and Ethical values every year. This week long observance coincides every year with the birth anniversary of Lohpurush Sardar Vallabh Bhai

Patel on 31 October.

During the year, following activities were conducted at BPRL during the "Vigilance Awareness Week" – 29 October 2018 to 3 November 2018.

The Integrity pledge was administered to all the staff of BPRL on 29 October 2018.

Online Individual / citizen Integrity Pledge was taken by the staff and the certificate of commitment submitted by the staff.

A group discussion on "Eradication Corruption- Build New India" was conducted among the staff of BPRL. The staff participated in the group discussion followed by a session regarding an overview on applicable laws governing prevention of corruption in CPSEs.

Two staff were nominated for the program titled "Vigilance Awareness/Preventive Vigilance Practices" organised by NPC at Goa from 30 October 2018 – 1 November 2018 as per DPE training Calender.

INFORMATION OF SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

BPRL has prepared consolidated financial statements of the Company. A separate statement containing the salient features of the financial statement of Subsidiaries/Associate/Joint Venture Companies in the prescribed format AOC-1 pursuant to provisions of Section 129(3) of the Companies Act, 2013 is enclosed as Annexure B. The statement also provides the details of performance, financial positions of each of the subsidiaries. The Audited Annual Accounts of Subsidiary Companies and related detailed information are open for inspection by any member at the Registered Office. These documents would be made available on request, to any of the members.

In the Financial Year 2018-19, BISPL, along with the respective subsidiary of consortium partner IOCL formed a 50:50 Special Purpose Vehicle (SPV), viz. UBPL in Singapore, which was awarded the Onshore Block 1 concession in Abu Dhabi on 24 March 2019 after emerging as the winning bidder in the Abu Dhabi 2018 Block Licensing Round. The Directors have not received any remuneration or commission from any of its subsidiaries.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts for the year ended 31 March 2019, the applicable Accounting Standards have been followed and there are no material departures.
2. 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 as at 31 March 2019 and of the profit and loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and

other irregularities.

4. The Directors have prepared the annual accounts on a going concern basis.

5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION

The provisions of Section 134(3)(p) of the Companies Act, 2013 shall not apply in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. Accordingly, BPRL, being a government Company, the above provisions are not applicable.

DIRECTORS

Shri Jitender Pershad Waghray, was appointed as Additional Director (Operations & Business Development) of the Company w.e.f 20 August 2018 in terms of his appointment from Govt. of India.

Being, Additional Director, Shri Jitender Pershad Waghray holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 160 of the Companies Act, 2013 from a member, proposing his name as Director of the Company.

Shri Ajay Kumar V. ceases the position of Director (Operations & Business Development) and will continue as Managing Director of the Company.

Shri Neelkantapillai Vijayagopal was appointed as Additional Director w.e.f. 6 December 2018 by Bharat Petroleum Corporation Limited, Holding Company of Bharat PetroResources Limited.

Being, Additional Director, Shri Neelkantapillai Vijayagopal holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 160 of the Companies Act, 2013 from a member, proposing his name as Nominee Director of the Company.

Smt. Esha Srivastava, Director (I/c), Ministry of Petroleum & Natural Gas, was appointed as Additional Director from 9 July 2019. As she has been appointed as Additional Director, she will hold office till the ensuing AGM. Notice under Section 160 of the Act has been received proposing her name for appointment as Director at the ensuing AGM.

Shri Ajay Kadmawala, Managing Partner, Kadmawala & Co. was appointed as Additional Director from 18 July 2019. As he has been appointed as Additional Director, he will hold office till the ensuing AGM. Notice under Section 160 of the Act has been received proposing his name for appointment as Director at the ensuing AGM.

Smt. Indrani Kaushal, was appointed as Additional Director on the Board and Government Nominee Director w.e.f 01 April 2019 in terms of her appointment from Govt. of India. She relinquished the office of Director on 27 May 2019.

Dr. Praphullachandra Sharma ceased to be Director of the Company w.e.f. 28 March 2019. The Directors have placed on record their deep appreciation and gratitude for the valuable contributions made by him in the deliberations of the Board meetings and Audit Committee meetings and for the guidance and the support for the development and progress of the business of the Company during his tenure.

Smt Swapna Sawant ceased to be Company Secretary of the Company w.e.f 14 May 2019 and Smt Sarita Aggarwal was appointed as Company Secretary w.e.f 14 May 2019.

As required under the Companies Act, 2013, Shri Rajkumar Duraiswamy, Director will retire by rotation at the Annual General Meeting, and being eligible, offers himself for re-appointment as Director at the said Meeting.

As required under the Corporate Governance clause, brief bio-data of the above Directors seeking appointment/re-appointment at the AGM are provided in the AGM Notice.

AUDIT COMMITTEE

Presently, the Audit Committee of BPRL comprises Shri D. Rajkumar, Shri Neelkantapillai Vijayagopal and Smt. Esha Srivastava as members. Shri D. Rajkumar acts as the Chairman of the Committee. The Audit Committee is functioning in accordance with the terms of reference set out for it by the Board of Directors.

STATUTORY AUDITORS

M/s P.G. Joshi & Co, Chartered Accountants were appointed as Statutory Auditors of BPRL for the Financial Year ended 31 March 2019, by the C&AG under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the ensuing Annual General Meeting. The Auditors' Report does not contain any qualification, reservation or adverse remark. The C&AG has been approached for the appointment of Statutory Auditors for the Financial Year ending 31 March 2020.

SECRETARIAL AUDITOR

The Board has appointed M/s Ragini Chokshi & Co., Company Secretaries to conduct the Secretarial Audit of the company for the Financial Year ended 31 March 2019, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Auditor's report for the Financial Year 2018-19 is enclosed as Annexure C.

The Secretarial Audit Report contains observations about non-compliance of the provisions of the Companies Act, 2013, with regard to appointment of Independent Directors, constitution/ reconstitution of Audit Committee, Corporate Social Responsibility Committee, Remuneration & Nomination Committee under the said Act.

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

"BPRL, being a Government Company under the Administrative control of Ministry of Petroleum & Natural Gas, the appointment of Independent Directors can be made after receiving nominations from Govt. of India. The Govt. of India has been approached suitably for nomination of adequate number of Independent Directors. After receiving nomination from Govt. of India, BPRL will be able to comply with the above requirements."

However, on 18 July 2019, Company has appointed Mr. Ajay Kadmawala as an Independent

Director on the Board after receiving nomination from MoP&NG. Further, the Company will reconstitute the Committee(s) as per the requirement under the Act in due course.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

BPRL is lead Operator in two On-land blocks situated in Cambay basin and Joint Operator in three On-land blocks, one each in Jaisalmer Basin in Rajasthan,Cambay basin in Gujarat and Onshore Block 1 in Abu Dhabi. In the other blocks including foreign blocks, BPRL is consortium partner and hence not directly involved in the execution of works related to the blocks.

The sources of energy used by the Company for operations in the various Blocks predominantly are Electricity and Diesel. These sources are monitored by the respective head of Blocks on a continuous basis.

The provisions of the Companies Act, 2013, relating to the technology absorption are not applicable at this stage of BPRL's operations. The details of foreign exchange earned in terms of actual inflows and foreign exchange outgo during the year in terms of actual outflows are given below:-

Foreign Exchange Inflow	:	₹3539.63 Lakhs
Foreign Exchange Outgo	:	₹474.89 Lakhs

ACKNOWLEDGEMENTS

The Directors gratefully acknowledge the support and guidance received from various ministries of the Government of India & State Governments, Directorate General of Hydrocarbons, particularly from the Ministry of Petroleum & Natural Gas, and from BPCL, the parent company in BPRL's operations and developmental plans.

Annexure A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2019

[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	U23209MH2006GOI165152
ii)	Registration Date	17 October 2006
iii)	Name of the Company	Bharat PetroResources Ltd
iv)	Category / Sub-Category of the Company	Company Limited by Share / Indian Government Company
v)	Address of the Registered office and contact details	Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai-400001 Tel: 022-22713000 Fax: 022-22713874
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and transfer Agent, if any	Not applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company was incorporated as a wholly owned subsidiary of BPCL under its Navratna powers on 17 October 2006 with the main objective of undertaking exploration and production of oil & gas. The Company has participating interest (PI) in 26 blocks spread across 8 countries apart from equity stake in two Russian entities holding license to four producing assets. The Company is the lead operator in 2 Indian on-land blocks in the Cambay Basin in India. These blocks are in various stage of exploration, appraisal, pre- development and production.

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 Petroleum Corporation Limited, Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai 400001	L23220MH1952GOI008931	Holding Company	100%	Section 2(46)
2	Bharat PetroResources JPDA Limited, Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001	U23209MH2006GOI165279	Subsidiary Company	100%	Section 2(87)
3	BPRL International BV., Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary Company	100%	Section 2(87)
4	BPRL Ventures BV@ Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary Company	100%	Section 2(87)
5	BPRL Ventures Mozambique BV@ Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary Company	100%	Section 2(87)
6	BPRL Ventures Indonesia BV@ Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary Company	100%	Section 2(87)
7	BPRL International Ventures BV@ Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.	Not applicable	Subsidiary Company	100%	Section 2(87)
8	BPRL International Singapore Pte. Ltd., 8 Cross Street, #24-03/04, PWC Building, Singapore 048424	Not applicable	Subsidiary Company	100%	Section 2(87)

@ 100% subsidiary of BPRL International B.V.

1. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1 April 2018)				No. of Shares held at the end of the year (31 March 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	4448002610	4448002610	100%	0	4999999940	4999999940	100%	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	60	60	0	0	60	60	0	0
Sub-total (A) (1):-	0	4448002670	4448002670	100%	0	5000000000	5000000000	100%	0
(2) **Foreign**									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total share holding of Promoter (A) = (A) (1) + (A) (2)	0	4448002670	4448002670	100%	0	5000000000	5000000000	100%	0

Category of Shareholders	No. of Shares held at the beginning of the year (1 April 2018)				No. of Shares held at the end of the year (31 March 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	4448002670	4448002670	100%	0	5000000000	5000000000	100%	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 April 2018)			Shareholding at the end of the year (as on 31.3.2019)			% 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	Bharat Petroleum Corporation Limited (BPCL)	4448002610	100	0	4999999940	100	0	0
2	Shri D. Rajkumar jointly with BPCL	10	0	0	10	0	0	0
3	Shri S.K. Agrawal jointly with BPCL	10	0	0	10	0	0	0
4	Shri Ajay Kumar V. jointly with BPCL	10	0	0	10	0	0	0
5	Shri Pankaj kumar jointly with BPCL	10	0	0	10	0	0	0
6	Shri U.S.N. Bhat Jointly with BPCL	10	0	0	10	0	0	0
7	Shri Sundharavadhanan Jointly with BPCL	10	0	0	10	0	0	0
	Total	4448002670	100	0	5000000000	100	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (as on 1April 2018)				
2	Bharat Petroleum Corporation Limited	4448002610	100	4,99,99,99,940	100
3	Shri D. Rajkumar jointly with BPCL	10	0	10	0
4	Shri S.K. Agrawal jointly with BPCL	10	0	10	0
5	Shri Ajay Kumar V. jointly with BPCL	10	0	10	0
6	Shri Pankaj Kumar jointly with BPCL	10	0	10	0
7	Shri U. S. N. Bhat jointly with BPCL	10	0	10	0
8	Shri Sundaravadhanan jointly with BPCL	10	0	10	0

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying there reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) --	--	--	--	--
3	At the end of the year (as on 31.3.2019)				
	Bharat Petroleum Corporation Limited	4448002610	100	4999999940	100
	Shri D. Rajkumar jointly with BPCL	10	0	10	0
	Shri S.K. Agrawal jointly with BPCL	10	0	10	0
	Shri Ajay Kumar V. jointly with BPCL	10	0	10	0
	Shri Pankaj Kumar jointly with BPCL	10	0	10	0
	Shri Sundharavadhanan jointly with BPCL	10	0	10	0
	Shri U.S.N. Bhat jointly with BPCL	10	0	10	0

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year as on (1.4.2018)	0	0	0	0
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
3	At the end of the year (as on 31.3.2019)	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (as on 1.4.2018)					
1	Shri D. Rajkumar, Chairman	10	0	10	0
2	Shri K. Sivakumar, Director	0	0	0	0
3	Shri Ajay Kumar V., Managing Director	10	0	10	0
4	Shri Pankaj Kumar, Director (Finance)	10	0	10	0
5	Dr. Praphullachandra Sharma, Director	0	0	0	0
6	Smt Swapna Sawant, Company Secretary	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Date of increase / decrease	Reasons		
	--	--	--	--	--
At the end of the year (i.e. 31.3.2019)					
1	Shri D. Rajkumar, Chairman	10	0	10	0
2	Shri N. Vijayagopal, Director	0	0	0	0
3	Shri Ajay Kumar V., Managing Director	10	0	10	0
4	Shri Pankaj Kumar, Director (Finance)	10	0	10	0
5	Dr. Praphullachandra Sharma, Director	0	0	0	0
6	Shri Jitender Pershad Waghray, Director (Ops &BD)	0	0	0	0
7	Smt Swapna Sawant, Company Secretary	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1.4.2018)				
i) Principal Amount	0	84,180.94*	0	84,180.94*
ii) Interest Due but not paid	0	0	0	0
iii) Interest accrued but not due	0	8,053.97	0	8,053.97
Total (i+ii+iii)	0	92,234.91	0	92,234.91
Change in Indebtedness during the financial year				
• Addition	0	46,493.76	0	46,493.76
• Reduction	0	(66,459.94)	0	(66,459.94)
Net Change	0	(19,966.18)	0	(19,966.18)
Indebtedness at the end of the financial year (as on 31.3.2019)				
i) Principal Amount	0	68,849.03*	0	68,849.03*
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	3,419.70	0	3,419.70
Total (i+ii+iii)	0	72,268.73	0	72,268.73

* Under previous GAAP, interest free borrowings were measured at transaction value. Under Ind AS, interest free borrowing being financial liability, is required to be initially recognized at fair value. Accordingly, cash flows have been discounted using market rate of interest and differential is accounted as equity component of financial instrument. Accordingly, as on 31 March 2018, borrowing was fair valued at ₹84,180.94 lakhs and as on 31 March 2019 at ₹68,849.03 lakhs in the Financial Statement.

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 Managing Director and Whole Time Directors			Total
		Shri Ajay Kumar V.*	Shri Pankaj Kumar*	Shri Jitender Pershad Waghray **	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,69,022	29,08,990	15,95,552	74,73,564
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,57,260	9,64,037	2,85,945	18,07,242
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission				
	- as % of profit	--	--	--	--
	- others, specify…	--	--	--	--
5.	Others: Allowance / Contribution	2,96,887	5,27,423	1,73,209	9,97,519
	Total (A)	**38,23,169**	**44,00,450**	**20,54,706**	**1,02,78,325**
	Ceiling as per the Act	NA	NA	NA	NA

* Shri Pankaj Kumar, Director (Finance) acts as a CFO of the Company

** Shri Jitender Pershad Waghray was appointed as Director (Operations and Business Development) w.e.f. 20 August 2018.

B. Remuneration to other directors: **(Amount in ₹)**

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount (₹)
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	N.A.	N.A
	Total (1)	N.A.	N.A.
2.	Other Non-Executive Directors	Dr. Praphullachandra Sharma (upto 28 March 2019) D. Rajkumar K.Sivakumar (upto 30 November 2018) N. Vijayagopal (w.e.f. 6 December 2018)	N.A.
	• Fee for attending board committee meetings • Commission • Others, please specify	Nil	Nil
	Total (2)	Nil	Nil
	Total Managerial Remuneration	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A

C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Swapna Sawant Company Secretary (upto 3 June 2019) (₹)	Sarita Aggarwal Company Secretary (w.e.f 6 February 2019) (₹)	Total (₹)
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 19,12,324 4,18,142 --	 192,806 -- --	 21,05,130 4,18,142 --
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify…	Nil	Nil	Nil
5.	Others: Allowance / Contribution	--	--	--
	Total	**23,30,466**	**192,806**	**25,23,272**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Annexure - B

Salient Features of the Financial Statement of Subsidiaries/Associate Companies/Joint ventures as per Companies Act, 2013

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 - AOC -1]

Part "A" : Subsidiaries

₹ In Lakhs
USD in Millions

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period of the Subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Invest-ments	Turnover (#)	Profit/(Loss) before taxation (#)	Provision for taxation (#)	Profit/(Loss) after taxation (#)	Proposed Dividend (#)	% of share-holding
1	Bharat PetroResources JPDA Ltd.	28-Oct-2006	NA	INR	6,000.00	(12,434.29)	49.80	6,484.09	-	-	(240.06)	-	(240.06)	-	100%##
2	BPRL International B.V.	26-Mar-2008	NA	INR	336,781.23	(537,239.65)	858,339.74	1,058,798.17	207,002.03	-	(41,922.18)	-	(41,922.18)	-	
				USD	486.88*	(776.68)	1,240.89	1,530.69	299.26	-	-62.47**	-	-62.47**	-	100%
3	BPRL Ventures B.V.@	26-Mar-2008	NA	INR	208,468.46	(436,892.85)	213,068.36	441,492.74	22,591.35	-	(48,243.73)	-	(48,243.73)	-	
				USD	301.38	(631.61)	308.03	638.26	32.66	-	(71.89)	-	(71.89)	-	100%
4	BPRL Ventures Mozambique B.V.@	23-Jul-2008	NA	INR	202,443.64	(146,670.82)	358,570.18	302,797.37	200.60	-	(14,528.82)	-	(14,528.82)	-	
				USD	292.67	(212.04)	518.38	437.75	0.29	-	(21.65)	-	(21.65)	-	100%
5	BPRL Ventures Indonesia B.V.@	21-Aug-2009	NA	INR	14,263.12	(10,099.01)	30,255.53	26,091.41	-	-	(2,355.48)	-	(2,355.48)	-	
				USD	20.62	(14.60)	43.74	37.72	-	-	(3.51)	-	(3.51)	-	100%
6	BPRL International Singapore Pte. Ltd.^	12-May-2016	NA	INR	209,090.75	10,880.62	753,324.13	533,352.76	716,759.94	-	47,590.51	6.74	47,583.77	-	
				USD	299.59	15.59	1,079.38	764.20	1,026.99	-	70.59	0.01	70.58	-	100%
7	BPRL International Ventures B.V.@	29-Jan-2018	NA	INR	133,521.36	13,543.74	147,148.11	83.01	140,798.18	-	12,589.40	-	12,589.40	-	
				USD	193.03*	19.58	212.73	0.12	203.55	-	18.76	-	18.76	-	100%

Exchange rate:

As on 31 March 2019 - 1US$ = INR 69.1713

As on 31 December 2018 - 1US$ = INR 69.7923

As on 31 March 2018 - 1US$ = INR 65.0441

\# In respect of BPRL International B.V., BPRL Ventures B.V., BPRL Ventures Mozambique B.V., BPRL Ventures Indonesia B.V., BPRL International Singapore Pte Ltd. & BPRL International Ventures B.V. - The figures are converted from USD to Indian Currency taking average exchange rate.

* Amount also includes share application money received by the company.

\## 60 Shares held by six individuals, who are nominees of BPRL, each hold ten shares of ₹ 10 each of the Company.

@ 100% subsidiary of BPRL International B.V.

** Loss of BPRL International B.V. is consolidated loss i.e. including profit/losses of BPRL Ventures B.V., BPRL Ventures Mozambique B.V., BPRL Ventures Indonesia B.V and BPRL International Ventures BV

^ The financial year end of BPRL International Singapore Pte. Ltd. has been changed from 31 March to 31 December. Accordingly, the figures are converted from USD to Indian currency using closing exchange rate as on 31 December 2018.

Note: 1. Names of subsidiaries which are yet to commence operations - NIL

2. Names of subsidiaries which have been liquidated or sold during the year - NIL

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	IBV Brasil Petroleo Limitada	Taas India Pte Ltd	Vankor India Pte Ltd	Falcon Oil & Gas B.V.	Mozambique LNG1 Pte. Ltd.	Urja Bharat Pte. Ltd.
1	**Latest Audited Balance Sheet**	31 December 2018	31 December 2018	31 December 2018	31 March 2019		
2	Date on which the Associate or Joint Venture was associated or acquired	18 September 2008	23 May 2016	20 May 2016	6 February 2018	17 March 2017	12 February 2019
3	**Shares of Associate/Joint Ventures held by the company on the year end:**						
	No.	1735087508 shares of BRL 1 each	401853048 shares of USD 1 each	560476520 shares of USD 1 each	30 shares of USD 1 each	250000 shares of USD 1 each	100 shares of USD 1 each
	Amount of Investment in Associates/Joint Venture (₹ In Lacs)	311,189.68	280,462.48	391,169.45	133,452.42	172.93	3,873.59
	Extend of Holding %	50%	33%	33%	30%	10%	50%
4	**Description of how there is significant influence**	50% of Share Capital is held by BPRL Ventures B.V. (Step Down Subsidiary)	33% of Share Capital is held by BPRL International Singapore Pte. Ltd.	33% of Share Capital is held by BPRL International Singapore Pte. Ltd.	30% of Share Capital is held by BPRL International Ventures B.V.	10% of Share Capital is held by BPRL Ventures Mozambique BV	50% of Share Capital is held by BPRL International Singapore Pte. Ltd.
5	**Reason why the associate/joint venture is not consolidated**	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Refer note below^
6	**Networth attributable to Shareholding as per latest audited Balance Sheet (₹ In Lacs)**	263,123.73	270,207.60	446,551.25	140,801.21	203.45	Not Applicable
7	**Profit / (Loss) for the year**						
	i Considered in Consolidation (₹ In Lacs)	(44,168.23)	16,660.61	49,303.70	12,469.30	-	-
	ii Not Considered in Consolidation	-			- -		

^BPRL International Singapore Pte Ltd. (BISPL) in consortium with IOCL Singapore Pte. Ltd. has incorporated Urja Bharat Pte Ltd. (UBPL), a joint venture company, on 12 February 2019 where BISPL holds 50% equity. As UBPL follows calendar year as its financial period i.e., Jan-Dec, financial results of UBPL have not been considered in Consolidated Financials of BPRL for the year 2018-19. During the period 12 February 2019 to 31 March 2019 the Group has contributed Rs. 3,873.59 Lakhs (USD 5.6 Mn) as its share of equity in UBPL.

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner, Membership No.: 038193

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggrawal
Company Secretary

Place: Mumbai
Dated: 14 May 2019

Annexure C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2018 TO 31-03-2019

[*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 PetroResources Limited
Bharat Bhavan, 4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai - 400001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat PetroResources Limited (CIN:U23209MH2006GOI165152)** (hereinafter called the "Company") for the financial year ended 31 March 2019 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 1 April 2018 to 31 March 2019 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 **1 April 2018 to 31 March 2019** 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) 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.

(vi) 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; **Not Applicable**

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ; **Not Applicable**

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable**

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable.**

e. 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 - **Not applicable**

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 - **Not Applicable**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable.**

h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - **Not applicable.**

Based on the Compliance Mechanism established by the Company and information and explanations received from the Officers of the Company, we are of the opinion that the Company has generally complied with the laws, regulations, rules and guidelines specifically applicable to the Company with respect to oil exploration and discovery of natural gas.

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 Obligation & Disclosure Requirement) Regulation, 2015 - **Not Applicable**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

a) The Ministry of Corporate Affairs vide its circular dated 5 July 2017 through the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 has exempted the requirement of appointing Independent Director on the Board of Directors of the Wholly Owned Subsidiaries & circular dated 13 July 2017 through the Companies (Meeting of Board and its Powers) Second Amendment Rules, 2017 dated 13 July 2017 has exempted the Company from mandatorily appointing two independent directors on the Nomination & Remuneration Committee and Audit Committee. Therefore, the

Company being a wholly owned subsidiary of Bharat Petroleum Limited, the provisions of Section 149(4) and rules made thereunder are not applicable to the Company. Pursuant to the circular dated 5 July 2017, though the Company has constituted CSR committee but the Company has not appointed Independent Directors in the committee. However Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines), issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India requires the Central Public Sector Enterprises to constitute its Board in such a manner that atleast $1/3^{rd}$ of Board Members shall be independent. The Company has not complied with the said requirement and therefore committee constitution requirement with respect to Audit Committee and Remuneration Committee prescribed under the guidelines have not been complied.

b) The Company has not appointed Woman Director for the financial year 2018-19 pursuant to second proviso of Sub-section (1) of Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014. However, effective 1 April 2019, the Company has appointed Smt Indrani Kaushal as Additional Director (Woman Director) on its Board.

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 power to appoint Directors (including Independent Directors & Woman Director) and fixing terms and conditions of such appointment, including fixing remuneration and evaluation, vests with the Government of India and the Company is awaiting suitable nominations for the same.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, except for the observations stated above. 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 expect for observations as stated above.

We further report that 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 7 days before the date of 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.

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 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 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 event/ action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards etc.

- The Company has issued and allotted 55,19,97,330 equity shares of ₹10 each amounting to ₹551,99,73,300/- on right basis.

Except the above, no reportable event or actions having major effect on the operations of the Company took place during the financial year ended 31 March 2019.

For RAGINI CHOKSHI & CO
(Company Secretaries)

Sd/-
Umashankar K Hegde
(Partner)
M.No- A22133
C.P.No- 11161

Place: Mumbai
Date: 14 May 2019

Annexure – A to Secretarial Audit Report

To,
The Members,
Bharat PetroResources Limited
Bharat Bhavan, 4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai - 400001

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. Where ever 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/-
Umashankar K Hegde
(Partner)
M.No- A22133
C.P.No- 11161

Place: Mumbai
Date: 14 May 2019

Annexure - D

Report on Corporate Governance

1. **Company's philosophy on Code of Governance**

Bharat PetroResources Ltd's corporate philosophy on Corporate Governance has been to ensure sound corporate practices and business ethics through transparency, fairness, professionalism, accountability & reliability.

2. **Board of Directors**

As per the Articles of Association of the Company, the number of Directors shall not be less than three and more than fifteen. As on 31 March 2019, BPRL Board comprised of three Whole-time Directors and two Part-time Directors nominated by BPCL and one Govt. Nominee Director. The Company has approached the Govt. of India for the nomination of two Independent Directors including woman Director on the Board of BPRL. On 01 April 2019, Ms. Indrani Kaushal was appointed as Govt. (women) Director on the Board of BPRL. She relinquished her office of Director w.e.f. 27 May 2019. Ms Esha Srivastava was appointed as Government Director w.e.f. 9 July, 2019. Mr Ajay Kadmawala was appointed as Independant Director w.e.f. 18 July 2019 on the Board of the Company.

Ministry of Corporate Affairs vide its notification dated 5 July 2017 through the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 has exempted the requirement of appointing Independent Director on the Board of Directors of the Wholly Owned Subsidiaries. The Company being a wholly owned subsidiary of Bharat Petroleum Corporation Limited, the provisions of Section 149(4) and rules made thereunder are not applicable to the Company w.e.f 5 July 2017.

None of the Non-executive Directors of BPRL had any pecuniary relationship / transaction with the Company, during the year.

The Directors neither held membership of more than 10 Board Committees nor Chairmanships of more than 5 Committees as specified in DPE guidelines on corporate governance, across all the companies in which they were Directors.

Details regarding the Board Meetings; Directors' attendance thereat; Annual General Meeting (AGM); Directorships and Committee positions held by the Directors are given separately.

Board Meetings

Thirteen (13) Board Meetings were held during the financial year on the following dates:-

5 April 2018	22 May 2018	1 June 2018	26 July 2017
6 August 2018	14 August 2018	4 September 2018	9 November 2017
19 October 2018	16 November 2018	24 December 2018	29 January 2018
19 February 2019			

The Board has reviewed the compliance of all laws applicable to the Company. The Board has adopted the Code of Conduct for the Directors and also for the senior management of the Company. The Board members and the senior management have affirmed compliance of the Code of Conduct.

Further, no case and / or suit of any material or substantial nature are pending against BPRL.

Particulars of Directors including their attendance at the Board / Shareholders Meetings during the financial year 2018-2019

Names of the Directors	Academic Qualifications	Attendance out of 13 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Public Limited Companies	Memberships held in Committees
		No. of Meetings Attended	% *			
Non-Executive Directors						
Shri D. Rajkumar	B.Tech (Elect) from IIT Madras, PGDM from I.I.M., Bangalore	13/13	100	Attended	Chairman & Managing Director Bharat Petroleum Corporation Ltd. Chairman 1) Numaligarh Refinery Ltd 2) Bharat Oman Refineries Ltd Director- Petronet LNG Ltd	Chairman - Audit Committee Bharat PetroResources Ltd.
Shri K.Sivakumar (upto 29 November 2018)	A.C.A, A.I.C.W.A, A.C.S	4/10	40	Attended	Director (Finance) Bharat Petroleum Corporation Ltd. Director – 1) Bharat Oman Refineries Ltd	Member - Audit Committee Bharat PetroResources Ltd Member - Stakeholders' Relationship Committee Bharat Petroleum Corporation Ltd.
Shri N.Vijayagopal (w.e.f. 6 December 2018)	A.C.A., L.L.B.	3/3	100	#	Director (Finance) Bharat Petroleum Corporation Ltd. Director – 1) Bharat Gas Resources Limited	Member - Audit Committee Bharat PetroResources Ltd Member - Stakeholders' Relationship Committee Bharat Petroleum Corporation Ltd.
Dr. Praphullachandra Sharma	B.A.M.S.	10/13	77	Attended	–	Member-Audit Committee Bharat PetroResources Ltd
Executive Director						
Shri Ajay Kumar V. Managing director (holding charge as Director (Ops & BD) (upto 19 August 2018)	M.Sc (Geology) 1st rank from University of Kerela	13/13	100	Attended	Director Bharat PetroResources JPDA Ltd	Chairman - Audit Committee Bharat PetroResources JPDA Ltd
Shri Pankaj Kumar Director (Finance)	F.C.A, A.I.C.W.A	12/13	92	Attended	Director 1) Bharat PetroResources JPDA Ltd 2) BPRL International B.V. 3) BPRL Ventures B.V. 4) BPRL Ventures Mozambique B.V. 5) BPRL Ventures Indonesia B.V. 6) BPRL International Ventures B.V. 7) Falcon Oil & Gas B.V.	--
Shri J.P. Waghray Director (Operations & Business Development) (w.e.f. 20 August 2018)	M.SC, M.Tech.	7/7	100	Attended	Director 1) BPRL International Singapore Pte. Lte 2) Taas India Pte. Ltd. 3) Vankor India Pte. Ltd.	--

*percentage computed by considering the meetings attended with the total meetings held during the tenure
Since, Shri N.Vijayagopal was appointed on 06 December 2018 after the date of Annual General Meeting, hence he didn't attend the same.

3. Audit Committee

In terms of Companies Act, the Board at the meeting held on 2nd April 2008 had constituted the Audit Committee comprising all the Non-Executive Directors. The Board of Directors has approved the terms of reference of the Audit Committee. The quorum for the meetings of the Committee is two members.

Shri K. Sivakumar and Dr. Praphullachandra Sharma ceased to be Member of Audit Committee on relinquishment as Director from the Board w.e.f. 30 November 2018 and 28 March 2019 respectively and Shri N. Vijayagopal was appointed as Member of Audit Committee w.e.f. 6 December 2018 and Smt. Indrani Kaushal was appointed as Member of Audit Committee w.e.f. 1 April 2019, she relinquished office of Director w.e.f. 27 May, 2019. Ms. Esha Srivastava was appointed as Director on the Board w.e.f. 09 July, 2019 and simultaneously appointed as a member of the Audit Committee. Shri D. Rajkumar chaired all the meetings of the Audit Committee.

Shri D. Rajkumar, Chairman and Shri N. Vijayagopal, members possess the requisite knowledge of Finance & Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee. The other Key Managerial Personals also attend the said meetings. The Executive Director (Audit), BPCL is a permanent invitee for all the meetings of the Audit Committee. Further, the Statutory Auditors and other senior management members also attend and participate at the meetings on invitation.

There were 11 meetings of the Audit Committee held during the financial year on the following dates:-

5 April 2018	22 May 2018	19 July 2018	6 August 2018
4 September 2018	25 September 2018	19 October 2018	16 November 2018
24 December 2018	28 January 2019	19 February 2019	

The attendance of the members is given below:-

Name of Member	No of meetings attended
Shri D. Rajkumar	11
Dr.Praphullachandra Sharma	9
Shri K. Sivakumar	4@
Shri N. Vijayagopal	3#

@ out of total 8 meetings held during their tenure.

out of total 3 meetings held during their tenure.

Audit Committee reviewed the annual financial statements for the Financial Year 2018-19 at its meeting held on 14 May 2019.

4. Remuneration to Directors

BPRL is a wholly owned subsidiary of BPCL, a Government Company. Two Part -Time Directors of BPRL are the nominees of BPCL and one Part Time Director nominated by Govt. of India. The Part-time Directors do not receive any remuneration from the Company.

The details of remuneration paid to whole time Directors during the financial year 2018-19 is given below:-

Name	All elements of remuneration packages of the Directors i.e. Salary, benefits, bonus, pension etc. (₹)	Details of fixed component and performance linked incentive (₹)	Other benefits (₹)
Shri Ajay Kumar V. Managing Director (holding charge as Director (Ops & BD) (upto 19 August 2018)	38,23,169	32,65,909	5,57,260
Shri Pankaj Kumar Director (Finance)	44,00,450	34,36,413	9,64,037
Shri J.P. Waghray Director (Operations & Business Development) (w.e.f. 20 August 2018)	20,54,706	17,68,760	2,85,946

BPRL has not introduced any Stock Options Scheme. No other non-executive Directors hold any share in BPRL.

5 Management Discussion and Analysis

Management Discussion and Analysis Report is covered in the Directors' Report.

6 Annual / Extraordinary General Meetings (AGM) for last three years

Date and Time of the meeting	Venue
15 September 2016 at 12.30 p.m. (AGM)	Registered office at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001
10 October 2016 at 10.00 a.m. (EGM)	
4 September 2017 at 11.30 a.m. (AGM)	
10 January 2018 at 11.30 a.m. (EGM)	
4 September 2018 at 11.30 a.m. (AGM)	

A Special Resolution regarding approval for borrowing powers and creation / providing of security was approved by the shareholders at the EGM held on 10 October 2016. A Special Resolution regarding approval for enhancement of Authorised Share Capital from ₹3000 Crores to ₹5000 Crores and consequent amendments to the Memorandum of Association and Articles of Association of the Company was approved by the shareholders at the EGM held on 10 January 2018.

7. Disclosures

There were no transactions of material nature that may have potential conflict with the interest of the Company at large.

BPRL has been adhering to the provisions of all the laws and guidelines of regulatory authorities. BPRL has its own Whistle Blower Policy for its employees. 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. All the blocks of the Company (other than Madanam Block which generated revenue for the first time through oil production based on Operator's accounts) are in various stages of exploration/appraisal and capital expenditure is considered as capital work in progress. Hence, revenue expenditure mainly consists of Administrative & other office expenses.

8. General Shareholders' Information

<table>
<tr><td>Annual General Meeting : Date, Time and Venue</td><td colspan="2">at 1430 hrs on 21 August, 2019 at the Registered office of the Company at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001</td></tr>
<tr><td>Financial Calendar</td><td colspan="2">BPRL follows the Financial year from April to March.
The Unaudited / Audited Statements for the three quarters/ year were taken on record by the Board on the following dates :-

Quarter Ended — Date of Board Meeting
April - June 2017 — 6 August 2018
July - September 2018 — 19 October 2018
October -December 2018 — 28 January 2019

Audited Statements
For the year 2018-19 — 14 May 2019</td></tr>
<tr><td>Shareholding Pattern</td><td colspan="2">BPCL alongwith its nominees is holding entire paid up equity share capital of 500,00,00,000 equity shares of ₹10 each in the Company.</td></tr>
<tr><td>Location</td><td>Registered Office</td><td>Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001
Tel 022-22714000 Fax 022-22713874</td></tr>
<tr><td></td><td>Corporate Office</td><td>9th Floor, E Wing, Maker Towers, Cuffe Parade, Mumbai 400005
Tel 022-22175600 Fax 022-22154364</td></tr>
<tr><td></td><td>Area Office</td><td>1,Ranganathan Garden, 11th Main Road, Anna Nagar, Chennai 600040
Tel 044-26216869 Fax 044-26142175

1st Floor, Golden Triangle Bldg. Near Sardar Patel Stadium, Navarangpura, Ahmedabad -380014, Gujarat
Tel 079-26420706 Fax 079-26460703</td></tr>
<tr><td>CIN No.</td><td colspan="2">U23209MH2006GOI165152</td></tr>
</table>

Certificate on Corporate Governance

To,
The Members of
Bharat PetroResources Limited

We have examined the compliance of the conditions of Corporate Governance by Bharat PetroResources Limited, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India, for the financial year ended 31 March 2019.

The Compliance of conditions of Corporate Governance as stipulated in the Guidelines is the responsibility of management. Our examination was limited to the procedures and implementation 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 financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us by the management, We hereby certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Ministry of Heavy Industries and Public Enterprises as aforesaid with the exception of appointment of requisite number of Independent Directors on the Board, thereby affecting the composition of Audit Committee and Nomination & Remuneration Committee due to non appointment of Independent Directors.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RAGINI CHOKSHI & CO.
(Company Secretaries)

Sd/-
UMASHANKAR K HEGDE
(Partner)
M.No- A22133
C.P. No- 11161

Place: Mumbai
Date: 14 May 2019

Annexure - E-1

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 PETRORESOURCES LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Bharat Petroresources Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is 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 14 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bharat Petroresources Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on the 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: 18 July 2019

Annexure - E-2

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 PETRORESOURCES LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of consolidated financial statements of Bharat PetroResources Limited for the year ended 31 March 2019 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 auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is 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 14 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Bharat PetroResources Limited for the year ended 31 March 2019 under section 143(6)(a) read with section 129(4) of the Act. We did not conduct a supplementary audit of the financial statements of Bharat PetroResources JPDA Limited, for the year ended on that date. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to BPRL International B.V. being private entity incorporated in foreign country under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on the 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: 18 July 2019

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Bharat PetroResources Limited
Mumbai

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of M/s. Bharat PetroResources Limited ("the Company"), which comprise of the Balance Sheet as at 31 March 2019, 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 the Significant Accounting Policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Ind AS, of the state of affairs of the Company as at 31 March 2019, and its loss, other comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note No. 39 on "Interest in Joint Operations" regarding incorporation of details about the Company's share in assets, liabilities, income and expense in the unincorporated joint operations based on the audited/unaudited statements received from the respective Operators. In these regards, it has been observed that:

   a. In case of three blocks, audited statements have not been received by the Company; hence, unaudited figures have been considered. The total Assets & Liabilities as on 31 March 2019 and Income & Expenses for FY 2018-19 in respect of the said blocks amount to ₹29,071.55 Lakhs, ₹617.24 Lakhs, ₹13,054.93 Lakhs and ₹2,624.18 Lakhs respectively.

b. In case of one foreign block (EP413), audited statements have not been received by the Company; hence, unaudited figures have been considered. The total Assets & Liabilities as on 31 March 2019 and Income & Expenses for FY 2018-19 in respect of the said block amount to ₹9,199.47 Lakhs, ₹109.06 Lakhs, ₹ Nil and ₹ Nil respectively.

c. The audited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts 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, as provisions of the Companies Act 2013 are not applicable to unincorporated joint operations.

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. The 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 Statements and related disclosures contained in the enclosed financial statements and our observations thereon are based on such audit reports and statements from the Operators to the extent available with the Company.

5. Our opinion is not modified in respect of this matter.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, along with its annexures, and does not include the financial statements and our report thereon.

7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

9. The Company'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 Financial Statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted

in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

10. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

12. Those Board of Directors are also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. As part of an audit in accordance with SAs, the auditor is supposed to exercise professional judgment and maintain professional skepticism throughout the audit. We also,

    a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. The Board of Directors is deficient with regard to requirement of woman director as per section 149 of the Companies Act, 2013.

19. As per the Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 inserted by notification dated 5 July 2017, it is not mandatory for the Company to constitute an Audit Committee. However, the Company has constituted an Audit Committee and it does not have a majority of independent directors as required by section 177 of the Companies Act 2013.

20. The Company being unlisted wholly owned company is exempted from the requirement

of section 149(4) of the Companies Act 2013 regarding minimum number of independent directors on the Board.

21. 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 (hereinafter referred to as "Order"), we give in the Annexure A, statement of the matters specified in paragraphs 3 and 4 of the Order.

22. As required by Section 143 (3) of the Act, we report that:

    a. We have sought and obtained all the information & explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts of the Company.

    d. In our opinion, the aforesaid Standalone 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. As per the notification no. G.S.R. 463(E) dated 5 June 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

    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, as amended, in our opinion and to the best of our knowledge and belief and according to the information & explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company has not entered into derivative contracts.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019.

23. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such

checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 'C', as per the directions issued by the Office of the Comptroller and Auditor General of India.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W

Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193

Place: New Delhi
Date: 14 May 2019

ANNEXURE – A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 21 of the Independent Auditors' Report of even date on the financial statements as of and for the year ended 31 March 2019)

Report under 'The Companies (Auditor's Report) Order, 2016', issued by the Central Government as per sub-section (11) of section 143 of the Companies Act, 2013 ("the Act")

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

(b) As explained to us, all the assets have been physically verified by the management in a phased periodical manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information & explanation given to us, and on the basis of our examination of the records of the Company, the Company does not have any immovable property in its name and therefore the said clause is not applicable. With regard to the expenditure incurred by the Company on exploration and production of Oil/Gas considered as intangible assets under development, we report that the detail of such expenditure is recorded by the Company based on the details of such expenditure received from the Operators of the respective exploration blocks.

(ii) As per the information & explanation given to us, the Company has entered into production stage for one block. The inventory for the said block has been recorded in the books of the Company on the basis of the unaudited financial statements received from the block. Other blocks are still in the exploration/development stage, hence there is no inventory.

(iii) In respect of the loans, secured or unsecured, granted by the Company to/from companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013,

a. the Company has not granted loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of Companies Act, 2013. Accordingly, clauses (b) and (c) are not applicable to the Company.

(iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to loans and investments made.

(v) According to information & explanations provided to us, the Company has not obtained deposits from the public as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder.

(vi) The Company has maintained cost accounts and records as notified by the Ministry of Corporate Affairs under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) (a) According to information & explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Tax, Goods & Service Tax, Value Added Tax, Cess and Other Material Statutory Dues, as applicable, with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Customs, Excise as on the Balance Sheet date.

(b) According to the information & explanations given to us no undisputed amounts, payable in respect of Tax, Goods & Service Tax, Value Added Tax, Cess and Other Material Statutory dues, were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(c) According to the information & explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Goods & Service Tax and Value Added Tax which have not been deposited on account of any disputes.

(viii) In our opinion, and according to the information & explanations given to us, the Company has not raised any loans or borrowings from financial institutions, banks, Government or debenture holders. Accordingly, para 3(viii) of the Order is not applicable

(ix) The Company has not raised any money via an Initial Public Offer (IPO) or by way of a Further Public Offer (FPO) during the Financial Year. The term loans availed have been applied for the purpose for which they were raised. Accordingly, para 3(ix) of the Order is not applicable.

(x) According to the information & explanations given to us, we have neither come across any instance of material fraud on or by the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) As per the Notification No. G.S.R. 463 (E) dated 5 June 2015 the provision of section 197 r.w. Schedule V of the Act is not applicable to the Company. Accordingly, para 3(xi) of the order is not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information & explanations provided to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian accounting standards.

(xiv) According to the information & explanations provided to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information & explanations provided to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W

Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193

Place: New Delhi
Date: 14 May 2019

ANNEXURE - B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 22(f) of the Independent Auditors' Report of even date on the financial statements as of and for the year ended 31 March 2019)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Bharat PetroResources Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 Company'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 Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company'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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 the ethical requirements and plan & perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established & maintained and if such controls operated effectively in all material respects.

4. 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. 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

   a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   b. 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

   c. 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

7. 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

8. In our opinion, to the best of our information and according to the explanations given to us, the Company 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company 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.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W

Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193

Place: New Delhi
Date: 14 May 2019

ANNEXURE - C TO INDEPENDENT AUDITOR'S REPORT

Directions under Section 143(5) of the Companies Act, 2013 applicable for the accounts of FY 2018-19

Sr No.	Directions u/s 143(5)	Auditors Comments
1.	Whether the Company has system in place to process all the accounting transactions through IT system? if yes. the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	Yes. the Company is using SAP ERP System to process all the accounting transactions. **Financial Accounting**: All transactions are processed in the ERP solution. **Sales Accounting:** The Company is operator in two blocks as on 31 March 2019. However, neither of the blocks are producing and hence, sales accounting is not done by the Company. **Personnel Information & Payroll:** The Company has only 7 employees on its payroll as on 31 March 2019. The personnel information is maintained by the HR department outside the ERP software. The payroll is computed by an external consultant and entries are processed in the ERP system. The same has been verified and was found to be in order. **Inventory:** The inventory is held at the block level and the Company accounts for its share in the block's inventory on every reporting date. The inventory figures are audited by the block auditors and hence, we have relied on the block statements.
2.	Whether there Is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ Interest etc. made by a lender to the Company due to the Company's Inability to repay the load? If yes, The financial impact may be stated.	No
3.	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for utilized as per its term and conditions? List The cases of deviation.	No such funds have been received or are receivable from Central/State Agencies.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W

Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193

Place: New Delhi
Date: 14 May 2019

BALANCE SHEET AS AT 31 MARCH 2019

(₹ in Lakhs)

	Particulars	Note no.	As at 31 March 2019	As at 31 March 2018
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	163.70	159.53
	(b) Other Intangible assets	3	10,938.43	6,089.63
	(c) Intangible assets under development	4	31,151.10	26,909.02
	(d) Financial Assets			
	(i) Investment in Subsidiaries	5	454,836.68	441,425.14
	(ii) Loans	6	19.58	17.97
	(iii) Other non-current financial assets	7	3,941.22	163.84
	Total non-current assets		**501,050.71**	**474,765.13**
(2)	**Current Assets**			
	(a) Inventories	8	177.54	235.65
	(b) Financial Assets			
	(i) Trade Receivables	9	854.78	662.90
	(ii) Cash and cash equivalents	10	1,519.79	1,065.24
	(iii) Bank Balances other than (ii) above	11	2,245.93	146.88
	(iv) Loans	12	5.01	1.90
	(v) Others	13	1,470.79	3,278.92
	(c) Current Tax Assets (Net)	14	64.63	42.91
	(d) Other current assets	15	1,745.87	949.77
	Total current assets		**8,084.34**	**6,384.17**
	TOTAL ASSETS		**509,135.05**	**481,149.30**

	Particulars	Note no.	As at 31 March 2019	As at 31 March 2018
II.	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital	16	500,000.00	444,800.27
	(b) Other equity	17	(87,558.28)	(82,983.43)
	Total equity		**412,441.72**	**361,816.84**
(2)	**Non current liabilities**			
	(a) Financial liabilities			
	- Borrowings	18	68,849.03	84,180.94
	(b) Provisions	19	1,972.18	1,879.72
	(c) Deferred tax liabilities (Net)	34	11,271.52	11,678.80
	Total non-current liabilities		**82,092.73**	**97,739.46**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade Payables	20		
	(A) total outstanding dues of micro enterprises and small enterprises;		28.86	3.59
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,119.44	3,578.65
	(ii) Other financial liabilities	21	4,982.62	10,019.91
	(b) Other current liabilities	22	253.15	142.57
	(c) Provisions	23	8,216.53	7,848.28
	Total Current liabilities		**14,600.60**	**21,593.00**
	Total liabilities		**96,693.33**	**119,332.46**
	TOTAL EQUITY AND LIABILITIES		**509,135.05**	**481,149.30**

Significant accounting policies	1	
Notes forming part of the financial statements	2-47	

As per our attached report of even date
For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 31 MARCH 2019

(₹ in Lakhs)

	Particulars	Note no.	For the year 2018-19	For the year 2017-18
I.	Revenue from Operations	24	13,054.93	8,969.90
II.	Other income	25	248.33	204.10
III.	**Total Income (I+II)**		**13,303.26**	9,174.00
IV.	**Expenses**			
	Production expenditure	26	2,647.48	1,822.68
	Changes in Inventories of Finished Goods	27	(23.30)	(93.46)
	Employee Benefits Expenses	28	1,473.02	1,396.99
	Finance costs	29	6,591.24	16,897.95
	Depreciation, Depletion, Amortisation	2 & 3	3,443.73	5,186.88
	Other Expenses	30	4,155.82	2,676.88
	Total Expenses (IV)		**18,287.99**	27,887.92
V.	**Profit/(loss) before Exceptional Items and Tax**		**(4,984.73)**	(18,713.92)
VI.	**Exceptional Items**		-	-
VII.	**Profit/(loss) before Tax**		**(4,984.73)**	(18,713.92)
VIII.	**Tax expense:**			
	1. Current Tax		-	-
	2. Deferred Tax	34	(407.28)	(2,787.88)
IX.	**Profit/(Loss) for the period (VII-VIII)**		**(4,577.45)**	(15,926.04)
X.	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans		2.60	0.59
	(ii) Income tax related to items that will not be reclassified to profit or loss		-	-
			2.60	0.59
XI.	**Total comprehensive income for the period**		**(4,574.85)**	(15,925.45)
XII.	**Earnings per equity share**			
	1. Basic		(0.10)	(0.54)
	2. Diluted		(0.10)	(0.54)

Significant Accounting Policies	1
Notes forming part of the financial statements	2-47

As per our attached report of even date

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Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	(4,984.73)	(18,713.92)
	Adjustments for:		
	Depreciation, Depletion, Amortisation	3,443.73	5,186.88
	Impairment for Intangible assets under development	10.51	34.82
	Interest income	(217.22)	(179.08)
	Net (gain) / loss on sale/ disposal of asset	0.05	(0.92)
	Finance costs	6,591.24	16,897.95
	Provision for bad and doubtful loans & advances	1,178.60	10.00
	Unrealised foreign exchange (gain) / loss	303.59	212.99
	Operating Profit / (Loss) before Working Capital changes	**6,325.77**	**3,448.72**
	Working capital adjustments:		
	(Increase) / Decrease in Inventories	58.11	(235.65)
	(Increase) / Decrease in Trade Receivables	(191.88)	(662.90)
	(Increase) / Decrease in Other current financial assets	738.53	(1,345.05)
	(Increase) / Decrease in Other current assets	(796.10)	(454.62)
	Increase / (Decrease) in Trade Payables	(2,433.94)	(735.75)
	Increase / (Decrease) in Other current financial liabilities	(400.42)	(3,843.40)
	Increase / (Decrease) in Provisions	157.12	(255.69)
	Increase / (Decrease) in Other current liabilities	110.58	72.12
	Cash generated / (used) from operations	**3,567.77**	**(4,012.22)**
	Income tax (paid) / refunds (net)	(21.72)	118.61
	Net cash flow from / (used in) operating activities	**3,546.05**	**(3,893.61)**
B	**Cash Flow from Investing Activities**		
	Addition to Property, Plant and Equipment	(32.00)	(15.12)
	Proceeds from sale of Property, Plant and Equipment	0.35	6.21
	Investment in share capital of Subsidiary company	(13,411.54)	(10,442.48)
	Deposit with banks	(5,876.43)	901.87
	Interest Income	217.22	179.08
	Additions to Intangible assets under development	(1,850.07)	(2,016.12)
	Additions to Intangible assets	(8,265.10)	(4,216.82)
	Loan / Deposit given	(113.72)	(16.37)
	Net Cash Flow from/(used) in Investing Activities	**(29,331.29)**	**(15,619.75)**
C	**Cash Flow from Financial Activities**		
	Proceeds from long-term borrowings from parent company	37,500.00	27,500.00
	Repayment of long-term borrowings from parent company	(55,000.00)	(150,000.00)
	Proceeds from issue of shares	55,199.73	152,800.00
	Finance costs	(11,459.94)	(16,053.28)
	Net Cash Flow from/(used) in Financing Activities	**26,239.79**	**14,246.72**
D	**Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)**	**454.55**	**(5,266.64)**
	Cash and cash equivalents at the beginning of the year		
	Bank Balance	1,065.24	6,331.88
	Cash and cash equivalents at the end of the year		
	Bank Balance	1,519.79	1,065.24
	Net increase in Cash and Cash equivalents	**454.55**	**(5,266.64)**

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

STATEMENT OF CHANGES IN EQUITY (SOCIE)

(₹ in Lakhs)

(a) Equity share capital	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,448,002,670	444,800.27	2,920,002,670	292,000.27
Changes in equity share capital during the year	551,997,330	55,199.73	1,528,000,000	152,800.00
Balance at the end of the year	**5,000,000,000**	**500,000.00**	**4,448,002,670**	**444,800.27**

(b) Other equity

Particulars	Capital Reserve	Retained Earnings	Total Equity
Balance at 1 April 2017	**45,290.06**	**(112,348.04)**	**(67,057.98)**
Profit/(Loss) for the year	-	(15,926.04)	(15,926.04)
Other comprehensive income for the year	-	0.59	0.59
Total comprehensive income for the year	**-**	**(15,925.45)**	**(15,925.45)**
Transfer to retained earnings from Capital Reserves	(371.62)	371.62	-
Balance at 31 March 2018	**44,918.44**	**(127,901.87)**	**(82,983.43)**
Profit/(Loss) for the year	-	(4,577.45)	(4,577.45)
Other comprehensive income for the year	-	2.60	2.60
Total comprehensive income for the year	**-**	**(4,574.85)**	**(4,574.85)**
Transfer to retained earnings from Capital Reserves	(1,628.84)	1,628.84	-
Balance at 31 March 2019	**43,289.60**	**(130,847.88)**	**(87,558.28)**

Nature and purpose of components of other equity

(a) Retained earnings

Retained earnings includes the Company's cumulative earnings and losses. It also includes the amount transferred from capital reserves as mentioned above.

(b) Capital reserve

The Company had received interest free borrowing of ₹65,000 lakhs from its parent company. Under Ind AS, at the date of transition, the Company recognised for the said financial liability at fair value with the differential recognised as equity component.

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

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DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Company Overview

Bharat PetroResources Limited referred to as "BPRL" or "the Company" was incorporated on 17 October 2006. It is wholly owned subsidiary of Bharat Petroleum Corporation Limited (BPCL) which is a Government of India Enterprise listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The company is engaged in the business of exploration and production of Hydrocarbons.

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 the historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 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 Company's Presentation & Functional Currency is Indian Rupees (₹). All figures appearing in the financial statements are rounded to the nearest lakhs (₹ Lakhs), 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 14 May 2019.

1.1. Use of Judgement and Estimates

The preparation of the Company'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 Company continually evaluates these estimates and assumptions based on the most recently available information.

In Particular, the areas which require use 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;
- Measurement of Financial instruments;

- Estimation of the Useful Lives and the Residual Value of the 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 including loss allowances;
- Evaluation of recoverability of deferred tax assets;
- Assessment of Contingencies;
- Impairment of exploration and evaluation assets; key assumptions for underlying recoverable amounts; and
- Estimation of oil and natural gas reserves
  - The determination of the Company's estimated oil and natural gas reserves requires significant judgements and estimates to be applied and these are regularly reviewed and updated. Factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity, drilling of new wells, and commodity prices all impact the determination of the company's estimates of its oil and natural gas reserves. The Company estimates its proved reserves with a reasonable certainty on the basis of rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements.
  - Estimates of oil and natural gas reserves are used to calculate depreciation, depletion and amortization charges for the Company's oil and gas properties. The impact of changes in estimated proved reserves is dealt with prospectively by amortizing the remaining carrying value of the asset over the expected future production. Oil and natural gas reserves also have a direct impact on the assessment of the recoverability of asset carrying values reported in the financial statements. If proved reserves estimates are revised downwards, retained earnings could be affected by changes in depreciation expense or an immediate write-down of the property's carrying value.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit & 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. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

1.2.4. Expenditure on Assets other than plant and machinery, not exceeding the threshold limit are charged to revenue.

1.2.5. 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 parts are inventoried on procurement and charged to Statement of Profit and Loss on consumption.

1.2.6. An item of Property, Plant and Equipment or 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 derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

1.2.7. 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 line with the revisions to the accounting estimates.

1.2.8. The Company 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 (1 April 2015).

1.3. Depreciation

Depreciation on Property, Plant and Equipment is 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 Schedule II of the Act, except in the following cases:

1.3.1. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition.

1.3.2. Computer equipments are depreciated over a period of 3 years and Mobile phones are depreciated over a period of 2 years based on internal assessment. Electronic and electrical equipments provided to management staff under furniture on hire scheme are depreciated over a period of 4 years (previously 6 years) as per internal assessment. Other furniture items provided to management staff are depreciated over a period of 6 years as per internal assessment.

1.3.3. Workstations are depreciated over a period of 5 years. The useful lives are estimated based on the internal assessment. Depreciation is charged on additions/deletions on pro-rata monthly basis including the month of addition/deletion.

1.3.4. 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, accumulated depletion and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding exploration and development costs, is not capitalised and is reflected in the Statement of Profit and Loss in the period in which such expenditure is incurred. Development costs are capitalised if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

1.4.2. Expenditure incurred above the threshold limit, for creating/acquiring intangible assets other than hydrocarbon producing intangible assets from which future economic benefits will flow over a period of time, is amortised 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 amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at each year end. The amortisation expense on an intangible asset with finite useful lives and impairment loss in case there is an indication that the intangible asset may be impaired is recognised in the Statement of Profit and Loss.

1.4.3. The Company 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 (1 April 2015).

1.5. Oil and natural gas producing activities

The Company 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 acquire a property or mineral right proved or unproved are capitalised. 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 capitalised as Exploratory Wells-in-Progress under "intangible assets under development". General and administrative costs are included in the exploration and evaluation cost 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 a tangible asset or intangible asset according to the nature of assets acquired.

iv. Once the technical feasibility and commercial viability of extracting oil and gas are determinable, exploration and evaluation assets are classified as Development Wells-in-Progress under "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 including costs incurred for production facilities are capitalised as and when incurred as intangible assets under development or intangible assets as the case may be.

v. When a well within a block or cost centre is ready to commence commercial production, the capitalised costs referred above are reclassified as intangible assets. The cost centre is not normally smaller than a country, except, where warranted by a major difference in economic, fiscal or other factors in the country.

vi. When a block or cost centre is relinquished, the accumulated cost is charged off as an expense in the said year.

vii. The Company capitalises 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, and the amount of provision required to be created for subsequent abandonment as part of Property, Plant and Equipment or Intangible Assets, as the case may be. 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 a 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 an uncertainty of timing on the 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 the statement of profit and loss as it occurs.

viii. 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. The impairment test is performed in accordance with the procedures given in para 1.9 for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

ix. 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.

1.6. Depletion

Depletion charge is calculated on the capitalised cost according to the Unit Of Production Method. The Depletion 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 other capitalised costs, 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 the gross block of the cost centre 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.

1.7. Borrowing costs

1.7.1. 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.

1.7.2. Borrowing costs that are specifically 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 capitalised at the capitalisation rate in respect of qualifying assets and balance borrowing cost after capitalisation are charged to the Statement of Profit and Loss.

1.7.3. 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.

1.8. 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 leases.

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 premiums 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 Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company 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 company 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 Company'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 Company estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or the Cash-Generating Unit's (CGU) fair value less cost 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 Finished goods of Crude Oil are valued at Cost or Net realisable value, whichever is lower. Cost of finished goods is determined based on direct cost and directly attributable services cost including depreciation and depletion. The value of such inventories includes royalty (wherever applicable). Cost of inventories, other than finished goods, includes expenditure incurred in the normal course of business in bringing inventories to their present location.

1.10.2 The cost of inventories is determined on a weighted average basis.

1.10.3 Net realisable value represents the estimated selling price for inventories less all costs necessary to effect the sale.

1.11. Revenue Recognition

1.11.1. **Sale of goods and/ or services**

Revenue from the sale of goods is recognised when the performance obligation is satisfied by transferring the related goods to the customer. The transfer is said to be completed when the customer obtains control of the goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to arrangements involving more than one performance obligation), net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Where the Company acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

Income from the sale of crude oil and gas produced from the block until the start of commercial production is adjusted against the cost of such block.

Any retrospective revision in prices of crude oil and gas is accounted for in the year of such revision.

1.11.2. Interest income on delayed realization from customers, if any, is recognized when it can be reliably measured and it is reasonable to expect ultimate collection.

1.11.3. Interest income, other than on delayed realization from customers, is recognised using the effective interest rate (EIR) method.

1.11.4. Dividend income is recognised when the 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 the sale of scrap is accounted for on realisation.

1.12. Classification of Income / Expenses

1.12.1. Income/expenditure (net) in aggregate pertaining to the prior year(s) above the threshold limit is 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 benefit**

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**

Liability towards post-retirement benefits and other long term benefits in respect of staff deputed from BPCL is provided based on the debit notes from BPCL. In respect of BPRL cadre, liability is provided based on the employer's contribution towards Provident Fund, Gratuity, etc. as per respective plans.

Defined contribution plans

Obligations for contribution to defined contribution plans such as Provident Fund, Pension, etc. are recognised as an expense in the statement of profit and loss as the related services are provided.

Defined Benefit Plans:

Obligations for contribution to defined benefits plans such as Gratuity, etc. are recognised as an expense in the statement of profit and loss as the related services are provided. The calculation of the defined benefit obligation is performed at the end of each reporting period by a qualified actuary using the Projected Unit Credit method.

1.13.3. **Other long-term employee benefits**

Liability towards other long term employee benefits in respect of staff deputed from BPCL is provided based on the debit notes from BPCL.

In respect of BPRL cadre, liability towards other long term employee benefits - leave encashment, etc., are determined on actuarial valuation by qualified actuary by using the Projected Unit Credit method.

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 are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction.

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 & Associates are recorded at cost and reviewed for impairment at each reporting date.

1.16. Provisions, Contingent Liabilities and Capital Commitments

1.16.1. 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.

1.16.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

1.16.3. 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.

1.16.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, 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.

1.16.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.16.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

1.17. Fair Value Measurement

1.17.1. The Company measures certain financial instruments at fair value at each reporting date.

1.17.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. 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 Company has access at that date. The fair value of a liability also reflects its non-performance risk.

1.17.3. 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 Company 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. While measuring the fair value of an asset or liability, the Company 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).

1.17.4. When quoted price in an active market for an instrument is available, the Company 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.

1.17.5. If there is no quoted price in an active market, then the Company uses valuation techniques 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.

1.17.6. The Company 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 Company 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.

1.18. Financial Assets

1.18.1 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 Company 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.

1.18.2 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 Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised 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 amortised 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 amortisation 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 & losses and impairment 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 and loss (FVTPL)

Fair value through profit and loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gains and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss separately.

1.18.3 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 Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or
  - The Company 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 and 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 and loss on de-recognition.

1.18.4. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI.

In respect of financial assets measured at amortised cost, the loss allowance is measured at 12 months 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.

1.19 Financial Liabilities

1.19.1 Initial recognition and measurement

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are 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.

1.19.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at fair value through profit and 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 amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised 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 amortisation done using the EIR method is included as finance costs in the Statement of Profit and Loss.

1.19.3 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.

1.20 Financial guarantees

Financial guarantee contracts issued by the Company 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 amortisation.

1.21 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.

1.22 Taxes on Income

1.22.1 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 the 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.

1.22.2 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.

1.23 Joint operations

The Company 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 a line-by-line basis according to the participating interest with the similar items in the financial statements of the Company.

1.24 Earnings per share

Basic earnings per share are calculated by dividing the net 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.

For the purpose of calculating diluted earnings per share, the net 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.

1.25 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (considered at 12 months) and other criteria set out in Schedule III of the Act.

1.26 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 Company 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.

1.27 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.

1.28 Threshold Limit

The Company has adopted materiality threshold limits in the preparation and presentation of financial statements as given below:

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.2.4	₹	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.2.5	₹ Lakhs	10
Depreciation at 100 percent in the year of acquisition	1.3.1	₹	5,000
Expenditure incurred for creating/acquiring other intangible assets in each case	1.4.2	₹ Lakhs	50
Leases 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	1.16.6	₹ Lakhs	5

Notes forming part of the Financial Statements

Note 2 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2019:

(₹ in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at 1 April 2018	187.48	41.72	22.62	251.82
Additions	0.19	12.33	19.48	32.00
Deletions	-	1.86	2.39	4.25
Cost as at 31 March 2019 (A)	187.67	52.19	39.71	279.57
Accumulated depreciation as at 1 April 2018	59.87	25.19	7.23	92.29
Depreciation for the year	14.34	6.37	6.72	27.43
Deletions	-	1.52	2.33	3.85
Accumulated depreciation as at 31 March 2019 (B)	74.21	30.04	11.62	115.87
Net carrying amount as at 31 March 2019 (A) - (B)	113.46	22.15	28.09	163.70

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2018:

(₹ in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at 1 April 2017	187.27	37.29	19.88	244.44
Additions	0.21	6.05	8.86	15.12
Deletions	-	1.62	6.12	7.74
Cost as at 31 March 2018 (A)	187.48	41.72	22.62	251.82
Accumulated depreciation as at 1 April 2017	43.84	19.91	4.44	68.19
Depreciation for the year	16.03	5.67	4.85	26.55
Deletions	-	0.39	2.06	2.45
Accumulated depreciation as at 31 March 2018 (B)	59.87	25.19	7.23	92.29
Net carrying amount as at 31 March 2018 (A) - (B)	127.61	16.53	15.39	159.53

Deemed cost exemption

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1 April 2015).

Notes forming part of the Financial Statements

Note 3 Other Intangible assets

Following are the changes in the carrying value of other intangible assets for the year ended 31 March 2019:

(₹ in Lakhs)

Description	**Oil and Gas assets***	**Computer Software**	**Total**
Cost as at 1 April 2018	15,895.26	17.07	15,912.33
Additions	8,265.10	-	8,265.10
Deletions	-	-	-
Cost as at 31 March 2019 (A)	24,160.36	17.07	24,177.43
Accumulated amortization as at 1 April 2018	9,805.63	17.07	9,822.70
Amortization for the year	3,416.30	-	3,416.30
Deletions	-	-	-
Accumulated amortization as at 31 March 2019 (B)	13,221.93	17.07	13,239.00
Net carrying amount as at 31 March 2019 (A) - (B)	10,938.43	-	10,938.43

Following are the changes in the carrying value of other intangible assets for the year ended 31 March 2018:

(₹ in Lakhs)

Description	**Oil and Gas assets***	**Computer Software**	**Total**
Cost as at 1 April 2017	11,678.44	17.07	11,695.51
Additions	4,216.82	-	4,216.82
Deletions	-	-	-
Cost as at 31 March 2018 (A)	15,895.26	17.07	15,912.33
Accumulated amortization as at 1 April 2017	4,645.30	17.07	4,662.37
Amortization for the year	5,160.33	-	5,160.33
Deletions	-	-	-
Accumulated amortization as at 31 March 2018 (B)	9,805.63	17.07	9,822.70
Net carrying amount as at 31 March 2018 (A) - (B)	6,089.63	-	6,089.63

Deemed cost exemption

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for its Other Intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1 April 2015).

* In respect of CY-ONN-2002/2, the block entered into Development Phase in F.Y. 2016-17 subsequent to the approval of Field Development Plan (FDP) for 140 sq.km of block area by Management Committee in their meeting held on 16 October 2015 and an application for Mining Licence was made to Government of Tamilnadu which is under consideration.

Notes forming part of the Financial Statements

Note 4 Intangible assets under development (₹ in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018
Exploratory Wells-in-Progress:		
Acquisition Cost	2,902.34	3,739.17
Exploration Cost		
- Geological & Geophysical Cost	7,039.29	6,517.15
- Drilling Cost	9,651.03	11,221.26
- General & Administrative Cost	1,557.03	1,994.66
Exploratory Wells-in-Progress	**21,149.69**	**23,472.24**
Less: Provision for Exploratory Wells-in progress	(3,930.33)	(3,930.45)
Exploratory Wells-in-Progress (Total) (A)	**17,219.36**	**19,541.79**
Development Wells-in-Progress:		
- Opening balance	7,391.65	-
- Transfer from Exploratory wells	4,415.41	6,277.44
- Expenditure during the year	2,159.72	1,114.21
Development Wells-in-Progress	**13,966.78**	**7,391.65**
Less: Provision for Development Wells-in progress	(35.04)	(24.42)
Development Wells-in-Progress (Total) (B)	**13,931.74**	**7,367.23**
Intangible assets under development (Total) (A+B)	**31,151.10**	**26,909.02**

Deemed cost exemption

The Company has availed the deemed cost exemption in relation to the oil and gas related assets on the date of transition and hence the carrying amount of intangible assets under development has been considered as the deemed cost on that date.

Capital Expenditure

During the year ended 31 March 2019, the capital expenditure in respect of Indian Blocks and Foreign blocks are ₹11,766.49 Lakhs and ₹783.19 Lakhs respectively. (31 March 2018: Indian blocks ₹7,604.43 Lakhs and Foreign blocks ₹699.99 Lakhs).

Borrowing cost capitalised

During the year ended 31 March 2019, the Company has capitalised interest cost of ₹2,403 Lakhs (31 March 2018: ₹2,056 Lakhs) at the capitalization rate of 8.63% (31 March 2018: 8.62%).

Development wells in progress

In respect of CY-ONN-2004/2, the block entered into Development Phase in F.Y. 2017-18 subsequent to the approval of Field Development Plan (FDP) for 126.8 sq.km of block area by Management Committee in their meeting held on 13 July 2017 and an application for Mining Licence was made to Government of Tamilnadu which is under consideration. Accordingly, the cost of ₹9,048.42 Lakhs (31 March 2018: ₹7,367.23 Lakhs) incurred in respect of this block is shown under Development well-in-progress as on 31 March 2019.

In respect of CB-ONN-2010/8, the block entered into Development Phase in F.Y. 2018-19 subsequent to the approval of Field Development Plan (FDP) for 42 sq.km of block area by Management Committee in their meeting held on 11 June 2018 and Mining Licence was granted by Government of Gujarat in the month of February 2019. Accordingly, the cost of ₹4,883.32 Lakhs incurred in respect of this block is shown under Development well-in-progress as on 31 March 2019.

Notes forming part of the Financial Statements

Note 4 Intangible Assets Under Development *(Contd.)*

Impairment

The provision for impairment as at 31 March 2019 is ₹3,965.37 Lakhs (as at 31 March 2018 ₹3,954.87 lakhs) for Blocks RJ/ONN/2005/1, MB/OSN/2010/02, MB/OSDSF/B127E/2016, MB/OSDSF/B15/2016, RJ/ONDSF/SADEWALA/2016 and RJ/ONDSF/BAKHRITIBBA/2016.

(₹ in Lakhs)

Note 5 Investment in Subsidiaries	**As at 31 March 2019**	**As at 31 March 2018**
Unquoted equity instruments		
BPRL International B.V	151,686.88	151,686.88
235,417,394 (31 March 2018: 235,417,394) shares of face value Euro 1 each fully paid up		
Bharat Petroresources JPDA Ltd	6,000.00	6,000.00
60,000,000 (31 March 2018: 60,000,000) shares of face value ₹10 each fully paid up		
BPRL International Singapore Pte Limited	199,742.06	187,707.56
299,585,630 (31 March 2018: 282,085,630) shares of face value of USD 1 each fully paid up		
Less: Provision for impairment for investment in subsidiary		
Bharat Petroresources JPDA Ltd	(6,000.00)	(6,000.00)
	351,428.94	**339,394.44**
Others		
Share Application Money with BPRL International B.V.	102,030.70	102,030.70
Share Application Money with BPRL International Singapore Pte Limited	1,377.04	-
	103,407.74	**102,030.70**
Total	**454,836.68**	**441,425.14**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	460,836.68	447,425.14
Aggregate amount of impairment in the value of investments	6,000.00	6,000.00

Impairment of investment in subsidiary

Refer note 35(ii) for impairment of investment in subsidiary

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 6 Loans	**As at 31 March 2019**	**As at 31 March 2018**
(Unsecured unless otherwise stated)		
Security deposits		
Considered good	12.93	6.08
Loan to employees (secured)*	6.65	11.89
Loans to subsidiary		
Credit impaired	-	-
Loan to Bharat Petroresources JPDA Ltd	4,007.20	3,898.20
Less : Provision for impairment towards loan**	(4,007.20)	(3,898.20)
Total	**19.58**	**17.97**

* Dues from Directors is ₹ Nil (31 March 2018: ₹3.61 Lakhs) and Dues from Officers is ₹6.65 Lakhs (31 March 2018: ₹8.28 Lakhs). It is a financial asset whose carrying value approximates fair value.

** Refer note 35(ii) for impairment of loan to subsidiary

(₹ in Lakhs)

Note 7 Other non-current financial assets	**As at 31 March 2019**	**As at 31 March 2018**
Claims - Considered good		
Service Tax/ GST on Royalty/Others	582.24	-
Fixed deposits with banks with more than twelve months maturity*	3,358.98	163.84
Total	**3,941.22**	**163.84**

* It includes margin money with bank towards bank guarantee given to government authorities in respect of Oil & Gas blocks of ₹3,247.45 Lakhs (31 March 2018: ₹142.17 Lakhs), deposits pledged with government authorities ₹16 Lakhs (31 March 2018: ₹16 Lakhs) and accrued interest thereon (net of TDS) of ₹95.53 lakhs (31 March 2018: ₹5.67 Lakhs).

(₹ in Lakhs)

Note 8 Inventories *	**As at 31 March 2019**	**As at 31 March 2018**
Finished Goods **	116.76	93.46
Stores & Spares	60.78	142.19
	177.54	**235.65**

* (Refer Note No. 1.10)
** BPRL's share of inventory is based on the unaudited financial statements of block CY-ONN-2002/02 received from ONGC (operator of the block).

(₹ in Lakhs)

Note 9 Trade Receivables	**As at 31 March 2019**	**As at 31 March 2018**
Considered Good - Unsecured	854.78	662.90
	854.78	**662.90**

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 10 Cash and cash equivalents	As at 31 March 2019	As at 31 March 2018
Balances with Banks:		
On Current Account	1,519.79	1,065.24
	1,519.79	**1,065.24**

(₹ in Lakhs)

Note 11 Other Bank balances	As at 31 March 2019	As at 31 March 2018
Fixed deposits with banks maturing in next twelve months*	2,245.93	146.88
Total	**2,245.93**	**146.88**

* It includes bid bonds with government authorities in respect of bidding of DSF blocks of ₹31.26 Lakhs (31 March 2018: ₹31.95 Lakhs), margin money with bank against bank guarantee given to government authorities towards bidding/ MWP in respect of Oil & Gas blocks of ₹2,139.02 Lakhs (31 March 2018: ₹113.85 Lakhs) and accrued interest thereon (net of TDS) of ₹75.65 lakhs (31 March 2018: ₹1.08 Lakhs).

(₹ in Lakhs)

Note 12 Loans	As at 31 March 2019	As at 31 March 2018
Loan to employees (secured)*	5.01	1.90
Total	**5.01**	**1.90**

* Dues from Directors is ₹3.61 Lakhs (31 March 2018: ₹0.50 Lakhs) and Dues from Officers is ₹1.40 Lakhs (31 March 2018: ₹1.40 Lakhs)

(₹ in Lakhs)

Note 13 Other current financial assets	As at 31 March 2019	As at 31 March 2018
Receivables from Subsidiaries	200.58	752.18
Receivable from consortium partners	2,162.04	2,384.59
Less: Provision	(1,069.60)	-
Other receivables	177.77	142.15
Total	**1,470.79**	**3,278.92**

(₹ in Lakhs)

Note 14 Current Tax assets (net)	As at 31 March 2019	As at 31 March 2018
TDS Receivable	22.02	18.42
Income Tax Refund receivable	42.61	24.49
Total	**64.63**	**42.91**

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 15 Other current assets	As at 31 March 2019	As at 31 March 2018
Prepaid Expense	86.60	50.51
Cenvat/GST Credit	1,233.48	756.76
Advance paid to operators	425.79	142.50
Total	**1,745.87**	**949.77**

(₹ in Lakhs)

Note 16 Equity Share Capital	As at 31 March 2019	As at 31 March 2018
Authorised		
5,000,000,000 (31 March 2018: 5,000,000,000) equity shares	500,000.00	500,000.00
Issued, subscribed and paid-up		
5,000,000,000 (31 March 2018: 4,448,002,670) equity shares fully paid-up	500,000.00	444,800.27
Total	**500,000.00**	**444,800.27**

The Company 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 share.

Reconciliation of No. of Equity Shares

	As at 31 March 2019	As at 31 March 2018
A. Opening Balance	4,448,002,670	2,920,002,670
B. Shares Issued	551,997,330	1,528,000,000
C. Closing Balance	5,000,000,000	4,448,002,670

Details of shareholders holding more than 5% shares

Name of shareholder	As at 31 March 2019	As at 31 March 2018
	No. of shares	No. of shares
Bharat Petroleum Corporation Ltd	4,999,999,940	4,448,002,610
Percentage of holding	100% #	100% #

60 shares held by others

(₹ in Lakhs)

Note 17 Other Equity	As at 31 March 2019	As at 31 March 2018
(a) Retained earnings		
Opening balance	(127,901.87)	(112,348.04)
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	(4,577.45)	(15,926.04)
Add : Remeasurements of Defined Benefit Plans (net of tax)	2.60	0.59
Add : Transfer from equity component of loan	1,628.84	371.62
Closing balance	**(130,847.88)**	**(127,901.87)**
(b) Capital reserve		
Opening balance	44,918.44	45,290.06
Less : Transfer made during the year to retained earnings	(1,628.84)	(371.62)
Closing balance	**43,289.60**	**44,918.44**
Total Other Equity	**(87,558.28)**	**(82,983.43)**

Notes forming part of the Financial Statements

Note 17 Other Equity *(Contd.)*

Nature and purpose of components of other equity

(a) Retained earnings

Retained earnings includes the Company's cumulative earnings and losses. It also includes the amount transferred from capital reserves as mentioned above.

(b) Capital reserve

The company had received interest free borrowing of ₹65,000 lakhs from its parent company. Under Ind AS, at the date of transition, the company recognised for the said financial liability at fair value with the differential recognised as equity component.

(₹ in Lakhs)

Note 18 Borrowings	**As at 31 March 2019**	**As at 31 March 2018**
Unsecured		
Term loan from parent company	68,849.03	84,180.94
Total	**68,849.03**	**84,180.94**

Terms of Repayment Schedule of Long-term borrowings as on 31 March2019:

Non current	**₹ in Lakhs**	**Maturity in F.Y.**	**Rate of Interest**
Loan from Parent Company	30,000.00	2029-30	Interest free
Loan from Parent Company	35,000.00	2028-29	Interest free
Loan from Parent Company*	45,000.00	2026-27	SBI MCLR + 0.20%

*The Lender (BPCL) has the right to demand at any time that the borrower (BPRL) shall issue shares to the Lender in lieu of the loan amount on such date, or any pro rata part of the loan as the Lender demands to be converted.

(₹ in Lakhs)

Note 19 Provisions	**As at 31 March 2019**	**As at 31 March 2017**
Non current		
Provision for Employee Benefits	69.42	54.59
Provision for Abandonment	1,902.76	1,825.13
Total	**1,972.18**	**1,879.72**

(₹ in Lakhs)

Note 20 Trade Payables	**As at 31 March 2019**	**As at 31 March 2018**
Total outstanding dues of micro enterprises and small enterprises* (A)	28.86	3.59
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Due to Parent Company	436.14	894.00
- Others	683.30	2,684.65
(B)	1,119.44	3,578.65
Total	**1,148.30**	**3,582.24**

* (Refer note 43 for details of Dues to Micro, Small and Medium Enterprises)

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 21 Current - Other financial liabilities	**As at 31 March 2019**	**As at 31 March 2018**
Due to Operators	1,072.63	1,341.98
Interest accrued but not due	3,419.70	8,053.97
Security/Earnest Money deposits	96.19	208.96
Employee benefits obligation	394.10	415.00
Total	**4,982.62**	**10,019.91**

(₹ in Lakhs)

Note 22 Other current liabilities	**As at 31 March 2019**	**As at 31 March 2018**
Statutory Dues Payable	253.15	142.57
Total	**253.15**	**142.57**

(₹ in Lakhs)

Note 23 Provisions	**As at 31 March 2019**	**As at 31 March 2018**
Current		
Provision for Liquidated Damages	7,850.70	7,577.41
Provision for Abandonment	321.22	268.13
Provision for Employee Benefits	44.61	2.74
Total	**8,216.53**	**7,848.28**

Movements in provisions - includes Non-Current and Current	**Liquidated Damages**	**Abandonment**	**Total**
Balance as at 1 April 2017	7,851.49	1,833.86	9,685.35
Provisions made during the year	191.78	86.43	278.21
Provisions utilised/ reversed during the year	(497.03)	(8.92)	(505.95)
Foreign exchange fluctuation	31.17	181.89	213.06
Balance as at 31 March 2018	7,577.41	2,093.26	9,670.67
Balance as at 1 April 2018	7,577.41	2,093.26	9,670.67
Provisions made during the year	-	165.89	165.89
Provisions utilised/ reversed during the year	(191.78)	(5.00)	(196.78)
Foreign exchange fluctuation	465.07	(30.17)	434.90
Balance as at 31 March 2019	7,850.70	2,223.98	10,074.68

Liquidated Damages

In respect of blocks held in India, as per the Production Sharing Contracts (PSC) signed by the Company with the Government of India (GoI), the Company 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 the Company does not complete MWP or surrender the block without completing the MWP, an amount as agreed in PSC is required to be paid to the GoI for incomplete portion of the MWP. Accordingly, Company has provided ₹7,850.70 Lakhs towards liquidated damages as on 31 March 2019 (31 March 2018 ₹7,577.41 Lakhs) in respect to various blocks. A provision of ₹ Nil has been made in FY 2018-19 (FY 2017-18: ₹191.78 Lakhs).

Notes forming part of the Financial Statements

Note 23 Provisions *(Contd.)*

Abandonment

BPRL has Participating Interest in various oil and gas blocks along with other consortium partners. The Company has made a provision of ₹2,223.98 Lakhs as on 31 March 2019 (31 March 2018 ₹2,093.26 Lakhs) in respect of Company's share of the abandonment obligation.

(₹ in Lakhs)

Note 24 Revenue from Operations	**For the year 2018-19**	**For the year 2017-18**
Sales of products	13,054.93	8,969.90
Total	**13,054.93**	8,969.90

Note 24(a) Quantitative Details of Sales Revenue		**For the year 2018-19**	**For the year 2017-18**
Product			
Crude Oil*	Unit (in MT)	36,534.86	32,954.08
	Value (₹ In Lakhs)	13,054.93	8,969.90

* Quantity represents share from Unincorporated Joint Venture as per the Participating Interest.

(₹ in Lakhs)

Note 25 Other Income	**For the year 2018-19**	**For the year 2017-18**
Interest income on instruments measured at amortised cost	217.22	179.08
Miscellaneous Income	31.11	24.10
Profit on sale of assets	-	0.92
Total	**248.33**	**204.10**

(₹ in Lakhs)

Note 26 Production Expenditure	**For the year 2018-19**	**For the year 2017-18**
Operating expenditure	1,134.24	883.30
Royalty	1,513.24	939.38
Total	**2,647.48**	**1,822.68**

(₹ in Lakhs)

Note 27 Changes in Inventories of Finished Goods	**For the year 2018-19**	**For the year 2017-18**
Value of Opening Stock of:		
Finished Goods	93.46	-
Less: Value of Closing Stock of:		
Finished Goods	116.76	93.46
Net (increase) / decrease in inventories of Finished Goods	**(23.30)**	**(93.46)**

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 28 Employee Benefit Expense	For the year 2018-19	For the year 2017-18
Salaries and Wages	1,041.24	1,025.37
Payment towards PF and other Funds	228.36	214.50
Welfare Expenses	203.42	157.12
	1,473.02	**1,396.99**

(₹ in Lakhs)

Note 29 Finance Costs	For the year 2018-19	For the year 2017-18
Interest Expense	6,591.24	16,897.95
	6,591.24	**16,897.95**

(₹ in Lakhs)

Note 30 Other Expenses	For the year 2018-19	For the year 2017-18
Irrecoverable Taxes	695.52	595.42
Impairment for Intangible assets under development	10.51	34.82
Provision for bad and doubtful loans & advances	1,178.60	10.00
Repairs and maintenance :		
Machinery	2.19	1.84
Others	197.64	107.73
Insurance	1.28	1.46
Rent Rates and taxes	437.67	345.41
Legal and Professional Fees	359.21	698.92
Liquidated Damages	164.20	-
Travelling and Conveyance	404.91	305.34
Advertisement	12.18	33.74
Bank Charges	46.08	14.31
Printing & Stationery	18.51	15.80
Software Expenses	75.78	45.12
Postage, Telephone etc	15.88	16.96
Electricity Charges	1.63	20.02
Security Expenses	6.63	7.09
Payment to Auditors		
For Audit Fees	7.10	5.75
For Certification	1.90	1.43
Loss on disposal / sale of asset	0.05	-
Foreign Exchange fluctuations (net)	303.59	212.99
Bid Data Purchase Expenses	172.58	112.19
Other Expenses	42.18	90.54
	4,155.82	**2,676.88**

Notes forming part of the Financial Statements

Note 31 Segment Reporting

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Company has identified the Chief Operating Decision Maker (CODM) as its Managing Director.

The CODM reviews performance of exploration and production of oil and gas business on an overall business. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, Entity-wide disclosures are as under :

(₹ in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues		
Revenue from the Country of Domicile- India	13,054.93	8,969.90
Revenue from foreign countries	-	-
	13,054.93	**8,969.90**
B. Details of non current asset		
Non Current asset in the Country of Domicile - India	33,068.19	24,756.33
Non Current asset in foreign country - Australia	9,185.04	8,401.85
Total	**42,253.23**	**33,158.18**
C. Information about major customers		
Revenue from one major customer of the Company is ₹13,054.93 Lakhs for the year ended on 31 March 2019 (for year ended 31 March 2018: ₹8,969.90 Lakhs)		

Note 32 Earnings per share (EPS)

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

i. Profit/(Loss) attributable to Equity holders **(₹ in Lakhs)**

Particulars	31 March 2019	31 March 2018
Profit/(Loss) after tax	**(4,577.45)**	**(15,926.04)**

ii. Weighted average number of ordinary shares

Particulars		31 March 2019	31 March 2018
Issued ordinary shares at the beginning of the year	(a)	4,448,002,670	2,920,002,670
Shares issued and allotted during the year	(b)	551,997,330	1,528,000,000
Weighted average number of shares issued during the year	(c)	34,783,393	8,372,603
Weighted average number of shares	**(a+c)**	**4,482,786,063**	**2,928,375,273**
Basic and Diluted earnings per share		**(0.10)**	**(0.54)**

Notes forming part of the Financial Statements

Note 33 Employee benefits

Majority of the employees are on deputation from Bharat Petroleum Corporation Limited (BPCL).

(A) Expenditure under the head "Employee benefits expenditure" includes debit notes raised by BPCL towards employees on deputation including in respect of employee benefits i.e. leave encashment and retirement benefits towards Provident Fund, Gratuity, etc. The details of expenses debited to the profit and loss account under this head are as follows:

(₹ in Lakhs)

Sr No	Particulars	For the year 2018-19	For the year 2017-18
1	Provident Fund	88.87	83.00
2	Gratuity	35.94	36.49
3	Leave encashment	63.25	68.63
4	Superannuation (NPS)	87.19	81.35
	Total	**275.25**	**269.47**

(B) Defined Contribution Plan

The Company has long-term benefits such as Provident Fund and superannuation fund for its employees. In respect of employees on deputation from BPCL, the cost towards these benefits is recognised based on debit notes from the respective companies.

(C) Defined Benefit Plan

The Company has different schemes such as Gratuity, Retirement Medical Scheme, etc. for its employees. In respect of employees on deputation from BPCL, the cost towards these benefits is recognised based on debit notes from BPCL.

Charge to the Statement of Profit and Loss in respect of BPRL Cadre Employees/Directors:

(₹ in Lakhs)

Sr No.	Particulars	For the year 2018-19	For the year 2017-18
1	Provident Fund	10.20	7.84
2	Superannuation (including gratuity)	15.25	11.70
	Total	**25.45**	**19.54**

The defined benefit plans expose the Company to actuarial risks, such as salary risk, mortality risk and interest rate risk.

Movement in net defined benefit (Asset)/ Liability

(₹ in Lakhs)

	Particulars	Gratuity - Unfunded	
		2018-19	**2017-18**
a)	**Reconciliation of balances of Defined Benefit Obligations**		
	Defined Benefit Obligation at the beginning of the Period	21.49	10.60
	Interest Cost	1.62	0.80
	Current Service Cost	1.21	1.28
	Past Service Cost	-	9.40
	Liability Transferred In/ Acquisitions	20.00	-
	Actuarial (Gains)/ Losses on obligation		
	- Changes in financial Assumptions	(0.15)	(0.05)
	- Experience adjustments	(2.45)	(0.54)
	Defined Benefit Obligation at the end of the Period	**41.72**	**21.49**

Notes forming part of the Financial Statements

Note 33 Employee benefits *(Contd.)*

	Particulars	Gratuity - Unfunded	
		2018-19	**2017-18**
b)	**Amount recognised in Balance sheet**	**41.72**	**21.49**
c)	**Amount recognised in Statement of Profit and Loss**		
	Current Service Cost	1.21	1.28
	Interest Cost	1.62	0.80
	Past Service Cost	-	9.40
	Expenses for the year	**2.83**	**11.48**
d)	**Amount recognised in Other Comprehensive Income**		
	Remeasurements:		
	Actuarial (Gains)/ Losses		
	- Changes in financial Assumptions	(0.15)	(0.05)
	- Experience adjustments	(2.45)	(0.54)
	Total	**(2.60)**	**(0.59)**
e)	**Major Actuarial Assumptions**		
	Rate of Discounting	7.59%	7.56%
	Rate of Salary Increase	8.00%	8.00%
	Rate of Employee Turnover	2.00%	2.00%
	Mortality Rate during Employment	Indian Assured Lives Mortality (2006-08)	
f)	**Sensitivity Analysis**		
	Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/ decrease of 1% is as below:		
	Projected Benefit Obligation on Current Assumptions	41.72	21.49
	Delta Effect of +1% Change in Rate of Discounting	(1.03)	(0.82)
	Delta Effect of -1% Change in Rate of Discounting	1.18	0.94
	Delta Effect of +1% Change in Rate of Salary Increase	0.27	0.47
	Delta Effect of -1% Change in Rate of Salary Increase	(0.46)	(0.52)
g)	**Maturity Analysis of the Benefit Payments**		
	Projected Benefits payable in future years from date of reporting are as follows:		
	1st following year	20.67	
	2nd following year	0.67	
	3rd following year	0.73	
	4th following year	18.42	
	5th following year	0.17	
	Years 6 to 10	3.68	

(D) Other long-term employee benefits:

The charge towards leave encashment for the year ended 31 March 2019 is ₹10.27 Lakhs (31 March 2018: ₹5.20 Lakhs).

Notes forming part of the Financial Statements

Note 34 Tax reconciliation

(a) Amounts recognised in profit and loss (₹ in Lakhs)

	For the year ended	
	31 March 2019	**31 March 2018**
Current income tax		
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(407.28)	(2,787.88)
Deferred tax expense	(407.28)	(2,787.88)
Tax expense/(income) for the year	**(407.28)**	**(2,787.88)**

(b) Reconciliation of effective tax rate (₹ in Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	(4,984.73)	(18,713.92)
Tax using the Company's domestic tax rate (Current year 26% and Previous Year 25.75%)	(1,296.03)	(4,818.84)
Tax effect of:		
Tax losses for which no deferred income tax is recognised	239.96	3,644.36
Expenses not deductible for tax purposes	112.64	57.70
Deductible expenses on which no deferred income tax is recognised	518.67	627.94
Changes in Deferred Tax rate	-	(2,298.80)
Others	17.48	(0.24)
Tax expense/(income) for the year	**(407.28)**	**(2,787.88)**

(c) Movement in deferred tax balances (₹ in Lakhs)

	31 March 2019				
	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Assets / (Liabilities)					
Borrowings	(11,262.96)	563.71	-	-	(10,699.25)
Intangible asset under development	(415.84)	(106.97)	-	-	(522.81)
Property Plant & Equipment	(18.54)	2.31	-	-	(16.23)
Oil & Gas Assets	18.54	(51.77)	-	-	(33.23)
	(11,678.80)	**407.28**	**-**	**-**	**(11,271.52)**

Notes forming part of the Financial Statements

Note 34 Tax reconciliation *(Contd.)*

(₹ in Lakhs)

	31 March 2018				
	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Assets / (Liabilities)					
Borrowings	(14,069.48)	2,806.52	-	-	(11,262.96)
Intangible asset under development	(397.20)	(18.64)	-	-	(415.84)
Property Plant & Equipment	-	(18.54)	-	-	(18.54)
Oil & Gas Assets	-	18.54	-	-	18.54
	(14,466.68)	**2,787.88**	**-**	**-**	**(11,678.80)**

The Company 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.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

In respect of deductible temporary differences of ₹18,590.54 lakhs deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

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 Company can use the benefits therefrom:

(₹ in Lakhs)

	31 March 2019		31 March 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	-	-	1,640.85	2018-19
Business loss	5,740.21	2019-20	5,740.21	2019-20
Business loss	39,263.60	2020-21	39,263.60	2020-21
Business loss	6,328.18	2021-22	6,328.18	2021-22
Business loss	2,958.60	2022-23	2,958.60	2022-23
Business loss	349.71	2023-24	349.71	2023-24
Business loss	10,575.35	2024-25	10,575.35	2024-25
Business loss	14,769.00	2025-26	14,769.00	2025-26
Long-term Capital loss	-	-	53.05	2018-19
Unabsorbed depreciation	753.01	No expiry date	753.01	No expiry date

Notes forming part of the Financial Statements

Note 35 Financial Instruments

1. Financial instruments – Fair values and risk management

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 Lakhs)

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	1,519.79	1,519.79	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	2,245.93	2,245.93	-	-	-	-
Loans & Security deposits	-	-	24.59	24.59	-	-	-	-
Trade Receivables	-	-	854.78	854.78	-	-	-	-
Other non-current financial asset	-	-	3,941.22	3,941.22	-	-	-	-
Other current financial asset	-	-	1,470.79	1,470.79	-	-	-	-
	-	**-**	**10,057.10**	**10,057.10**	**-**	**-**	**-**	**-**
Financial liabilities								
Long term loans	-	-	68,849.03	68,849.03	-	71,115.81	-	71,115.81
Trade Payables	-	-	1,148.30	1,148.30	-	-	-	-
Other current financial liabilities	-	-	4,982.62	4,982.62	-	-	-	-
	-	**-**	**74,979.95**	**74,979.95**	**-**	**71,115.81**	**-**	**71,115.81**

(₹ in Lakhs)

31 March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	1,065.24	1,065.24	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	146.88	146.88	-	-	-	-
Loans & Security deposits	-	-	19.87	19.87	-	-	-	-
Trade Receivables	-	-	662.90	662.90	-	-	-	-
Other non-current financial asset	-	-	163.84	163.84	-	-	-	-
Other current financial asset	-	-	3,278.92	3,278.92	-	-	-	-
	-	**-**	**5,337.65**	**5,337.65**	**-**	**-**	**-**	**-**
Financial liabilities								
Long term loans	-	-	84,180.94	84,180.94	-	87,483.56	-	87,483.56
Trade Payables	-	-	3,582.24	3,582.24	-	-	-	-
Other current financial liabilities	-	-	10,019.91	10,019.91	-	-	-	
	-	**-**	**97,783.09**	**97,783.09**	**-**	**87,483.56**	**-**	**87,483.56**

Notes forming part of the Financial Statements

Note 35 Financial Instruments - Fair values and risk management *(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, 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
Non current financial liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

Transfers between Levels

There are no transfers between the levels.

C. Financial risk management

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (the Committee), which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and bank deposits kept with banks, receivables from joint operators and loan to subsidiary. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counter party.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Notes forming part of the Financial Statements

Note 35 Financial Instruments - Fair values and risk management *(Contd.)*

Loan to Bharat PetroResources JPDA Limited (BPR JPDA), 100% subsidiary

BPR JPDA has a participating interest of 20% in JPDA 06-103 blocks. The Company has invested ₹6,000 Lakhs as equity and has given interest free loan of ₹4,007.20 Lakhs to BPR JPDA. The consortium submitted formal request to ANPM (Regulator) towards termination of PSC for consent, without claim or penalty, citing expenditure in excess of commitment. ANPM rejected the JV's offer to terminate without claim and penalty. The regulator terminated the PSC on 15 July 2015 and demanded the payment of the "liability upon termination". Negotiations are on-going by the consortium with the regulator to reach at final decision. The arbitration proceedings in the matter have been initiated in October 2018.

In view of the uncertainties regarding the continuation of activities in the block, the management had provided for the entire amount of ₹4,007.20 Lakhs towards impairment loss of loans by way of charge to Statement of Profit and Loss account till FY 2018-19. During the year, additional ₹109 Lakhs has been provided (F.Y. 2017-18: ₹10 Lakhs). Pending write off, no separate fair valuation has been done.

The movement in the allowance for impairment in respect of loan to BPR JPDA during the year is as follows:

(₹ in Lakhs)

Particulars	
Balance as at 1 April 2017	3,888.20
Impairment loss recognised	10.00
Balance as at 31 March 2018	3,898.20
Impairment loss recognised	109.00
Balance as at 31 March 2019	4,007.20

Cash and cash equivalents

The Company held cash and cash equivalents with banks with good credit ratings.

Other Bank balance - Fixed Deposits with Bank

The Company has fixed deposits with banks with good credit ratings.

Receivables from subsidiaries - Other Current Financial Assets

The Company had receivables from subsidiaries on each reporting dates. However, credit risk for these receivables are considered to be insignificant as the Company does not foresee any risk since these are receivable from subsidiaries.

Other receivables

The credit worthiness of receivables from others is evaluated by the management on an ongoing basis and is considered to be good.

The Company does not have financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company has not availed any credit facilities from banks and financial institutions.

Notes forming part of the Financial Statements

Note 35 Financial Instruments - Fair values and risk management *(Contd.)*

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities. The amounts are gross and undiscounted, and includes contractual interest payments.

(₹ in Lakhs)

31 March 2019	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings and interest thereon	68,849.03	138,544.79	3,802.50	7,605.00	7,605.00	119,532.29
Trade Payables	1,148.30	1,148.30	1,148.30	-	-	-
Other financial liabilities	4,982.62	4,982.62	4,982.62	-	-	-

(₹ in Lakhs)

31 March 2018	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings and interest thereon	84,180.94	171,097.60	5,125.00	10,250.00	10,250.00	145,472.60
Trade Payables	3,582.24	3,582.24	3,582.24	-	-	-
Other financial liabilities	10,019.91	10,019.91	10,019.91	-	-	-

iv. Market risk

Currency risk

The Company is exposed to currency risk on account of its operating activities. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company has not taken derivative instruments to hedge the foreign currency risk and strives to achieve asset liability offset of foreign currency exposure. Also, the Company continuously monitors the fluctuation in currency risk and ensures that the Company does not have adverse impact on account of fluctuation in exchange rates.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

(₹ in Lakhs)

	31 March 2019		
	Total	USD	AUD
Financial assets			
Other Current financial asset	196.37	196.37	-
Financial liabilities			
Trade Payables	244.76	244.76	-
Other Current financial liabilities	79.94	40.95	38.99
Net exposure (Assets - Liabilities)	**(128.33)**	**(89.34)**	**(38.99)**

Notes forming part of the Financial Statements

Note 35 Financial Instruments - Fair values and risk management *(Contd.)*

(₹ in Lakhs)

	31 March 2018		
	Total	**USD**	**AUD**
Financial assets			
Other Current financial asset	752.18	752.18	-
Financial liabilities			
Trade Payables	128.83	128.83	-
Other Current financial liabilities	58.00	19.62	38.38
Net exposure (Assets - Liabilities)	**565.35**	**603.73**	**(38.38)**

Sensitivity analysis

A reasonable possible strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

(₹ in Lakhs)

Effect in INR (before tax)	Strengthening / Weakening %	Profit/ (loss)	
		Strengthening	**Weakening**
31 March 2019			
USD	3%	(2.68)	2.68
AUD	5%	(1.95)	1.95
		(4.63)	**4.63**

Effect in INR (before tax)	Strengthening / Weakening %	Profit/ (loss)	
		Strengthening	**Weakening**
31 March 2018			
USD	3%	18.11	(18.11)
AUD	5%	(1.92)	1.92
		16.19	**(16.19)**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in the interest rates.

The Company's exposure to market risk for changes in interest rates relates to fixed deposits with banks and borrowings from parent company.

For details of the Company's long term loans and borrowings, including interest rate profiles, refer to Note 18 of these financial statements.

Notes forming part of the Financial Statements

Note 35 Financial Instruments - Fair values and risk management *(Contd.)*

(₹ in Lakhs)

Carrying Amount	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial Assets - measured at amortised cost		
Other non-current financial asset	3,365.63	163.84
Bank Balances other than Cash and cash equivalents	2,245.93	146.88
Total	**5,611.56**	**310.72**
Financial liabilities - measured at amortised cost		
Borrowings	23,849.03	21,680.94
Total	**23,849.03**	**21,680.94**
Variable-rate instruments		
Financial liabilities - measured at amortised cost		
Borrowings	45,000.00	62,500.00
Total	**45,000.00**	**62,500.00**

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate deposits with banks are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by amounts shown below. This analyses assumes that all other variables, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period. The impact is indicated on the profit/(loss) before tax.

(₹ in Lakhs)

	Profit/ (loss)	
	100 bps increase	**100 bps decrease**
For the year ended 31 March 2019		
Variable-rate instruments	(450.00)	450.00
Cash flow sensitivity (net)	**(450.00)**	**450.00**
For the year ended 31 March 2018		
Variable-rate instruments	(625.00)	625.00
Cash flow sensitivity (net)	**(625.00)**	**625.00**

Note 36 Capital Management

The Company's policy is to maintain a strong capital base to sustain future development of the business. The holding company, BPCL, has been extending financial support to the Company to meet its obligation under production sharing contracts and for other activities, as required, and is committed to provide the necessary level of financial support, to enable the operations of the Company. The Company has adequate cash and bank balances. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements including funding from the parent company in form of share capital or debt.

Notes forming part of the Financial Statements

Note 37 Exchange Rate

Exchange rate as at 31 March 2019 - 1 USD = INR 69.1713, 1 GBP = INR 90.4756 & 1 AUD = INR 48.95

Exchange rate as at 31 March 2018 - 1 USD = INR 65.0441, 1 GBP = INR 92.2846 & 1 AUD = INR 49.96

Note 38 Leases - Operating Leases

The Company has taken commercial premises and land under cancellable operating leases

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
The rental expenses recognised in Profit and Loss account for operating leases :		
Minimum lease payments	434.59	342.12
Total rental expenses relating to operating lease	**434.59**	**342.12**

In addition to above, the Company has paid rent ₹30.26 Lakhs (31 March 2018: ₹28.27 Lakhs) towards commercial premises and land used for block CB/ONN/2010/08. The same is capitalised under Intangible asset under development.

Note 39 Interest in Joint operation

The Company 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 consent from consortium partners 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 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 Company includes the Company's share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the respective operators. As per the PSC, the operator has to submit audited financial statements within 60 days from the end of the year. 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 as given below:

i) In respect of Block CB/ONN/2010/8, the Company is operator. The Company's share of the assets and liabilities have been recorded under respective heads based on the audited financial statements. The Company is also operator for CB/ONHP/2017/9 and five DSF blocks in which it holds 100% participating interest.

ii) Out of the remaining six Indian Blocks (previous year six), two blocks RJ/ONN/2005/1 and MB/OSN/2010/2 have been proposed for relinquishment for which approval is pending from Director General of Hydrocarbons (DGH). Out of the remaining four Indian Blocks (previous year four), the Company has received one (previous year three) audited financial statements as at 31 March 2019 and this has been considered in the financial statements of the Company. The Company has received unaudited financial statements for two (previous year one) blocks and expenses for these blocks are accounted on the basis of the same. In case of remaining one block, the Company has accounted the expenses based on the billing statement (Statement of Expenses) received from the operator for the period upto 31 March 2019.

iii) For Block 32 (block outside India), the Company has paid cash call during the year but is yet to receive billing statement/ financial statement from the Operator of the block. In respect of remaining one (previous year one) Joint Venture block EP413 (block outside India) the assets, liabilities, income and expenditure have been incorporated on the basis of unaudited financial statements as at 31 March 2019.

Notes forming part of the Financial Statements

Note 39 Interest in Joint operation *Contd.)*

The table below provides summarised financial information of the Company's share of assets, liabilities, income and expenses in the joint operations :

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Property, plant and equipment	88.01	92.98
2	Other Intangible assets	10,938.43	6,089.63
3	Intangible asset under development	31,151.10	26,909.02
4	Other Non-Current Assets	498.91	4.08
5	Current Assets including financial assets *	3,622.52	2,850.33
6	Cash and Bank Balances	377.54	308.14
7	Current & Non Current Liabilities/Provisions including financial liabilities	11,391.70	10,335.42
8	Expenses	2,624.18	1,748.47
9	Income	13,081.20	8,969.90

* Includes ₹1,069.60 Lakhs (previous year nil) which has been provided for by the Company.

Details of the Company's Participating Interest (PI) in the blocks are as under:

Name	Country	31 March 2019	31 March 2018
NELP – IV			
CY/ONN/2002/2	India	40.00%	40.00%
NELP – VI			
CY/ONN/2004/2	India	20.00%	20.00%
NELP – VII			
RJ/ONN/2005/1	India	33.33%	33.33%
NELP – IX			
CB/ONN/2010/11	India	25.00%	25.00%
AA/ONN/2010/3	India	20.00%	20.00%
CB/ONN/2010/8	India	25.00%	25.00%
MB/OSN/2010/2	India	20.00%	20.00%
Discovered Small Fields (DSF)			
CY/ONDSF/KARAIKAL/2016	India	100.00%	100%
RJ/ONDSF/BAKHRI TIBBA/2016	India	100.00%	100%
RJ/ONDSF/SADEWALA/2016	India	100.00%	100%
MB/OSDF/B15/2016	India	100.00%	100%
MB/OSDF/B127E/2016	India	100.00%	100%
OALP			
CB-ONHP-2017/9	India	100.00%	0.00%
Blocks outside India			
EP-413	Australia	27.80%	27.80%
Block 32	Israel	25.00%	0.00%

Notes forming part of the Financial Statements

Note 40 Related party transactions

A. Related Party Relationships

(i). Parent entity

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest as on	
			31 March 2019	31 March 2018
Bharat Petroleum Corporation Limited (BPCL)	Immediate and Ultimate parent entity	India	100%	100%

ii. Subsidiaries, joint ventures and associates

Interest in subsidiaries, joint ventures and associates are set out below:

Name	Type	Place of incorporation	Ownership interest as on	
			31 March 2019	31 March 2018
Bharat PetroResources JPDA Ltd. (BPR JPDA)	Subsidiary	India	100%	100%
BPRL International BV	Subsidiary	Netherlands	100%	100%
BPRL International Singapore Pte Ltd.	Subsidiary	Singapore	100%	100%
BPRL Ventures BV *	Subsidiary	Netherlands	100%	100%
BPRL Ventures Mozambique BV *	Subsidiary	Netherlands	100%	100%
BPRL Ventures Indonesia BV *	Subsidiary	Netherlands	100%	100%
BPRL International Ventures BV * ^	Subsidiary	Netherlands	100%	100%
IBV (Brasil) Petroleo Ltda. #	Joint Venture	Brazil	50%	50%
Taas India Pte Ltd @	Joint Venture	Singapore	33%	33%
Vankor India Pte Ltd @	Joint Venture	Singapore	33%	33%
Falcon Oil & Gas BV @@	Joint Venture	Netherlands	30%	30%
Mozambique LNG 1 Pte Ltd @@@	Associate	Singapore	10%	10%
LLC TYNGD ##	Joint Venture	Russia	9.9%	9.9%
JSC Vankorneft ###	Associate	Russia	7.9%	7.9%
Urja Bharat Pte Ltd. ####	Joint Venture	Singapore	50%	-

* BPRL Ventures BV, BPRL Ventures Mozambique BV, BPRL Ventures Indonesia BV and BPRL International Ventures BV are wholly owned subsidiaries of BPRL International BV.

^ BPRL International Ventures BV was incorporated on 29 January 2018.

IBV (Brasil) Petroleo Ltda. is a 50% joint venture of BPRL Ventures BV and Videocon Energy Brazil Limited.

@ Taas India Pte Ltd. and Vankor India Pte Ltd. are joint venture companies of Oil India International Pte Ltd, IOCL Singapore Pte Ltd and BPRL International Singapore Pte Ltd (BISPL) where BISPL holds 33% equity.

@@ Falcon Oil & Gas BV, incorporated on 6 February 2018, is a joint venture company of IndOil Global BV, ONGC Nile Ganga BV and BPRL International Ventures BV where BPRL International Ventures BV holds 30% equity.

Notes forming part of the Financial Statements

Note 40 Related party transactions *(Contd.)*

@@@ BPRL Ventures Mozambique BV is having 10% stake in Mozambique LNG-1 Co. Pte Ltd.

Taas India Pte Ltd has stake of 29.9% in LLC TYNGD.

Vankor India Pte Ltd has stake of 23.9% in JSC Vankorneft.

Urja Bharat Pte Ltd., incorporated on 12 February 2019, is a joint venture company of IOCL Singapore Pte Ltd. and BPRL International Singapore Pte Ltd. where BPRL International Singapore Pte Ltd. holds 50% equity.

C) Key management personnel

Shri D. Rajkumar, Director

Shri Ajay Kumar V., Managing Director w.e.f. 23 October 2017 and held additional charge as Director (Operations & Business Development) w.e.f. 23 October 2017 upto 19 August 2018. Director (Operations & Business Development) upto 22 October 2017 and held additional charge as Managing Director (I/c) w.e.f. 1 October 2016 upto 22 October 2017.

Shri Pankaj Kumar, Director (Finance)

Shri Jitender Pershad Waghray, Director (Operations & Business Development) w.e.f. 20 August 2018

Shri N. Vijayagopal, Director w.e.f. 6 December 2018

Dr. Praphullachandra Sharma, Director upto 27 March 2019

Shri K. Sivakumar, Director w.e.f. 9 May 2017 and upto 29 November 2018

Shri P. Balasubramanian, Director upto 28 April 2017

Smt. Swapna Sawant, Company Secretary w.e.f. 29 June 2017

Shri Narendra Dixit, Company Secretary upto 1 June 2017

The Company is a Public Sector Undertaking under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors & Woman Director) vests with the Government of India. As per the MCA notification dated 5 July 2017, the Company is exempt from appointment of Independent Director under the Companies Act, 2013. As per MoP&NG approval Ms. Indrani Kaushal has been appointed as Women Nominee Director on the Company's Board w.e.f. 1 April 2019.

D. Transactions with related parties

a) Key management personnel compensation **(₹ in Lakhs)**

	31 March 2019	31 March 2018
Short-term employee benefits	70.47	55.18
Post-retirement benefits	13.70	4.94
Other long-term benefits	18.61	12.82

b) The nature wise transactions with the above related parties are as follows: **(₹ in Lakhs)**

Nature of Transactions	Joint venture		Key Management Personnel	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Money remitted towards investment in share capital	13,411.54	10,442.48	-	-
Recovery of SBLC commission	2,688.89	5,295.48	-	-
Recovery of deputed employee cost	164.76	169.23	-	-
Reimbursement of expenses	1.93	-	-	-
Loan given during the year	109.00	10.00	-	-
Loan recovered during the year	-	-	0.51	4.66
Provision for bad and doubtful loans	109.00	10.00	-	-

Notes forming part of the Financial Statements

Note 40 Related party transactions *(Contd.)*

c) Outstanding Balances **(₹ in Lakhs)**

	As at	
	31 March 2019	**31 March 2018**
Subsidiaries		
Investments in subsidiaries	351,428.94	339,394.44
Share Application Money with subsidiaries	103,407.74	102,030.70
Other receivables	200.58	752.18
Loan given	4,007.20	3,898.20
Provision for bad and doubtful loans	4,007.20	3,898.20
Key Management Personnel		
Loan given	3.61	4.12

The loan given to BPR JPDA is interest free. Refer note 35 (ii) on impairment of outstanding balance of loan and investment in equity shares of BPR JPDA.

In the course of its ordinary business, the Company enters into transactions with other Government controlled entities (not included in the list above). The Company has transactions with other Government controlled entities, including but not limited to the followings:

- Sales of goods
- Rendering and receiving of services; and
- Borrowing money.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government controlled entities.

Note 41 Capital Commitments & Contingent Liabilities:

(a) Capital Commitments:

Based on the estimation by the Management, BPRL's share of Minimum Work Programme (MWP) commitments as on the reporting date amounted to ₹11,093.54 Lakhs. (Previous year ₹797.44 Lakhs). Company has provided Bank Guarantees to Director General of Hydrocarbon (DGH) to the extent of ₹3,554.77 Lakhs (₹82.64 Lakhs) towards MWP.

(b) Contingent Liabilities:

Contingent liabilities in respect of operations where BPRL is not the operator are recognised based on inputs received from the operator.

BPRL is engaged in the business of Exploration and Production (E&P) of oil & gas and has participating interest in several blocks held directly or through group companies. BPRL has issued performance guarantees/counter-indemnities in favour of Operators/other partners towards performance of obligations of its group companies under the Concession Agreement/ Joint Operating Agreements/Production Sharing Contracts relating to various such E&P oil & gas blocks acquired by them. The outflow that may arise under these performance guarantees, is not quantifiable.

Note 42 BPRL had earlier entered into Standby Letter of Credit (SBLC) facility agreement with a number of Indian PSU banks to the extent of 2500 Mn US Dollars equivalent to ₹17,29,282.50 Lakhs. As per the SBLC facility agreement banks will issue SBLCs, in favour of the foreign currency lenders for loans taken by BPRL International BV, a wholly owned subsidiary of BPRL. Pursuant to refinancing exercise of SBLC backed borrowings undertaken by BPRL International BV, the SBLCs and underlying security has been released by the Lenders.

Notes forming part of the Financial Statements

Note 43 To the extent Company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Development Act, 2006, the details are provided as under:

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
Amount Due and Payable at the year end		
- Principal	28.86	3.59
- Interest on above Principal	-	-
Payment made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for Principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

Note 44 Details of Reserves

BPRL's share of Estimated Ultimate Recovery (EUR) as submitted to DGH for the block CY-ONN-2002/2 as at 31 March 2019 is given below:

Project	**Details**	**Crude Oil (MMm3)**	**Gas (MMm3)**
CY-ONN-2002/2	Opening	0.2833	1,072.55
	Production	0.0440	10.20
	Closing	0.2393	1,062.35

MMm3 = Million Cubic Meters

Note 45 Changes in liabilities arising from financing activities **(₹ in Lakhs)**

	Interest accrued but not due on borrowings	Non-current borrowings	Total
As at 1 April 2017	**7,123.93**	**204,709.94**	**211,833.87**
Cash Flows	(16,053.28)	(122,500.00)	(138,553.28)
Non Cash Changes	16,983.32	1,971.00	18,954.32
As at 31 March 2018	**8,053.97**	**84,180.94**	**92,234.91**
Cash Flows	(11,459.94)	(17,500.00)	(28,959.94)
Non Cash Changes	6,825.67	2,168.09	8,993.76
As at 31 March 2019	**3,419.70**	**68,849.03**	**72,268.73**

Notes forming part of the Financial Statements

Note 46 Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116 "Leases", which replaces Ind AS 17 and is effective from 1 April 2019. The core principle of this standard is that in case of a lessee most of the leases are to be recognised in the balance sheet as Right of use asset on the asset side and lease liability on liability side of balance sheet. The new standard also provides two broad alternative transition options- Retrospective method and cumulative effect method. The Company is in the process of evaluating the impact of new leases standard.

Note 47 A Figures of 31 March 2018 have been regrouped wherever necessary, to conform to current year presentation.

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT PETRORESOURCES LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members,
Bharat PetroResources Limited,
Mumbai

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Bharat PetroResources Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries and their Joint Ventures / Associates (Holding Company and its subsidiaries and their Joint Ventures / Associates together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 their consolidated state of affairs as at 31 March 2019, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to the observation in our audit report of the Holding Company regarding incorporation of details about the Holding Company's share in Assets, Liabilities, Income & Expense in the operations of the unincorporated joint operations based on the audited/unaudited statements received from the respective Operators. In these regards, it has been observed that:

   a. In case of three blocks, audited statements have not been received by the Company; hence, unaudited figures have been considered. The total Assets & Liabilities as on 31 March 2019 and Income & Expenses for FY 2018-19 in respect of the said blocks amount to ₹29,071.55 Lakhs, ₹617.24 Lakhs, ₹13,054.93 and ₹2,624.18 respectively.

b. In case of one foreign block (EP413), audited statements have not been received by the Company; hence, unaudited figures have been considered. The total Assets & Liabilities as on 31 March 2019 and Income & Expenses for FY 2018-19 in respect of the said block amount to ₹9,199.47 Lakhs, ₹109.06 Lakhs, ₹ Nil and ₹ Nil respectively.

c. The audited/unaudited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts 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, as provisions of the Companies Act 2013 are not applicable to unincorporated joint operations.

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. The 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 Statements and related disclosures contained in the enclosed financial statements and our observations thereon are based on such audit reports and statements from the Operators to the extent available with the Company.

5. We draw attention to Note No. 45 where the Company has given disclosure that one of the Company's subsidiaries, BPRL International Singapore PTE Ltd., has changed its financial year end from 31 March to 31 December. The subsidiary's figures consolidated in the current year are, thus, for a 9 month period. However, the comparative figures are for the 12 month period from 1 April 2017 to 31 March 2018.

6. The audited financials of its subsidiary, BPRL International BV, have not been received. The Company has considered the subsidiary's provisional figures for consolidation.

7. Our opinion is not modified in respect of this matter.

Other Information

8. The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.

9. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

10. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

11. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Financial Statements by the Directors of the Holding Company, as aforesaid.

12. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

13. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

15. As part of an audit in accordance with SAs, the auditor is supposed to exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    a. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern.

e. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

f. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

g. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

16. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

18. From the matters communicated with those charged with governance, we determine

those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

19. We did not audit the financial statements / financial information of three (3) subsidiaries whose financial statements / financial information reflect total assets of ₹19,24,795.55 Lakhs as at 31 March 2019, total revenues of ₹ NIL and net cash flows amounting to ₹17,268.90 Lakhs 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 ₹34,406.15 Lakhs and Other Comprehensive Income (expense) of (₹1,27,789.36 Lakhs) for the year ended 31 March 2019, as considered in the Consolidated Financial Statements, in respect of 4 (Four) Equity Accounted Investees, whose financial statements / financial information have not been audited by us.

20. The financial statements / financial information of 2 subsidiaries namely, BISPL & BPR JPDA Ltd., 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 and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

21. The financial statements / financial information of 1 subsidiary namely, BPRL International BV, are unaudited and 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 this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information.

22. The financial statements of 1 subsidiary namely, BPR JPDA Ltd., having total assets (net of provision) of ₹49.80 lakhs, has been prepared on a basis other than that of a going concern.

23. Our opinion 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 / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

24. 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 purposes of our audit of the aforesaid Consolidated Financial Statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. As per the notification no. G.S.R. 463(E) dated 5 June 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A and

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, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

   i. There were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities.

   ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company has not entered into derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W

Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193

Place: New Delhi
Date: 14 May 2019

ANNEXURE - A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 24(f) of the Independent Auditors' Report of even date on the financial statement as of and for the year ended 31 March 2019.)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Bharat PetroResources Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of Holding Company and its subsidiary companies, 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 respective Companies Company 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 company'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 Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company'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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.

4. 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. 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

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. 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

c. 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

7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, 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 31 March 2019, based on the internal control over financial reporting criteria established by the respective Companies 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.

Other Matters

9. 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 1 (one) subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W

Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193

Place: New Delhi
Date: 14 May 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(₹ in Lakhs)

	Particulars	Note no.	As at 31 March 2019	As at 31 March 2018
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	163.70	159.53
	(b) Other Intangible assets	3	10,938.43	6,089.63
	(c) Intangible assets under development	4	606,883.73	506,834.71
	(d) Equity accounted investees	5	1,120,887.23	1,113,920.30
	(e) Financial Assets			
	(i) Loans	6	195,228.13	178,800.53
	(ii) Other non-current financial assets	7	5,318.26	163.84
	Total non-current assets		**1,939,419.48**	**1,805,968.54**
(2)	**Current Assets**			
	(a) Inventories	8	177.54	235.65
	(b) Financial Assets			
	(i) Trade Receivables	9	854.78	662.90
	(ii) Cash and cash equivalents	10	18,089.85	34,904.20
	(iii) Bank Balances other than (ii) above	11	12,747.05	146.88
	(iv) Loans	12	4,326.63	18,625.40
	(v) Others	13	1,638.72	2,762.12
	(c) Current Tax assets (Net)	14	64.63	43.42
	(d) Other current assets	15	2,951.71	4,716.91
	Total current assets		**40,850.91**	**62,097.48**
	TOTAL ASSETS		**1,980,270.39**	**1,868,066.02**

	Particulars	Note no.	As at 31 March 2019	As at 31 March 2018
II.	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital	16	500,000.00	444,800.27
	(b) Other equity	17	(210,215.48)	(103,251.82)
	Total equity		**289,784.52**	**341,548.45**
(2)	**Non current liabilities**			
	(a) Financial liabilities			
	- Borrowings	18	1,137,550.03	1,482,526.27
	(b) Provisions	19	1,972.18	1,879.72
	(c) Deferred tax liabilities (Net)		11,271.52	11,678.80
	Total non-current liabilities		**1,150,793.73**	**1,496,084.79**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade Payables	20		
	(A) total outstanding dues of micro enterprises and small enterprises;		28.86	3.59
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,481.69	3,898.66
	(ii) Borrowings	21	501,491.93	-
	(iii) Other financial liabilities	22	25,795.16	16,263.11
	(b) Other current liabilities	23	253.74	142.60
	(c) Provisions	24	10,637.53	10,124.82
	(d) Current tax liabilities (net)	25	3.23	-
	Total Current liabilities		**539,692.14**	**30,432.78**
	Total liabilities		**1,690,485.87**	**1,526,517.57**
	TOTAL EQUITY AND LIABILITIES		**1,980,270.39**	**1,868,066.02**

Significant accounting policies 1

Notes to the financial statements 2-51

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 31 MARCH 2019

(₹ in Lakhs)

	Particulars	Note no.	For the year 2018-19	For the year 2017-18
I.	Revenue from Operations	26	13,054.93	8,969.90
II.	Other income	27	5,008.10	12,625.25
III.	**Total Income (I+II)**		**18,063.03**	21,595.15
IV.	**Expenses**			
	Production expenditure	28	2,647.48	1,822.68
	Changes in Inventories of Finished Goods	29	(23.30)	(93.46)
	Employee Benefits Expenses	30	1,595.36	1,576.21
	Finance costs	31	49,586.85	50,899.82
	Depreciation, Depletion, Amortisation	2 & 3	3,443.73	5,186.88
	Other Expenses	32	5,188.92	3,418.90
	Total Expenses (IV)		**62,439.04**	62,811.03
V.	**Profit/(loss) before share of profit of equity accounted investees and income tax**		**(44,376.01)**	(41,215.88)
VI.	**Share of profit /(loss) from equity accounted investees (net of tax)**		34,406.15	31,556.44
VII.	**Profit/(loss) before Tax**		**(9,969.86)**	(9,659.44)
VIII.	**Tax expense:**			
	1. Current Tax		6.09	-
	2. Deferred Tax		(407.28)	(2,787.88)
IX.	**Profit/(Loss) for the year**		**(9,568.67)**	(6,871.56)
X.	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans		2.60	0.59
	(ii) Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		30,391.77	(6,024.08)
	(b) Share of Other comprehensive income of equity accounted investee		(127,789.36)	50,885.06
			(97,394.99)	44,861.57
XI.	**Total comprehensive income for the year**		**(106,963.66)**	37,990.01
XII.	**Earnings per equity share**			
	1. Basic		(0.21)	(0.23)
	2. Diluted		(0.21)	(0.23)

Significant accounting policies 1

Notes to the financial statements 2-51

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

	Particulars	For the year 2018-19	For the year 2017-18
A	**Cash Flow from Operating Activities**		
	Profit Before Tax from Continuing Operations	(9,969.86)	(9,659.44)
	Adjustments for:		
	Share of (profit) / loss from equity accounted investees	(34,406.15)	(31,556.44)
	Depreciation, Depletion, Amortisation	3,443.73	5,186.88
	(Gain) / Loss on fair valuation of loan	(3,892.39)	(11,933.68)
	Impairment for Intangible assets under development	82.18	55.79
	Interest income	(845.12)	(559.93)
	Provision for bad and doubtful loans & advances	1,069.60	-
	Net (gain) / loss on sale or disposal of asset	0.05	(0.92)
	Finance costs	49,586.85	50,899.82
	Exchange differences on translation of assets and liabilities of foreign operations	30,394.37	(6,024.08)
	Unrealised foreign exchange (gain) / loss	457.95	231.93
	Operating Profit / (Loss) before Working Capital changes	**35,921.21**	**(3,360.07)**
	Working capital adjustments:		
	(Increase) / Decrease in Inventories	58.11	(235.65)
	(Increase) / Decrease in Trade Receivables	(191.88)	(662.90)
	(Increase) / Decrease in Other current financial assets	53.80	(1,248.47)
	(Increase) / Decrease in Other current assets	1,765.20	(2,547.33)
	Increase / (Decrease) in Trade Payables	(2,391.70)	(3,902.25)
	Increase / (Decrease) in Other current financial liabilities	6,843.12	(2,848.39)
	Increase / (Decrease) in Provisions	147.22	(251.95)
	Increase / (Decrease) in Other current liabilities	111.14	72.16
	Cash generated / (used) from operations	**42,316.22**	**(14,984.85)**
	Income tax (paid) / refunds (net)	(24.07)	118.07
	Net cash flow from / (used in) operating activities	**42,292.15**	**(14,866.78)**
B	**Cash Flow from Investing Activities**		
	Addition to Property, Plant & Equipment	(32.00)	(15.12)
	Proceeds from Sale of Property, Plant & Equipment	0.35	6.21
	Investment in equity accounted investees	(106,575.56)	(102,481.99)
	Dividend from Associates	6,225.42	17,600.93
	Loans/ Deposits given	(13,432.74)	(30,746.27)
	Loan repaid by equity accounted investee	15,661.39	-
	(Placement)/ Maturity of Deposit with banks	(17,583.41)	1,065.71
	Interest Income	208.85	106.19
	Additions to Intangible assets under development	(100,131.20)	(36,929.70)
	Additions to Intangible assets	(8,265.10)	(4,216.82)
	Net Cash Flow from/(used) in Investing Activities	**(223,924.00)**	**(155,610.86)**

(Contd.)

(₹ in Lakhs)

	Particulars	For the year 2018-19	For the year 2017-18
C	**Cash Flow from Financial Activities**		
	Proceeds from issue of shares	55,199.73	152,800.00
	Proceeds from long term borrowings from bank	415,027.80	485,873.83
	Repayment of borrowings to Bank	(741,596.83)	(291,686.70)
	Repayment of borrowings to parent company	(55,000.00)	(150,000.00)
	Proceeds of borrowings from parent company	37,500.00	27,500.00
	Proceeds from short term borrowings	501,491.93	-
	Interest paid including upfront processing fees	(47,805.13)	(48,708.61)
	Net Cash Flow from/(used) in Financing Activities	**164,817.50**	**175,778.53**
D	**Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)**	**(16,814.35)**	**5,300.89**
	Cash and cash equivalents at the beginning of the year		
	Bank Balance	18,643.17	29,603.31
	Demand deposits with Banks with original maturity of less than three months	16,261.03	-
	Add/(Less:) Exchange difference on Cash and Cash equivalents	-	-
	Cash and cash equivalents at the end of the year		
	Bank Balance	13,538.09	18,643.17
	Demand deposits with Banks with original maturity of less than three months	4,551.76	16,261.03
	Net Increase/ (Decrease) in Cash and Cash equivalents	**(16,814.35)**	**5,300.89**

Significant accounting policies 1

Notes to the financial statements 2-51

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

(₹ in Lakhs)

(a) Equity share capital	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the period	4,448,002,670	444,800.27	2,920,002,670	292,000.27
Shares issued during the period	551,997,330	55,199.73	1,528,000,000	152,800.00
Balance at the end of the period	**5,000,000,000**	**500,000.00**	**4,448,002,670**	**444,800.27**

(b) Other equity

Particulars	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
Balance at 1 April 2017	**45,290.06**	**(275,548.71)**	**89,016.82**	**(141,241.83)**
Profit/ (Loss) for the year	-	(6,871.56)	-	(6,871.56)
Other comprehensive income for the year	-	0.59	44,860.98	44,861.57
Total comprehensive income for the year	**-**	**(6,870.97)**	**44,860.98**	**37,990.01**
Transfer to retained earnings	(371.62)	371.62	-	-
Balance at 31 March 2018	**44,918.44**	**(282,048.06)**	**133,877.80**	**(103,251.82)**
Profit/ (Loss) for the year	-	(9,568.67)	-	(9,568.67)
Other comprehensive income for the year	-	2.60	(97,397.59)	(97,394.99)
Total comprehensive income for the year	**-**	**(9,566.07)**	**(97,397.59)**	**(106,963.66)**
Transfer to retained earnings	(1,628.84)	1,628.84	-	-
Balance at 31 March 2019	**43,289.60**	**(289,985.29)**	**36,480.21**	**(210,215.48)**

Nature and purpose of components of other equity

(a) Retained earnings

Retained earnings includes the Company's cumulative earnings and losses. It also includes the amount transferred from capital reserves as mentioned above.

(b) Capital reserve

The Company had received interest free borrowing of ₹65,000 lakhs from its parent company. Under Ind AS, at the date of transition, the Company recognised for the said financial liability at fair value with the differential recognised as equity component to be spread over the tenure of the loan.

(c) Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income as described in accounting policies and accumulated in separate reserves within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2019

Company Overview

Bharat PetroResources Limited referred to as "BPRL" or "the Company" was incorporated on 17 October 2006. It is wholly owned subsidiary of Bharat Petroleum Corporation Limited (BPCL) which is a Government of India Enterprise listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The company is engaged in the business of exploration and production of Hydrocarbons.

1. Statement of Significant Accounting Policies

The Consolidated Financial Statements relate to BPRL, its Subsidiary Companies and interest in Joint Venture and Associates. The Company and its Subsidiaries are together referred to as "Group".

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 BPRL i.e. 31 March 2019, except for BPRL International Singapore Pte. Ltd.,Taas India Pte. Ltd., Vankor India Pte. Ltd. and IBV Brasil Petroleo Ltda. whose accounts are drawn for the year ended 31 December 2018, where there are no significant transactions or other events that have occurred between 1 January 2019 and 31 March 2019.The Consolidated Financial Statements have been prepared under the 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 during Financial Year 2016-17 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 Company and its Indian Subsidiary 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 Lakhs (₹ Lakhs), except where otherwise indicated.

Authorisation 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 14 May 2019.

1.1. Basis of Consolidation:

1.1.1. Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company 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 subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases. For the purpose of preparing these consolidated financial statements, the financial statements of subsidiaries have been adjusted wherever necessary to align them with the accounting policies adopted by the Company.

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 Company. 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 Company's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.1.2. Joint Ventures 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 Company 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.

For the purpose of preparing these consolidated financial statements, the financial statements of associates/joint ventures have been adjusted wherever necessary to align them with the accounting policies adopted by the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains/losses arising from transactions with such entities are eliminated against the investment to the extent of the Company's interest in the investee.

1.2. Use of Judgement 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, the areas which require use of estimates and judgments 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;
- Measurement of Financial instruments;
- Estimation of Useful Lives and the Residual Value of the 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 including loss allowances ;
- Evaluation of recoverability of deferred tax assets;
- Assessment of Contingencies
- Impairment of exploration and evaluation assets; key assumptions for underlying recoverable amounts.
- Assessment whether the company has interest in joint arrangement; and
- Estimation of oil and natural gas reserves
    - The determination of the Group's estimated oil and natural gas reserves requires significant judgements and estimates to be applied and these are regularly reviewed and updated. Factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity, drilling of new wells, and commodity prices all impact the determination of the Group's estimates of its oil and natural gas reserves. The Group estimates its proved reserves with a reasonable certainty on the basis of rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements.
    - Estimates of oil and natural gas reserves are used to calculate depreciation, depletion and amortization charges for the Group's oil and gas properties. The impact of changes in estimated proved reserves is dealt with prospectively by amortizing the remaining carrying value of the asset over the expected future production. Oil and natural gas reserves also have a direct impact on the assessment of the recoverability of asset carrying values reported in the consolidated financial statements. If proved reserves estimates are revised downwards, retained earnings could be affected by changes in depreciation expense or an immediate write-down of the property's carrying value.

Revisions to accounting estimates are recognized prospectively in the Consolidated Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

1.3. Property, Plant and Equipment

1.3.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.3.2. 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).

1.3.3. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

1.3.4. Expenditure on Assets other than plant and machinery, not exceeding the threshold limit are charged to revenue.

1.3.5. 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 parts are inventorised on procurement and charged to Consolidated Statement of Profit and Loss on consumption.

1.3.6. An item of Property, Plant and Equipment or 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 Consolidated Statement of Profit and Loss when the asset is derecognised.

1.3.7. 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 line with the revisions to the accounting estimates.

1.3.8. 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 (1 April 2015).

1.4. Depreciation

Depreciation on Property, Plant and Equipment is 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 Schedule II of the Act, except in the following cases:

1.4.1. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition.

1.4.2. Computer equipments are depreciated over a period of 3 years and Mobile phones are depreciated over a period of 2 years based on internal assessment. Electronic and electrical equipments provided to management staff under furniture-on-hire scheme are depreciated over a period of 4 years (previously 6 years) as per internal assessment. Other furniture items provided to management staff are depreciated over a period of 6 years as per internal assessment.

1.4.3. Workstations are depreciated over a period of 5 years. The useful lives are estimated based on the internal assessment. Depreciation is charged on additions/deletions on pro-rata monthly basis including the month of addition/deletion.

1.4.4. Depreciation is charged on additions/deletions on pro-rata monthly basis including the month of addition/deletion.

1.5. Intangible Assets

1.5.1. Intangible assets are carried at cost net of accumulated amortization, accumulated depletion and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding exploration and development costs, is not capitalised and is reflected in the Consolidated Statement of Profit and Loss in the period in which such expenditure is incurred. Development costs are capitalised 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.

1.5.2. Expenditure incurred above the threshold limit for creating/acquiring intangible assets other than hydrocarbon producing intangible assets from which future economic benefits will flow over a period of time, is amortised 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 amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at each year end. The amortisation expense on an intangible asset with finite useful lives and impairment loss in case there is an indication that the intangible asset may be impaired, is recognised in the Consolidated Statement of Profit and Loss.

1.5.3. 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 (1 April 2015).

1.6. Oil and natural gas producing activities

1.6.1. The Group 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 acquire a property or mineral right proved or unproved are capitalised. 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 capitalised as Exploratory Wells-in-Progress under "intangible assets under development". General and administrative costs are included in the exploration and evaluation cost 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 Group classifies the acquisition costs, exploration and evaluation assets as tangible asset or intangible asset according to the nature of assets acquired.

iv. Once the technical feasibility and commercial viability of extracting oil and gas are determinable, exploration and evaluation assets are classified as Development Wells-in-Progress under"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 including costs incurred for production facilities are capitalised as and when incurred as intangible assets under development or intangible assets as the case may be.

v. When a well within a block or cost centre is ready to commence commercial production, the capitalised costs referred above are reclassified as intangible assets. The cost centre is not normally smaller than a country, except, where warranted by a major difference in economic, fiscal or other factors in the country.

vi. When a block or cost centre is relinquished, the accumulated cost is charged off as an expense in the said year.

vii. The Group capitalises 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 and the amount of provision required to be created for subsequent abandonment as part of Property, Plant and Equipment or Intangible Assets, as the case may be. 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 an uncertainty of timing on the 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 the Consolidated Statement of Profit and Loss as it occurs.

viii. 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. The Impairment test is performed in accordance with the procedures given in para 1.10 for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

ix. The Group allocates exploration and evaluation assets to cash generating units or group of cash generating units for the purpose of assessing such assets for impairment.

1.7. Depletion

Depletion charge is calculated on the capitalised cost according to the Unit Of Production Method. The Depletion 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 other capitalised costs, 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 the gross block of the cost centre 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 Group.

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 specifically 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 capitalised at the capitalisation rate in respect of qualifying assets and balance borrowing cost after capitalisation 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. Leases

1.9.1. 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.

1.9.2. Operating Lease

Lease Agreements which are not classified as finance leases are considered as operating leases.

Payments made under operating leases are recognised in Consolidated Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premiums 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 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.

1.9.3. At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Group 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 Group 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 Group's incremental borrowing rate.

1.10. Impairment of Non-financial Assets

1.10.1. 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 the Cash-Generating Unit's (CGU) fair value less cost 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.

1.10.2. 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.

1.11. Inventories

1.11.1 Finished goods of Crude Oil are valued at Cost or Net realisable value, whichever is lower. Cost of finished goods is determined based on direct cost and directly attributable services cost including depreciation and depletion. The value of such inventories includes royalty (wherever applicable). Cost of inventories other than finished goods, includes expenditure incurred in the normal course of business in bringing inventories to their present location.

1.11.2 The cost of inventories is determined on a weighted average basis.

1.11.3 Net realisable value represents the estimated selling price for inventories less all costs necessary to effect the sale.

1.12. Revenue Recognition

1.12.1. Sale of goods and/or services

Revenue from the sale of goods is recognised when the performance obligation is satisfied by transferring the related goods to the customer. The transfer is said to be completed when the customer obtains control of the goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to arrangements involving more than one performance obligation), net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.

Where the Company acts as an agent on behalf of a third party, the associated income is recognized on a net basis.

Income from the sale of crude oil and gas produced from the block until the start of commercial production is adjusted against the cost of such block.

Any retrospective revision in prices of crude oil and gas is accounted for in the year of such revision.

1.12.2. Interest income on delayed realization from customers, if any, is recognized when it can be reliably measured and it is reasonable to expect ultimate collection.

1.12.3. Interest income, other than on delayed realization from customers, is recognised using the effective interest rate (EIR) method.

1.12.4. Dividend income is recognised when the 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.

1.12.5. Income from the sale of scrap is accounted for on realisation.

1.13. Classification of Income/Expenses

1.13.1. Income/expenditure (net) in aggregate pertaining to the prior year(s) above the threshold limit is 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.

1.13.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

1.13.3. Deposits placed with Government agencies/ local authorities which are perpetual in nature are charged to revenue in the year of payment.

1.14. Employee Benefits

1.14.1. Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the related services are rendered.

1.14.2. Post-employment benefits

Liability towards post-retirement benefits and other long term benefits in respect of staff deputed from BPCL is provided based on the debit notes from BPCL. In respect of BPRL cadre, liability is provided based on the employer's contribution towards Provident Fund, Gratuity, etc. as per respective plans.

Defined Contribution Plans:

Obligations for contribution to defined contribution plans such as Provident Fund, Pension etc. are recognised as an expense in the statement of profit and loss as the related services are provided.

Defined Benefit Plans:

Obligations for contribution to defined benefits plans such as Gratuity, etc. are recognised as an expense in the statement of profit and loss as the related services are provided. The calculation of the defined benefit obligation is performed at the end of each reporting period by a qualified actuary using the Projected Unit Credit method.

1.14.3. Other long-term employee benefits

Liability towards other long term employee benefits in respect of staff deputed from BPCL is provided based on the debit notes from BPCL.

In respect of BPRL cadre, liability towards other long term employee benefits - leave encashment etc., are determined on actuarial valuation by qualified actuary by using the Projected Unit Credit method.

1.15. Foreign Currency Transactions

1.15.1. 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 31 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 31 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.

1.15.2. 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.

1.15.3. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at the closing rate at the date of that balance sheet.

Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

All resulting exchange differences are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.16. Provisions, Contingent Liabilities and Capital Commitments

1.16.1. 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.

1.16.2. The expenses relating to a provision is presented in the Consolidated Statement of Profit and Loss net of reimbursements, if any.

1.16.3. 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.

1.16.4. 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.

1.16.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.16.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

1.17. Fair Value Measurement

1.17.1. The Group measures certain financial instruments at fair value at each reporting date.

1.17.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

1.17.3. 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.

1.17.4. 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 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 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.

1.17.5. 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).

1.17.6. When quoted price in an active market for an instrument is available, the Group 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.

1.17.7. If there is no quoted price in an active market, then the Group uses valuation techniques 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.

1.17.8. 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 the Group 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.

1.18. Financial Assets

1.18.1. 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.

1.18.2. 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 amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised 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 amortised 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 amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised 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
- 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 & losses and impairment are recognised in the Consolidated Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gains and losses, impairment losses and other net gains and losses are recognised in the Consolidated Statement of Profit and Loss separately.

1.18.3. 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 Group's Balance Sheet) when.

The rights to receive cash flows from the asset have expired, or

The Group 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 Group has transferred substantially all the risks and rewards of the asset, or
- The Group 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 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 and 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 and loss on de-recognition.

1.18.4. 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 amortised cost and debt instruments measured at FVOCI.

In respect of financial assets measured at amortised cost, the loss allowance is measured at 12 months 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.

1.19. Financial Liabilities

1.19.1. Initial recognition and measurement

Financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are 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.

1.19.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at fair value through profit and 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 recognised in Consolidated Statement of Profit and Loss.

Financial Liabilities at amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised 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 amortisation done using the EIR method is included as finance costs in the Consolidated Statement of Profit and Loss.

1.19.3. 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 Consolidated Statement of Profit and Loss.

1.20. Financial guarantees

Financial guarantee contracts issued by the Group 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 amortisation.

1.21. 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.

1.22. Taxes on Income

1.22.1. 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 the reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

1.22.2. Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences.

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 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 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.

1.23. Joint operations

The Group 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 a line-by-line basis according to the participating interest with the similar items in the financial statements of the Group.

1.24. Earnings per share

1.24.1. Basic earnings per share are calculated by dividing the net 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.

1.24.2. For the purpose of calculating diluted earnings per share, the net 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.

1.25. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle (considered at 12 months) and other criteria set out in Schedule III of the Act.

1.26. 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 Company 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.

1.27. 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.

1.28 Threshold Limit

The Group has adopted materiality threshold limits in the preparation and presentation of Consolidated financial statements as given below:

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.3.4	₹	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.3.5	₹ Lakhs	10
Depreciation at 100 percent in the year of acquisition	1.4.1	₹	5,000
Expenditure incurred for creating/acquiring other intangible assets in each case	1.5.2	₹ Lakhs	50
Leases Agreements in respect of land	1.9.1	Period (years)	99
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.13.1	₹ Crores	50
Prepaid expenses in each case	1.13.2	₹ Lakhs	5
Disclosure of Contingent Liabilities and Capital Commitments in each case	1.16.6	₹ Lakhs	5

Notes forming part of Consolidated Financial Statements

Note 2 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2019:

(₹ in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at 1 April 2018	187.48	41.72	22.62	251.82
Additions	0.19	12.33	19.48	32.00
Deletions	-	1.86	2.39	4.25
Cost as at 31 March 2019 (A)	187.67	52.19	39.71	279.57
Accumulated depreciation as at 1 April 2018	59.87	25.19	7.23	92.29
Depreciation	14.34	6.37	6.72	27.43
Deletions	-	1.52	2.33	3.85
Accumulated depreciation as at 31 March 2019 (B)	74.21	30.04	11.62	115.87
Net carrying amount as at 31 March 2019 (A) - (B)	113.46	22.15	28.09	163.70

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2018:

(₹ in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at 1 April 2017	187.27	37.29	19.88	244.44
Additions	0.21	6.05	8.86	15.12
Deletions	-	1.62	6.12	7.74
Cost as at 31 March 2018 (A)	187.48	41.72	22.62	251.82
Accumulated depreciation as at 1 April 2017	43.84	19.91	4.44	68.19
Depreciation	16.03	5.67	4.85	26.55
Deletions	-	0.39	2.06	2.45
Accumulated depreciation as at 31 March 2018 (B)	59.87	25.19	7.23	92.29
Net carrying amount as at 31 March 2018 (A) - (B)	127.61	16.53	15.39	159.53

Deemed cost exemption

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for 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 (1 April 2015).

Notes forming part of Consolidated Financial Statements

Note 3 Other Intangible Assets

Following are the changes in the carrying value of other intangible assets for the year ended 31 March 2019:

(₹ in Lakhs)

Description	**Computer Software**	**Oil and Gas assets***	**Total**
Cost as at 1 April 2018	17.07	15,895.26	15,912.33
Additions	-	8,265.10	8,265.10
Cost as at 31 March 2019 (A)	17.07	24,160.36	24,177.43
Accumulated amortization as at 1 April 2018	17.07	9,805.63	9,822.70
Amortization	-	3,416.30	3,416.30
Accumulated amortization as at 31 March 2019 (B)	17.07	13,221.93	13,239.00
Net carrying amount as at 31 March 2019 (A) - (B)	-	10,938.43	10,938.43

Following are the changes in the carrying value of other intangible assets for the year ended 31 March 2018:

(₹ in Lakhs)

Description	**Computer Software**	**Oil and Gas assets***	**Total**
Cost as at 1 April 2017	17.07	11,678.44	11,695.51
Transfer from Intangible asset under development	-	-	-
Additions	-	4,216.82	4,216.82
Cost as at 31 March 2018 (A)	17.07	15,895.26	15,912.33
Accumulated amortization as at 1 April 2017	17.07	4,645.30	4,662.37
Amortization	-	5,160.33	5,160.33
Accumulated amortization as at 31 March 2018 (B)	17.07	9,805.63	9,822.70
Net carrying amount as at 31 March 2018 (A) - (B)	-	6,089.63	6,089.63

Deemed cost exemption

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for its Other Intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1 April 2015).

* In respect of CY-ONN-2002/2, the block entered into Development Phase in F.Y. 2016-17 subsequent to the approval of Field Development Plan (FDP) for 140 sq.km of block area by Management Committee in their meeting held on 16 October 2015 and an application for Mining Licence was made to Government of Tamil Nadu which is under consideration.

Notes forming part of Consolidated Financial Statements

Note 4 Intangible Assets Under Development **(₹ in Lakhs)**

Description	As at 31 March 2019	As at 31 March 2018
Exploratory Wells-in-Progress:		
Acquisition Cost	2,984.13	3,820.96
Exploration Cost		
- Geological & Geophysical Cost	27,136.91	24,072.44
- Drilling Cost	543,012.53	455,270.26
- General & Administrative Cost	32,757.07	29,170.92
	605,890.64	**512,334.58**
Less: Provision for Exploratory Wells-in progress	(12,938.65)	(12,867.10)
Exploratory Wells-in-Progress (A)	**592,951.99**	**499,467.48**
Development Wells-in-Progress:		
- Opening balance	7,391.65	-
- Transferred from Exploratory Wells-in-Progress	4,415.41	6,277.44
- Expenditure during the year	2,159.72	1,114.21
	13,966.78	**7,391.65**
Less: Transfer during the year to intangible asset	-	-
Less: Provision for Development Wells-in progress	(35.04)	(24.42)
Development Wells-in-Progress (B)	**13,931.74**	**7,367.23**
Total (A+B)	**606,883.73**	**506,834.71**

Deemed cost exemption

The Group has availed the deemed cost exemption in relation to the oil and gas related assets on the date of transition and hence the carrying amount of intangible assets under development has been considered as the deemed cost on that date.

Borrowing cost capitalised

During the year ended 31 March 2019, the Group has capitalised interest cost of ₹29,950.19 Lakhs (31 March 2018: ₹18,635.26 Lakhs) at a capitalisation rate of 8.63% for Indian blocks and 5.20% for foreign blocks (31 March 2018: 8.62% for Indian blocks and 3.64% for foreign blocks)

Development wells in progress

In respect of CY-ONN-2004/2, the block entered into Development Phase in F.Y. 2017-18 subsequent to the approval of Field Development Plan (FDP) for 126.8 sq.km of block area by Management Committee in their meeting held on 13 July 2017 and an application for Mining Licence was made to Government of Tamil Nadu which is under consideration. Accordingly, the cost of ₹9,048.42 Lakhs (31 March 2018: ₹7,367.23 Lakhs) incurred in respect of this block is shown under Development well-in-progress as on 31 March 2019.

In respect of CB-ONN-2010/8, the block entered into Development Phase in F.Y. 2018-19 subsequent to the approval of Field Development Plan (FDP) for 42 sq.km of block area by Management Committee in their meeting held on 11 June 2018 and Mining Licence was granted by Government of Gujarat in the month of February 2019. Accordingly, the cost of ₹4,883.32 Lakhs incurred in respect of this block is shown under Development well-in-progress as on 31 March 2019.

Notes forming part of Consolidated Financial Statements

Note 4 Intangible Assets Under Development *(Contd.)*

Impairment

The provision for impairment is ₹12,973.69 Lakhs as at 31 March 2019 (as at 31 March 2018 ₹12,891.52 Lakhs) in respect of Block RJ/ONN/2005/1; MB/OSN/2010/02, MB/OSDSF/B127E/2016, MB/OSDSF/B15/2016, RJ/ONDSF/SADEWALA/2016, RJ/ONDSF/BAKHRITIBBA/2016 and JPDA 06-103 blocks.

Capital expenditure

The Capital expenditure incurred by the Group in the blocks directly held by BPRL or held through its subsidiaries in India & overseas and forming part of the gross block/ Intangible assets under development of the consolidated financial statements during the year ended 31 March 2019 is ₹108,314.12 Lakhs (year ended 31 March 2018: ₹41,022.58 Lakhs).

Additionally the Group has in FY 2018-19, paid cash calls towards capital expenditure amounting to ₹11,309.22 Lakhs (FY 2017-18 ₹4,328.03 Lakhs) for blocks held by IBV in which the group holds 50 % stake, ₹ Nil Lakhs (FY 2017-18 ₹14,801.74 Lakhs) to Taas India, holding oil and gas blocks through TYNGD LLC in which the group holds 9.87% effective equity stake and ₹7,262.99 Lakhs (FY 2017-18 ₹1,580.77 Lakhs) to Falcon Oil & Gas BV, holding Participating Interest (PI) in Lower Zakum Oil and Gas block in Abu Dhabi offshore in which the group holds 3% effective PI. The accounts of these entities have been considered for consolidation in the financial statements of the Group by equity method and not directly forming part of the gross block / Intangible asset under development as on 31 March 2019.

During the year 2017-18, the Group has paid ₹1,17,079.38 Lakhs (USD 180 Mn) for acquisition of 3% effective PI in Lower Zakum Oil & Gas block in Abu Dhabi offshore in consortium with OVL and IOC.

Note 5 Equity accounted investees

Information of interest of the Group in its equity accounted investees:

(₹ in Lakhs)

	Note reference	31 March 2019	31 March 2018
Interest in Joint Ventures	See Note (A) below	1,120,683.78	1,113,729.00
Interest in Associates	See Note (B) below	203.45	191.31
	Total	**1,120,887.23**	**1,113,920.30**

[A] Interest in Joint Ventures

List of material Joint Ventures of the Group

Sr No	Name	Country of Incorporation	Proportion of Ownership Interest	
			31 March 2019	31 March 2018
1	IBV (Brasil) Petroleo Ltda.	Brazil	50.00%	50.00%
2	TAAS India Pte. Ltd.	Singapore	33.00%	33.00%
3	Vankor India Pte. Ltd.	Singapore	33.00%	33.00%
4	Falcon Oil & Gas BV	Netherlands	30.00%	30.00%
5	Urja Bharat Pte. Ltd.#	Singapore	50.00%	-

The principal place of business of all the entities listed above is the same as their respective country of incorporation.

IBV (Brasil) Petroleo Ltda. is principally engaged in the business of exploration of oil and gas.

TAAS India Pte. Ltd. and Vankor India Pte. Ltd. are special purpose vehicles (SPVs) formed by BPRL, IOC and OIL for holding equity stake of 29.9% and 23.9% respectively in TYNGD LLC and JSC Vankorneft. BPRL's wholly owned subsidiary BPRL International Singapore Pte. Ltd. (BISPL), Singapore holds 33% stake in each of these SPVs. The acquisition was completed on 5 October 2016.

Notes forming part of Consolidated Financial Statements

Note 5 Equity accounted investees *(Contd.)*

BPRL as part of the Indian consortium comprising ONGC Videsh and IOCL has acquired 10% PI from SPC in Lower Zakum concession located in offshore Abu Dhabi. The 10% PI of the Indian consortium in Lower Zakum concession is held through Falcon Oil & Gas BV incorporated in the Netherlands. The Concession has become effective from 9th March 2018. BPRL's step down Wholly owned subsidiary, BPRL International Ventures BV holds 30% equity stake in Falcon Oil & Gas BV.

The following table comprises the financial information of the Group's material Joint Venture and their respective carrying amount.

(₹ in Lakhs)

As at 31 March 2019*	**IBV (Brasil) Petroleo Ltda.##**	**TAAS India Pte. Ltd.**	**Vankor India Pte. Ltd.**	**Falcon Oil & Gas BV**
1) Non-current Assets	855,318.98	825,225.04	1,139,500.37	472,765.73
2) Current Assets				
Cash and cash equivalents	45.78	39,176.22	227,950.76	75,741.51
Other Assets	297.67	142.01	-	55,780.29
Total Current Assets	343.45	39,318.23	227,950.76	131,521.80
3) Non-current liabilities				
Financial liabilities (excluding trade and other payable)	382,072.56	45,552.92	-	-
Other liabilities	-	-	-	63,524.59
Total Non-current liabilities	382,072.56	45,552.92	-	63,524.59
4) Current liabilities				
Financial liabilities (excluding trade and other payable)	17,343.73	179.43	13,514.03	25,719.29
Other liabilities	1.78	-	751.49	45,706.28
Total current liabilities	17,345.51	179.43	14,265.52	71,425.57
Net Assets (100%)	**456,244.36**	**818,810.92**	**1,353,185.61**	**469,337.37**
Group's share of net assets	**228,122.18**	**270,207.60**	**446,551.25**	**140,801.21**
Consolidation adjustment	35,001.54	-	-	-
Carrying amount of interest in joint venture	**263,123.72**	**270,207.60**	**446,551.25**	**140,801.21**
Total				**1,120,683.78**
Revenue	-	-	-	678,430.79
Share of Profit in Equity Accounted Investees		54,942.95	157,734.86	-
Depreciation and amortization	6.60	-	-	22,719.93
Finance costs	-	2,421.27	-	-
Income tax expense	-	-	8,128.32	419,409.94
Profit/ (Loss) for the year (100%)	(88,336.46)	50,486.70	149,405.15	41,564.34
Other comprehensive income for the year (100%)	(8,203.69)	(154,651.74)	(219,338.77)	-
Total Comprehensive income for the year (100%)	(96,540.15)	(104,165.04)	(69,933.61)	41,564.34
Provision for Group's Share in Relinquished Blocks	38,777.18	-	-	-
Group's share of profit/ (Loss)	(44,168.23)	16,660.61	49,303.70	12,469.30
Dividends received by the Group	-	-	-	6,225.42

* For consolidation purpose, the group has considered financial results of IBV (Brasil) Petroleo Ltda., TAAS India Pte. Ltd. and Vankor India Pte. Ltd. as at 31 December 2018 based on audited financial statements and hence financial information presented in respect of these entities is as at December 31, 2018.

Notes forming part of Consolidated Financial Statements

Note 5 Equity accounted investees *(Contd.)* **(₹ in Lakhs)**

BPRL International Singapore Pte Ltd. (BISPL) in consortium with IOCL Singapore Pte. Ltd. has incorporated Urja Bharat Pte Ltd. (UBPL), a joint venture company, on 12 February 2019 where BISPL holds 50% equity. As UBPL follows calendar year as its financial period i.e., January-December, financial results of UBPL have not been considered in Consolidated Financials of BPRL for the year 2018-19. During the period 12 February 2019 to 31 March 2019 the Group has contributed ₹3,873.59 Lakhs (USD 5.6 Mn) as its share of equity in UBPL.

On completion of Minimum Work Programme Commitments and based on analysis of G&G data indicating limited prospectivity, as assessed by the Management, the group has relinquished the area under Poco-Verde appraisal plan in SEAL-M-497 & 569 Blocks in Brazil. Accordingly, a provision of ₹38,777 lakhs has been made in the consolidated financials for the Group's share of capitalised costs pertaining to above Blocks.

As at 31 March 2018**	**IBV (Brasil) Petroleo Ltda.**	**TAAS India Pte. Ltd.**	**Vankor India Pte. Ltd.**	**Falcon Oil & Gas BV^**
1) Non-current Assets	899,029.65	916,300.36	1,304,449.22	389,911.16
2) Current Assets				
Cash and cash equivalents	6.84	424.55	80,942.05	17.04
Other Assets	1,129.80	-	-	44,325.94
Total Current Assets	1,136.64	424.55	80,942.05	44,342.98
3) Non-current liabilities				
Financial liabilities (excluding trade and other payable)	350,604.33	52,972.61	-	-
Other liabilities	-	-	-	1,264.32
Total Non-current liabilities	350,604.33	52,972.61	-	1,264.32
4) Current liabilities				
Financial liabilities (excluding trade and other payable)	5,191.05	150.88	56,654.88	111.75
Other liabilities	0.91	-	141.51	35,537.57
Total current liabilities	5,191.96	150.88	56,796.39	35,649.32
Net Assets (100%)	**544,369.99**	**863,601.42**	**1,328,594.88**	**397,340.49**
Group's share of net assets	**272,185.00**	**284,988.47**	**438,436.31**	**119,202.15**
Consolidation adjustment	(1,082.93)	-	-	-
Carrying amount of interest in joint venture	**271,102.07**	**284,988.47**	**438,436.31**	**119,202.15**
Total				**1,113,729.00**
Revenue	-	-	-	42,673.05
Share of Profit in Equity Accounted Investees	-	(13,684.05)	121,125.65	
Depreciation and amortization	4.10	-	-	1,486.02
Finance costs	-	888.10	-	-
Income tax expense	-	-	7,503.58	27,567.26
Profit for the year (100%)	(3,440.75)	(14,834.21)	114,033.28	1,803.75
Other comprehensive income for the year (100%)	9,861.36	66,984.27	80,013.57	-
Total Comprehensive income for the year	(13,302.11)	52,150.06	194,046.85	1,803.75
Group's share of profit	(1,720.37)	(4,895.29)	37,630.98	541.13
Dividends received by the Group	-	-	17,600.93	

** For consolidation purpose, the group has considered share of net assets in TAAS India Pte. Ltd. and Vankor India Pte. Ltd. as at 31 December 2017 based on audited financial statements and hence financial information presented in respect of these two entities is as at 31 December 2017.

During FY 2017-18, the group has consolidated Share of results of IBV for the period April-December 2017 only in order to align the financial period of IBV for consolidation with its financial year i.e., January-December 2017. Had the consolidation period not been changed, the Share of Loss from IBV during 2017-18 would have been higher by ₹3 crores.

^Falcon Oil & Gas BV had been incorporated on 6 February 2018. Accordingly, the financial results are from 6 February 2018 to 31 March 2018.

Notes forming part of Consolidated Financial Statements

Note 5 Equity accounted investees *(Contd.)* **(₹ in Lakhs)**

[B] Interest in Associates

Particulars	**Mozambique LNG 1 Co. Pte Ltd - 10%**	
	As at 31 March 2019	**As at 31 March 2018**
Aggregate carrying amount in its interest in Associates	203.45	191.31
Share of Profit or loss from Associates	-	-
Share of Other Comprehensive Income from Associates	-	-
Share of Total Comprehensive Income from Associates	-	-

(₹ in Lakhs)

Note 6 Loans	**As at 31 March 2019**	**As at 31 March 2018**
(Unsecured unless otherwise stated)		
Loan to Joint Ventures considered good		
Loan to IBV Brasil Petroleo Ltda.	180,337.38	165,371.83
Loan to TAAS India Pte Ltd.	14,866.60	13,406.44
Security deposits		
Considered Good	17.50	10.37
Loan to employees (secured)*	6.65	11.89
	195,228.13	**178,800.53**

* Dues from Directors is ₹ Nil (31 March 2018: ₹3.61 Lakhs) and Dues from Officers is ₹6.65 Lakhs (31 March 2018: ₹8.28 Lakhs). It is a financial asset whose carrying value approximates fair value.

(₹ in Lakhs)

Note 7 Other non-current financial assets	**As at 31 March 2019**	**As at 31 March 2018**
Claims - Considered good		
Service Tax/ GST on Royalty/Others	582.24	-
Fixed deposits with banks with more than twelve months maturity*	3,358.98	163.84
Investment in subsidiary #	1,377.04	-
	5,318.26	**163.84**

* It includes margin money with bank towards bank guarantee given to government authorities of ₹3,247.45 Lakhs (31 March 2018: ₹142.17 Lakhs), deposits pledged with government authorities ₹16 Lakhs (31 March 2018: ₹16 Lakhs) and accrued interest thereon (net of TDS) of ₹95.53 lakhs (31 March 2018: ₹5.67 Lakhs).

It represents investments made after the end of the financial period of subsidiary. The amount is remaining unadjusted due to different financial periods followed by the parent and subsidiary.

(₹ in Lakhs)

Note 8 Inventories *	**As at 31 March 2019**	**As at 31 March 2018**
Finished Goods**	116.76	93.46
Stores & Spares	60.78	142.19
	177.54	**235.65**

* (Refer Note No. 1.11)

** Group's share of inventory is based on the unaudited financial statements of block CY-ONN-2002/02 received from ONGC (operator of the block).

(₹ in Lakhs)

Notes forming part of the Consolidated Financial Statement

Note 9 Trade Receivables	**As at 31 March 2019**	**As at 31 March 2018**
Considered Good - Unsecured	854.78	662.90
	854.78	**662.90**

(₹ in Lakhs)

Note 10 Cash and cash equivalents	**As at 31 March 2019**	**As at 31 March 2018**
Balances with Banks:		
On Current Account	13,538.09	18,643.17
Demand deposits with Banks with original maturity of less than three months	4,551.76	16,261.03
	18,089.85	**34,904.20**

(₹ in Lakhs)

Note 11 Other Bank balances	**As at 31 March 2019**	**As at 31 March 2018**
Fixed deposits with banks maturing in next twelve months*	12,747.05	146.88
	12,747.05	**146.88**

* It includes bid bond with government authorities of ₹31.26 Lakhs (31 March 2018: ₹31.95 Lakhs), margin money with bank towards bank guarantee given to government authorities of ₹2,139.02 Lakhs (31 March 2018: ₹113.85 Lakhs) and accrued interest thereon (net of TDS) of ₹75.65 lakhs (31 March 2018: ₹1.08 Lakhs).

(₹ in Lakhs)

Note 12 Loans	**As at 31 March 2019**	**As at 31 March 2018**
Loan to Joint Venture considered good		
Loan to Vankor India Pte Ltd.	4,321.62	18,623.50
Loan to employees (secured)*	5.01	1.90
	4,326.63	**18,625.40**

* Dues from Directors is ₹3.61 Lakhs (31 March 2018: ₹0.50 Lakhs) and Dues from Officers is ₹1.40 Lakhs (31 March 2018: ₹1.40 Lakhs)

(₹ in Lakhs)

Note 13 Other current financial assets	**As at 31 March 2019**	**As at 31 March 2018**
Receivable from consortium partners	2,497.49	2,609.54
Less: Provision	(1,069.60)	-
Other receivables	210.83	152.58
	1,638.72	**2,762.12**

(₹ in Lakhs)

Notes forming part of the Financial Statement

Note 14 Current Tax assets (net)	**As at 31 March 2019**	**As at 31 March 2018**
TDS Receivable	22.02	18.93
Income Tax Refund receivable	42.61	24.49
	64.63	**43.42**

(₹ in Lakhs)

Note 15 Other current assets	**As at 31 March 2019**	**As at 31 March 2018**
Prepaid Expense	137.96	54.66
Cenvat/GST Credit	1,233.99	756.76
Advance paid to operators	1,579.76	3,905.49
	2,951.71	**4,716.91**

(₹ in Lakhs)

Note 16 Equity Share Capital	**As at 31 March 2019**	**As at 31 March 2018**
Authorised		
5,000,000,000 (31 March 2018: 5,000,000,000) equity shares	500,000.00	500,000.00
Issued, subscribed and paid-up		
5,000,000,000 (31 March 2018: 4,448,002,670) equity shares fully paid-up	500,000.00	444,800.27
Total	**500,000.00**	**444,800.27**

The Company 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 share.

Reconciliation of No. of Equity Shares

	As at 31 March 2019	**As at 31 March 2018**
A. Opening Balance	4,448,002,670	2,920,002,670
B. Shares Issued	551,997,330	1,528,000,000
C. Closing Balance	5,000,000,000	4,448,002,670

Details of shareholders holding more than 5% shares

Name of shareholder	**As at 31 March 2019**	**As at 31 March 2018**
	No. of shares	**No. of shares**
Bharat Petroleum Corporation Ltd	4,999,999,940	4,448,002,610
Percentage of holding	100% #	100% #

60 shares held by others

(₹ in Lakhs)

Notes forming part of the Financial Statement

Note 17 Other Equity	As at 31 March 2019	As at 31 March 2018
(a) Retained earnings		
Opening balance	(282,048.06)	(275,548.71)
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	(9,568.67)	(6,871.56)
Add : Remeasurements of Defined Benefit Plans (net of tax)	2.60	0.59
Add/ (Less) : Transfer from equity component of loan	1,628.84	371.62
Closing balance	**(289,985.29)**	**(282,048.06)**
(b) Capital reserve		
Opening balance	44,918.44	45,290.06
Add/ (Less): Transfer made during the year to retained earnings	(1,628.84)	(371.62)
Closing balance	**43,289.60**	**44,918.44**
(c) Foreign currency translation reserve		
Opening balance	133,877.80	89,016.82
Add/ (Less) : Effect of foreign exchange rate variations during the year	(97,397.59)	44,860.98
Closing balance	**36,480.21**	**133,877.80**
Total Other Equity	**(210,215.48)**	**(103,251.82)**

Nature and purpose of reserves

(a) Retained earnings

Retained earnings includes the Group's cumulative earnings and losses. It also includes the amount transferred from capital reserves as mentioned above.

(b) Capital reserve

The Group had received interest free borrowing of ₹65,000 lakhs from its Parent Company. Under Ind AS, at the date of transition, the company recognised for the said financial liability at fair value with the differential recognised as equity component to be spread over the tenure of the loan.

(c) Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income as described in accounting policies and accumulated in separate reserves within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

(₹ in Lakhs)

Note 18 Borrowings	As at 31 March 2019	As at 31 March 2018
Secured		
Term Loans from banks	-	785,462.75
Unsecured		
Term Loan from Parent Company	68,849.03	84,180.94
Term Loans from banks	650,872.82	223,561.38
Bonds	417,828.18	389,321.20
	1,137,550.03	**1,482,526.27**

Notes forming part of the Financial Statement

(₹ in Lakhs)

Terms of Repayment Schedule of Long-term borrowings as on 31 March 2019: Loan from Banks (Secured)

Repayment date	Loan value as on 31 March 2019	Loan value as on 31 March 2018
24 August 2020	-	81,305.13
19 June 2021	-	32,522.05
27 November 2020	-	162,610.25
27 November 2022	-	260,176.40
30 June 2022	-	65,044.10
30 June 2024	-	195,132.30

The above loan carries interest of 3 Months Libor + margin.

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

During the year 2018-19, pursuant to refinancing exercise of above borrowings undertaken by BPRL International BV, the aforesaid underlying securities have been released by the Lenders.

Unsecured:	₹ in Lakhs	Maturity in F.Y.	Rate of Interest
Loan from Parent Company	35,000.00	2029-30	Interest free
Loan from Parent Company	30,000.00	2028-29	Interest free
Loan from Parent Company*	45,000.00	2026-27	SBI MCLR + 0.20%

* The Lender (Parent Company) has the right to demand at any time that the borrower (the Company) shall issue shares to the lender in lieu of the loan amount on such date or any pro rata part of the loan as the Lender demands to be converted.

Unsecured:	₹ in Lakhs	Maturity in F.Y.	Rate of Interest
Bonds	418,753.80	2026-27	4.375%
Term Loan from Banks	155,635.43	2021-22	3M LIBOR+ Margin
Term Loan from Banks	277,616.70	2022-23	3M LIBOR+ Margin
Term Loan from Banks	155,635.43	2023-24	3M LIBOR+ Margin
Term Loan from Banks	69,171.30	2025-26	3M LIBOR+ Margin

On 18 January 2017, BPRL International Singapore Pte. Ltd issued bonds for a tenure of 10 years which is listed on the Singapore Stock Exchange. The bonds are guaranteed by the parent company, BPCL.

The term loans amounting ₹103,756.95 Lakhs are backed by Guarantee from parent company, BPCL.

(₹ in Lakhs)

Note 19 Long Term Provisions	As at 31 March 2019	As at 31 March 2017
Provision for employee benefits	69.42	54.59
Provision for abandonment	1,902.76	1,825.13
	1,972.18	**1,879.72**

Notes forming part of the Financial Statement

(₹ in Lakhs)

Note 20 Trade Payables	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises* (A)	28.86	3.59
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Due to Parent Company	436.14	894.00
- Others	1,045.55	3,004.66
(B)	1,481.69	3,898.66
	1,510.55	**3,902.25**

* (Refer note 43 for details of Dues to Micro, Small and Medium Enterprises)

(₹ in Lakhs)

Note 21 Borrowings	As at 31 March 2019	As at 31 March 2018
Unsecured		
From Bank	501,491.93	-
	501,491.93	**-**

Unsecured	₹ in Lakhs	Repayment date	Rate of Interest
Loan from Banks	224,806.73	25 September 2019	3 Month Libor + margin.
Loan from Banks	276,685.20	21 October 2019	3 Month Libor + margin.

(₹ in Lakhs)

Note 22 Current - Other financial liabilities	As at 31 March 2019	As at 31 March 2018
Due to Operators	8,318.77	1,341.98
Interest accrued but not due on borrowings	16,986.10	14,297.17
Security/Earnest Money deposits	96.19	208.96
Employee benefit obligation	394.10	415.00
	25,795.16	**16,263.11**

(₹ in Lakhs)

Note 23 Other current liabilities	As at 31 March 2019	As at 31 March 2018
Statutory Dues Payable	253.74	142.60
	253.74	**142.60**

(₹ in Lakhs)

Note 24 Provisions	As at 31 March 2019	As at 31 March 2018
Current		
Provision for Liquidated Damages	10,271.70	9,853.95
Provision for abandonment	321.22	268.13
Provision for employee benefits	44.61	2.74
	10,637.53	**10,124.82**

Notes forming part of the Financial Statement

Movements in provisions - includes Non current and current	**Liquidated Damages**	**Abandonment**	**Total**
Balance as at 1 April 2017	10,120.84	1,833.86	11,954.70
Provisions made during the year	191.78	86.43	278.21
Provisions utilised/ reversed during the year	(497.03)	(8.92)	(505.95)
Foreign exchange fluctuation	38.36	181.89	220.25
Balance as at 31 March 2018	9,853.95	2,093.26	11,947.21
Movements in provisions - includes Non current and current	**Liquidated Damages**	**Abandonment**	**Total**
Balance as at 1 April 2018	9,853.95	2,093.26	11,947.21
Provisions made during the year	-	165.89	165.89
Provisions utilised/ reversed during the year	(191.78)	(5.00)	(196.78)
Foreign exchange fluctuation	609.53	(30.17)	579.36
Balance as at 31 March 2019	10,271.70	2,223.98	12,495.68

Liquidated Damages

In respect of blocks held in India, as per the Production Sharing Contracts (PSC) signed by the Group with the Government of India (GoI), the Group 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 the Group does not complete MWP or surrender the block without completing the MWP, an amount as agreed in PSC is required to be paid to the GoI for incomplete portion of the MWP. Accordingly, Group has provided ₹10,271.70 lakhs towards liquidated damages as on 31 March 2019 (31 March 2018 ₹9,853.95 lakhs) in respect to various blocks. A provision of ₹ Nil has been made in FY 2018-19 (31 March 2018: ₹191.78 Lakhs in respect of block CB 2010/11).

Abandonment

The Group has Participating Interest in various oil and gas blocks along with other consortium partners. The Group has made a provision of ₹2,223.98 lakhs as on 31 March 2019 (31 March 2018 ₹2,093.26 lakhs) in respect of Group's share of the abandonment obligation.

(₹ in Lakhs)

Note 25 Current tax liabilities (net)	**As at 31 March 2019**	**As at 31 March 2018**
Provision for taxation	3.23	-
	3.23	-

(₹ in Lakhs)

Note 26 Revenue from Operations	**For the year 2018-19**	**For the year 2017-18**
Sales of products	13,054.93	8,969.90
	13,054.93	8,969.90

Note 26(a) Quantitative Details of Revenue		**For the year 2018-19**	**For the year 2017-18**
Product			
Crude Oil*	Unit (in MT)	36,534.86	32,954.08
	Value (₹ In Lakhs)	13,054.93	8,969.90

* Quantity represents share from Unincorporated Joint Ventures as per the Participating Interest.

Notes forming part of the Financial Statement

(₹ in Lakhs)

Note 27 Other Income	For the year 2018-19	For the year 2017-18
Financial assets at FVTPL - net change in fair value	3,892.39	11,933.68
Interest Income on instruments measured at amortised cost	779.99	559.93
Interest earned in current accounts	112.34	-
Miscellaneous Income	223.38	130.72
Profit on Sale of Assets	-	0.92
	5,008.10	**12,625.25**

(₹ in Lakhs)

Note 28 Production expenditure	For the year 2018-19	For the year 2017-18
Operating expenditure	1,134.24	883.30
Royalty	1,513.24	939.38
	2,647.48	**1,822.68**

(₹ in Lakhs)

Note 29 Changes in Inventories of Finished Goods	For the year 2018-19	For the year 2017-18
Value of Opening Stock of:		
Finished Goods	93.46	-
Less: Value of Closing Stock of:		
Finished Goods	116.76	93.46
	(23.30)	**(93.46)**

(₹ in Lakhs)

Note 30 Employee Benefits Expense	For the year 2018-19	For the year 2017-18
Salaries and wages	1,163.58	1,195.87
Payment towards PF and other Funds	228.36	223.22
Welfare expenses	203.42	157.12
	1,595.36	**1,576.21**

(₹ in Lakhs)

Note 31 Finance Cost	For the year 2018-19	For the year 2017-18
Interest Expense	49,586.85	50,899.82
	49,586.85	**50,899.82**

Notes forming part of the Financial Statement

(₹ in Lakhs)

Note 32 Other Expenses	For the year 2018-19	For the year 2017-18
Irrecoverable Taxes	697.57	597.38
Provision for bad and doubtful loans & advances	1,069.60	-
Impairment for Intangible assets under development	82.18	55.79
Repairs and maintenance :		
Machinery	2.19	1.84
Others	197.64	107.73
Insurance	1.28	1.46
Rent Rates and taxes	479.37	393.72
Legal and Professional Fees	1,117.75	1,243.75
Liquidated Damages	164.20	-
Travelling and Conveyance	420.44	318.54
Advertisement	14.06	33.74
Bank Charges	71.30	35.66
Printing & Stationery	18.51	15.80
Software Expenses	75.78	45.12
Postage, Telephone etc.	16.05	17.78
Electricity Charges	1.63	20.02
Security Expenses	6.63	7.09
Payment to Auditors		
For Audit Fees	70.19	73.27
For Certification	2.15	1.43
Foreign Exchange fluctuations (net)	457.95	231.93
Loss on disposal / sale of asset	0.05	-
Bidding Data Purchase Expenses	172.58	112.19
Other Expenses	49.82	104.66
	5,188.92	**3,418.90**

Note 33 Tax Expense/ Deferred Tax reconciliation

(a) Amounts recognised in profit and loss (₹ in Lakhs)

	For the year ended	
	31 March 2019	31 March 2018
Current tax expense		
Current period	6.09	-
Deferred tax expense / (benefit)		
Origination and reversal of temporary differences	(407.28)	(2,787.88)
Tax expense / (benefit) recognised in the income statement	**(401.19)**	**(2,787.88)**

Notes forming part of the Financial Statement

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Items that will be reclassified to profit or loss						
(a) Exchange differences on translation of foreign operations	30,391.77	-	30,391.77	(6,024.08)	-	(6,024.08)
(b) Share of Other comprehensive income of equity accounted investee	(127,789.36)	-	(127,789.36)	50,885.06	-	50,885.06
	(97,397.59)	**-**	**(97,397.59)**	**44,860.98**	**-**	**44,860.98**

(c) Reconciliation of effective tax rate **(₹ in Lakhs)**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) before Tax	(9,969.86)	(9,659.44)
Tax using the Company's domestic tax rate (Current year 26.00% and Previous Year 25.75%)	(2,592.17)	(2,487.31)
Tax effect of:		
Differences in the tax rate of foreign jurisdictions*	(902.96)	(141.57)
Tax losses for which no deferred income tax was recognised	5,161.20	3,614.80
Expenses not deductible for tax purposes	3,339.25	3,947.37
Deductible expenses on which no deferred income tax is recognised	518.67	2,978.46
Changes in Deferred Tax rate	-	(2,298.80)
Effect of result of equity-accounted investee presented net of tax	(4,902.30)	(5,329.22)
Income not chargeable to tax	(1,040.36)	(3,071.38)
Others	17.48	(0.24)
Tax expense as per Statement of Profit & Loss	**(401.19)**	**(2,787.88)**

* BPRL International BV, Netherlands and BPRL International Singapore Pte Ltd., subsidiaries operates in a tax jurisdiction with different tax rates.

(d) Movement in deferred tax balances **(₹ in Lakhs)**

31 March 2019	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Liability					
Borrowings	(11,262.96)	563.71	-	-	(10,699.25)
Intangible asset under development	(415.84)	(106.97)	-	-	(522.81)
Property Plant & Equipment	(18.54)	2.31	-	-	(16.23)
Oil & Gas Assets	18.54	(51.77)	-	-	(33.23)
	(11,678.80)	**407.28**	**-**	**-**	**(11,271.52)**

Notes forming part of the Financial Statement

(₹ in Lakhs)

31 March 2018	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Liability					
Borrowings	(14,069.48)	2,806.52	-	-	(11,262.96)
Intangible asset under development	(397.20)	(18.64)	-	-	(415.84)
Property Plant & Equipment	-	(18.54)	-	-	(18.54)
Oil & Gas Assets	-	18.54	-	-	18.54
	(14,466.68)	**2,787.88**	**-**	**-**	**(11,678.80)**

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..

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

In respect of deductible temporary differences of ₹18,590.54 lakhs deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

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 Lakhs)

	31 March 2019		31 March 2018	
	Gross amount	**Expiry date**	**Gross amount**	**Expiry date**
Business loss	-	-	9,556.34	2018-19
Business loss	16,258.00	2019-20	15,642.16	2019-20
Business loss	62,500.07	2020-21	61,124.42	2020-21
Business loss	6,845.04	2021-22	6,815.86	2021-22
Business loss	2,979.04	2022-23	2,979.04	2022-23
Business loss	3,558.40	2023-24	3,375.29	2023-24
Business loss	13,055.39	2024-25	12,901.92	2024-25
Business loss	16,512.92	2025-26	16,409.10	2025-26
Business loss	901.00	2026-27	-	-
Long-term Capital loss	-	-	53.05	2018-19
Unabsorbed depreciation	753.01	No expiry date	753.01	No expiry date

Note 1 : The figures of previous year losses have been adjusted for change in Foreign Exchange rate wherever applicable.

Note 2 : Previous year figures have been restated as per tax returns filed during the year, wherever applicable.

Notes forming part of the Financial Statement

Note 34 Earnings per share (EPS)

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of parent **(₹ in Lakhs)**

Particulars	31 March 2019	31 March 2018
Profit / (loss) attributable to equity holders of the parent	**(9,568.67)**	**(6,871.56)**

ii. Weighted average number of ordinary shares

Particulars	31 March 2019	31 March 2018
Issued ordinary shares at the beginning of the year	4,448,002,670	2,920,002,670
Shares issued and allotted during the year	551,997,330	1,528,000,000
Weighted Average Number of shares issued during the year	34,783,393	8,372,603
Weighted average number of shares	**4,482,786,063**	**2,928,375,273**
Basic and Diluted earnings per share (₹)	**(0.21)**	**(0.23)**

Note 35 Leases - Operating Leases

The Group has taken commercial premises and land under cancellable operating leases.

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
The rental expenses recognised in Profit and Loss account for operating leases :		
Minimum lease payments	475.66	390.23
Total rental expenses relating to operating lease	**475.66**	**390.23**

In addition to above, the Group has paid rent ₹30.26 Lakhs (31 March 2018: ₹28.27 Lakhs) towards commercial premises and land used for block CB/ONN/2010/08. The same is capitalised under Intangible asset under development.

Note 36 Employee benefits

Majority of the employees are on deputation from Bharat Petroleum Corporation Limited (BPCL).

(a) Expenditure under the head "Employee benefits expenditure" includes debit notes raised by BPCL towards employees on deputation including in respect of employee benefits i.e. leave encashment and retirement benefits towards Provident Fund, Gratuity, etc. The details of expenses debited to the profit and loss account under this head are as follows:

(₹ in Lakhs)

Sr No	Particulars	For the year 2018-19	For the year 2017-18
1	Provident Fund	88.87	83.00
2	Gratuity	35.94	36.49
3	Leave encashment	63.25	68.63
4	Super Annuation (NPS)	87.19	81.35
	Total	**275.25**	**269.47**

(b) Pursuant to Company been upgraded to Schedule "B", Government of India has appointed three Whole time directors on the Board of BPRL.

Notes forming part of the Financial Statement

(A) Defined Contribution Plan

The Company has long-term benefits such as Provident Fund and superannuation fund for its employees. In respect of employees on deputation from BPCL, the cost towards these benefits is recognised based on debit notes from the respective companies.

(B) Defined Benefit Plan

The Company has different schemes such as Gratuity, Retirement Medical Scheme, etc. for its employees. In respect of employees on deputation from BPCL, the cost towards these benefits is recognised based on debit notes from BPCL.

Charge to the Statement of Profit and Loss in respect of above:

(₹ in Lakhs)

Sr No.	Particulars	For the year 2018-19	For the year 2017-18
1	Provident Fund	10.20	7.84
2	Superannuation (including gratuity)	15.25	11.70
	Total	**25.45**	**19.54**

The defined benefit plans expose the Company to actuarial risks, such as salary risk, mortality risk and interest rate risk.

Movement in net defined benefit (Asset)/ Liability

(₹ in Lakhs)

Particulars		Gratuity - Unfunded	
		2018-19	2017-18
a)	**Reconciliation of balances of Defined Benefit Obligations**		
	Defined Benefit Obligation at the beginning of the Period	21.49	10.60
	Interest Cost	1.62	0.80
	Current Service Cost	1.21	1.28
	Past Service Cost	-	9.40
	Liability Transferred In/ Acquisitions	20.00	-
	Actuarial (Gains)/ Losses on obligation		
	- Changes in financial Assumptions	(0.15)	(0.05)
	- Experience adjustments	(2.45)	(0.54)
	Defined Benefit Obligation at the end of the Period	**41.72**	**21.49**
b)	**Amount recognised in Balance sheet**	**41.72**	**21.49**
c)	**Amount recognised in Statement of Profit and Loss**		
	Current Service Cost	1.21	1.28
	Interest Cost	1.62	0.80
	Past Service Cost	-	9.40
	Expenses for the year	**2.83**	**11.48**

Notes forming part of the Financial Statement

(₹ in Lakhs)

Particulars		Gratuity - Unfunded	
		2017-18	2016-17
d)	**Amount recognised in Other Comprehensive Income**		
	Remeasurements:		
	Actuarial (Gains)/ Losses		
	- Changes in financial Assumptions	(0.15)	(0.05)
	- Experience adjustments	(2.45)	(0.54)
	Total	**(2.60)**	**(0.59)**
e)	**Major Actuarial Assumptions**		
	Rate of Discounting	7.59%	7.56%
	Rate of Salary Increase	8.00%	8.00%
	Rate of Employee Turnover	2.00%	2.00%
	Mortality Rate during Employment	Indian Assured Lives Mortality (2006-08)	
f)	**Sensitivity Analysis**		
	Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/ decrease of 1% is as below:		
	Projected Benefit Obligation on Current Assumptions	41.72	21.49
	Delta Effect of +1% Change in Rate of Discounting	(1.03)	(0.82)
	Delta Effect of -1% Change in Rate of Discounting	1.18	0.94
	Delta Effect of +1% Change in Rate of Salary Increase	0.27	0.47
	Delta Effect of -1% Change in Rate of Salary Increase	(0.46)	(0.52)
g)	**Maturity Analysis of the Benefit Payments**		
	Projected Benefits payable in future years from date of reporting are as follows:		
	1st following year	20.67	
	2nd following year	0.67	
	3rd following year	0.73	
	4th following year	18.42	
	5th following year	0.17	
	Years 6 to 10	3.68	

(C) Other long-term employee benefits:

The charge towards leave encashment for the year ended 31 March 2019 is ₹10.27 Lakhs (31 March 2018: ₹5.20 Lakhs).

Notes forming part of the Financial Statement

Note 37 Financial instruments – Fair values and risk management

1. Financial instruments – Fair values and risk management

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 Lakhs)

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	18,089.85	18,089.85	-	-	-	-
Other Bank Balances	-	-	12,747.05	12,747.05	-	-	-	-
Loan to joint venture*	180,337.38	-	14,866.60	195,203.98	-	14,866.60	180,337.38	195,203.98
Loan to joint venture			4,321.62	4,321.62	-	-	-	-
Security deposit	-	-	17.50	17.50	-	-	-	-
Trade Receivables	-	-	854.78	854.78	-	-	-	-
Loans to employees	-	-	11.66	11.66	-	-	-	-
Other non current financial asset	-	-	5,318.26	5,318.26	-	-	-	-
Other current financial asset	-	-	1,638.72	1,638.72	-	-	-	-
	180,337.38	**-**	**57,866.04**	**238,203.42**	**-**	**14,866.60**	**180,337.38**	**195,203.98**
Financial liabilities								
Bonds	-	-	417,828.18	417,828.18	419,385.59	-	-	419,385.59
Term loans - Secured	-	-	-	-	-	-	-	-
Term loans - Unsecured	-	-	719,721.85	719,721.85	-	719,721.85	-	719,721.85
Trade Payables	-	-	1,510.55	1,510.55				
Short Term Borrowings	-	-	501,491.93	501,491.93	-	501,491.93	-	501,491.93
Other current liabilities	-	-	25,795.16	25,795.16	-	-	-	-
	-	**-**	**1,666,347.67**	**1,666,347.67**	**419,385.59**	**1,221,213.78**	**-**	**1,640,599.37**

(₹ in Lakhs)

31 March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	34,904.20	34,904.20	-	-	-	-
Other Bank Balances	-	-	146.88	146.88	-	-	-	-
Loan to joint venture*	165,371.83	-	13,406.44	178,778.27	-	13,406.44	165,371.83	178,778.27
Loan to joint venture	-	-	18,623.50	18,623.50	-	-	-	-
Security deposit	-	-	10.37	10.37	-	-	-	-
Trade Receivables	-	-	662.90	662.90				
Loans to Employees	-	-	13.79	13.79				
Other non current financial asset	-	-	163.84	163.84	-	-	-	-
Other Current financial asset	-	-	2,762.12	2,762.12	-	-	-	-
	165,371.83	**-**	**70,694.04**	**236,065.87**	**-**	**13,406.44**	**165,371.83**	**178,778.27**
Financial liabilities								
Bonds	-	-	389,321.20	389,321.20	384,937.49	-	-	384,937.49
Term loans - Secured	-	-	785,462.75	785,462.75	-	785,462.75	-	785,462.75
Term loans - Unsecured	-	-	307,742.32	307,742.32	-	307,742.32	-	307,742.32
Short Term Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	3,902.25	3,902.25	-	-	-	-
Other current liabilities	-	-	16,263.11	16,263.11	-	-	-	-
	-	**-**	**1,502,691.63**	**1,502,691.63**	**384,937.49**	**1,093,205.07**	**-**	**1,478,142.56**

* BPRL Ventures BV, subsidiary of BPRL has given loan to its joint venture company i.e. IBV (Brasil) Petroleo Ltda (IBV) at interest rate LIBOR + 4% for the tenure of 50 years.

Notes forming part of the Financial Statement

Note 37 Financial instruments – Fair values and risk management *(Contd.)*

Principal amount of the loan can be converted into IBV equity shares anytime at the option of BPRL. Conversion ratio of equity share is amount outstanding divide by USD 1 and then convert into Brazilian reais. Face value of the equity shares of IBV (Brasil) Petroleo Ltda. is 1 Brazilian real.

Interest is payable in the next year in which IBV makes profit and Interest is payable only for that year not for prior period years.

As it does not meet the definition of amortised cost and nor it is an equity instrument due to its conversion option. The Company has fair valued the loan and classified it as FVTPL. The gain / loss on fair valuation is transferred to Statement of Profit and Loss (refer note 27).

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, 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
Loan to joint venture	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 USDBRL exchange rate, the same was simulated using a GARCH model.	Share price (31 March 2019: 1.09) Credit spread (31 March 2019: 2.50%)	Not applicable
Non current financial assets and liabilities measured at amortised 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 from the opening balances to the closing balances for Level 3 fair values.

Paticulars	Loan to joint venture
Opening Balance (1 April 2017)	154,439.07
Net change in fair value	11,933.68
FCTR	(309.62)
Effect of foreign exchange fluctuations	(691.30)
Closing Balance (31 March 2018)	**165,371.83**
Opening Balance (1 April 2018)	165,371.83
Net change in fair value	3,892.39
FCTR	(270.78)
Effect of foreign exchange fluctuations	11,343.94
Closing Balance (31 March 2019)	**180,337.38**

Notes forming part of the Financial Statement

Note 37 Financial instruments – Fair values and risk management *(Contd.)*

Sensitivity analysis

For the fair values of loan to joint venture, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

(₹ in Lakhs)

Significant unobservable inputs	31 March 2019 Profit or loss		31 March 2018 Profit or loss	
	Increase	Decrease	Increase	Decrease
Credit spread (10% movement)	(2,131.59)	2,157.08	(2,362.73)	2,396.97
Share price (10% movement)	26,247.30	(26,247.30)	22,424.39	(22,424.39)

C. Financial risk management

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (the Committee), which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and bank deposits kept with banks, receivables from joint operators and loan to subsidiary. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counter party.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

The Group does not have significant credit risk on account of receivables from customers.

Cash and bank deposit

The Group held cash and bank balance with banks with good credit ratings.

Other Bank balance - Fixed Deposits with Bank

The Group has fixed deposits with banks with good credit ratings.

Other receivables

The credit worthiness of receivables from others is evaluated by the management on an ongoing basis and is considered to be good.

The Group does not have financial assets that are past due but not impaired.

Notes forming part of the Financial Statement

Note 37 Financial instruments – Fair values and risk management *(Contd.)*

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. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has access to funds from banks for long term borrowings, bonds issued in capital market and loan from holding Company. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments.

(₹ in Lakhs)

31 March 2019	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long term loan from bank	650,872.82	758,106.88	25,217.96	202,824.06	456,435.15	73,629.72
Term loan from parent company	68,849.03	138,544.79	3,802.50	7,605.00	7,605.00	119,532.29
Bonds	417,828.18	561,653.53	18,320.48	36,640.96	36,640.96	470,051.14
Short term loan from banks	501,491.93	511,941.02	511,941.02	-	-	-
Trade Payables	1,510.55	1,510.55	1,510.55	-	-	-
Other financial liabilities	25,795.16	25,795.16	25,795.16	-	-	-

(₹ in Lakhs)

31 March 2018	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long term loan from bank	1,009,024.13	1,177,322.86	34,629.52	309,629.58	629,809.27	203,254.50
Term loan from parent company	84,180.94	171,097.60	5,125.00	10,250.00	10,250.00	145,472.60
Bonds	389,321.20	540,516.47	17,074.08	34,148.15	34,148.15	455,146.09
Short term loan from banks	-	-	-	-	-	-
Trade Payables	3,902.25	3,902.25	3,902.25	-	-	-
Other financial liabilities	16,263.11	16,263.11	16,263.11	-	-	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Notes forming part of the Financial Statement

Note 37 Financial instruments – Fair values and risk management *(Contd.)*

Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Group has not taken derivative instruments to hedge the foreign currency risk and strives to achieve asset liability offset of foreign currency exposure. Also, the Group continuously monitors the fluctuation in currency risk and ensures that the company does not have adverse impact on account of fluctuation in exchange rates.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

(₹ in Lakhs)

31 March 2019	Total	USD	AUD	GBP	EUR	MZN	SGD
Financial assets							
Cash and cash equivalents	54.93	13.88	-	-	31.31	0.27	9.46
Other Current financial asset	229.43	229.43	-	-	-	-	-
Net exposure for assets	284.35	243.31	-	-	31.31	0.27	9.46
Financial liabilities							
Trade Payables	468.74	244.76	-	-	152.00	17.14	54.84
Other Current financial liabilities	129.08	87.89	41.19	-	-	-	-
Net exposure for liabilities	597.82	332.65	41.19	-	152.00	17.14	54.84
Net exposure (Assets - Liabilities)	**(313.47)**	**(89.34)**	**(41.19)**	**-**	**(120.69)**	**(16.87)**	**(45.38)**

(₹ in Lakhs)

31 March 2018	Total	USD	AUD	GBP	EUR	MZN	SGD
Financial assets							
Cash and cash equivalents	6.44	3.02	-	-	2.08	0.44	0.89
Other Current financial asset	752.18	752.18	-	-	-	-	-
Net exposure for assets	758.62	755.20	-	-	2.08	0.44	0.89
Financial liabilities							
Trade Payables	314.01	128.83	-	31.35	109.49	10.26	34.07
Other Current financial liabilities	71.48	33.10	38.38	-	-	-	-
Net exposure for liabilities	385.49	161.93	38.38	31.35	109.49	10.26	34.07
Net exposure (Assets - Liabilities)	**373.13**	**593.27**	**(38.38)**	**(31.35)**	**(107.40)**	**(9.82)**	**(33.18)**

Sensitivity analysis

A reasonable possible strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Notes forming part of the Financial Statement

Note 37 Financial instruments – Fair values and risk management *(Contd.)*

Effect on Profit or Loss (before tax) ₹ in lakhs	Strengthening/ Weakening %	31 March 2019		31 March 2018	
		Strengthening	Weakening	Strengthening	Weakening
USD	3%	(2.68)	2.68	17.80	(17.80)
AUD	5%	(2.06)	2.06	(1.92)	1.92
GBP	5%	-	-	(1.57)	1.57
EURO	2%	(2.41)	2.41	(2.15)	2.15
MZN	5%	(0.84)	0.84	(0.49)	0.49
SGD	3%	(1.36)	1.36	(1.00)	1.00
		(9.36)	**9.36**	**10.68**	**(10.68)**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in the interest rates.

The Group's exposure to market risk for changes in interest rates primarily relates to borrowings from banks and borrowings from parent company.

For details of the Group's long term loans and borrowings, including interest rate profiles, refer to Note 18 of these financial statements.

Exposure to Interest Rate Risk

(₹ in Lakhs)

Carrying Amount	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial assets - measured at amortised cost	35,536.05	29,991.98
Financial liabilities - measured at amortised cost	(441,677.21)	(411,002.14)
	(406,141.16)	**(381,010.16)**
Variable-rate instruments		
Financial Assets - measured at Fair Value through profit & loss	180,337.38	165,371.83
Financial liabilities - measured at amortised cost	(1,197,364.75)	(1,071,524.13)
	(1,017,027.37)	**(906,152.30)**

Interest rate sensitivity - fixed rate instruments

The Group's fixed rate deposits with banks and bonds issued in capital markets are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ decreased profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Notes forming part of the Financial Statement

Note 37 Financial instruments – Fair values and risk management *(Contd.)*

(₹ in Lakhs)

Cash flow sensitivity (net)	Profit/ (loss)	
	100 bps increase	100 bps decrease
31 March 2019		
Variable-rate instruments	(10,170.27)	10,170.27
Cash flow sensitivity (net)	**(10,170.27)**	**10,170.27**
31 March 2018		
Variable-rate instruments	(9,061.52)	9,061.52
Cash flow sensitivity (net)	**(9,061.52)**	**9,061.52**

Commodity Risk

The company has insignificant exposure to market risk with respect to commodity prices primarily arising from the Company's sale of the crude oil. The prices may fluctuate significantly over short periods of time for this commodity. The prices of the Company's commodity generally fluctuate in line with global market conditions. Commodity price risk exposure is evaluated and managed through operating procedures and policies. As of 31 March 2019, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Note 38 Capital Management

The Group's policy is to maintain a strong capital base to sustain future development of the business. The holding company, BPCL, has been extending financial support to the Group to meet its obligation under production sharing contracts and for other activities, as required, and is committed to provide the necessary level of financial support, to enable the operations of the Group. The Group has adequate cash and bank balances. The Group monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements including funding from the parent company in form of share capital or debt.

Note 39 Exchange Rate

Exchange rate as at 31 March 2019 - 1 USD = INR 69.1713, 1 GBP = INR 90.4756, 1 SGD = INR 50.71, 1 MZN = INR 1.09 & 1 AUD = INR 48.95

Exchange rate as at 31 March 2018 - 1 USD = INR 65.0441, 1 GBP = INR 92.2846, 1 SGD = INR 49.68, 1 MZN = INR 1.06 & 1 AUD = INR 49.96

Note 40 Related party transactions

A. Parent entity

The group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest as on	
			31 March 2019	31 March 2018
Bharat Petroleum Corporation Limited	Immediate and Ultimate parent entity	India	100%	100%

Notes forming part of the Financial Statement

Note 36 Related party transactions *(Contd.)*

B. Subsidiaries, joint ventures and associates

Interest in joint ventures and associates are set out below

Name	Type	Place of incorporation	Ownership interest as on	
			31 March 2019	31 March 2018
IBV (Brasil) Petroleo Ltda. #	Joint Venture	Brazil	50%	50%
Taas India Pte Ltd @	Joint Venture	Singapore	33%	33%
Vankor India Pte Ltd @	Joint Venture	Singapore	33%	33%
Falcon Oil & Gas BV @@	Joint Venture	Netherlands	30%	30%
Mozambique LNG 1 Pte Ltd @@@	Associate	Singapore	10%	10%
LLC TYNGD ##	Joint Venture	Russia	9.9%	9.9%
JSC Vankorneft ###	Associate	Russia	7.9%	7.9%
Urja Bharat Pte Ltd. ####	Joint Venture	Singapore	50%	-

IBV (Brasil) Petroleo Ltda. is a 50% joint venture of BPRL Ventures BV and Videocon Energy Brazil Limited.

@ Taas India Pte Ltd. and Vankor India Pte Ltd. are joint venture companies of Oil India International Pte Ltd, IOCL Singapore Pte Ltd and BPRL International Singapore Pte Ltd (BISPL) where BISPL holds 33% equity.

@@ Falcon Oil & Gas BV, incorporated on 6 February 2018, is a joint venture company of IndOil Global BV, ONGC Nile Ganga BV and BPRL International Ventures BV where BPRL International Ventures BV holds 30% equity.

@@@ BPRL Ventures Mozambique BV is having 10% stake in Mozambique LNG-1 Co. Pte Ltd.

Taas India Pte Ltd has stake of 29.9% in LLC TYNGD.

Vankor India Pte Ltd has stake of 23.9% in JSC Vankorneft.

Urja Bharat Pte Ltd., incorporated on 12 February 2019, is a joint venture company of IOCL Singapore Pte Ltd. and BPRL International Singapore Pte Ltd. where BPRL International Singapore Pte Ltd. holds 50% equity.

C) Key management personnel

Shri D. Rajkumar, Director

Shri Ajay Kumar V., Managing Director w.e.f. 23 October 2017 and held additional charge as Director (Operations & Business Development) w.e.f. 23 October 2017 upto 19 August 2018. Director (Operations & Business Development) upto 22 October 2017 and held additional charge as Managing Director (I/c) w.e.f. 1 October 2016 upto 22 October 2017.

Shri Pankaj Kumar, Director (Finance)

Shri Jitender Pershad Waghray, Director (Operations & Business Development) w.e.f. 20 August 2018

Shri N. Vijayagopal, Director w.e.f. 6 December 2018

Dr. Praphullachandra Sharma, Director upto 27 March 2019

Shri K. Sivakumar, Director w.e.f. 9 May 2017 and upto 29 November 2018

Shri P. Balasubramanian, Director upto 28 April 2017

Smt. Swapna Sawant, Company Secretary w.e.f. 29 June 2017

Shri Narendra Dixit, Company Secretary upto 1 June 2017

Notes forming part of the Financial Statement

Note 39 Related party transactions *(Contd.)*

The Company is a Public Sector Undertaking under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors & Woman Director) vests with the Government of India. As per the MCA notification dated 5 July 2017, the Company is exempt from appointment of Independent Director under the Companies Act, 2013. As per MoP&NG approval Ms. Indrani Kaushal has been appointed as Women Nominee Director on the Company's Board w.e.f. 1 April 2019.

C. Transactions with related parties

a) Key management personnel compensation **(₹ in Lakhs)**

	31 March 2019	31 March 2018
Short-term employee benefits	70.47	55.18
Post-employment benefits	13.70	4.94
Other long-term benefits	18.61	12.82

b) The nature wise transactions with the above related parties are as follows: **(₹ in Lakhs)**

Nature of Transactions	Joint venture		Key Management Personnel	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Money remitted towards investment in share capital	27,362.20	123,469.01	-	-
Repayment of Loan	15,522.04	1,260.11	-	-
Loan given during the period	-	31,740.04	-	-
Loan recovered during the period	-	-	0.51	4.66

c) Outstanding Balances **(₹ in Lakhs)**

	As at	
	31 March 2019	31 March 2018
Joint Ventures		
Loan Receivable - IBV (Brasil) Petroleo Ltda. at fair value	180,337.38	165,371.83
Loan Receivable - Taas India Pte. Ltd. at fair value	14,866.60	13,406.44
Loan Receivable - Vankor India Pte. Ltd.	4,321.62	18,623.50
Key Management Personnel		
Loan given	3.61	4.12

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 followings:

- Sales of goods
- Rendering and receiving of services; and
- Borrowing money.

These transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government controlled entities.

Notes forming part of the Financial Statement

Note 41 Contingent Liabilities and Commitments

(a) Capital Commitments

Based on the estimation by the Management, BPRL's share of Minimum Work Programme (MWP) commitments as on the reporting date amounted to ₹11,093.54 Lakhs. (Previous year ₹797.44 Lakhs). Company has provided Bank Guarantees to Director General of Hydrocarbon (DGH) to the extent of ₹3,554.77 Lakhs (₹82.64 Lakhs) towards MWP.

The Group's share of MWP commitments in Equity Accounted Investees as on the reporting date amounted to ₹58,795.61 Lakhs (USD 85 Mn) (Previous year ₹ Nil).

(b) Contingent Liabilities:

Contingent Liabilities in respect of operations where BPRL is not the operator are recognised based on inputs received from operator.

Note 42 BPRL had earlier entered into Standby Letter of Credit (SBLC) facility agreement with a number of Indian PSU banks to the extent of 2500 Mn US Dollars equivalent to ₹17,29,282.50 Lakhs. As per the SBLC facility agreement banks will issue SBLCs, in favour of the foreign currency lenders for loans taken by BPRL International BV, a wholly owned subsidiary of BPRL. Pursuant to refinancing exercise of SBLC backed borrowings undertaken by BPRL International BV, the SBLCs and underlying securities have been released by the Lenders.

Note 43 Micro, Small and Medium Enteprises

To the extent Company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Development Act, 2006, the details are provided as under:

(₹ in Lakhs)

	As at 31 March 2019	**As at 31 March 2018**
Amount Due and Payable at the year end		
- Principal	28.86	3.59
- Interest on above Principal	-	-
Payment made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for Principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

Note 44 Details of Reserves

BPRL's share of Estimated Ultimate Recovery (EUR) as approved by Operator's Reserves Estimation Committee (REC) for the block CY-ONN-2002/2 as at 31 March 2019 is given below:

Project	**Details**	**Crude Oil (MMm3)**	**Gas (MMm3)**
CY-ONN-2002/2	Opening	0.2833	1,072.55
	Production	0.0440	10.20
	Closing	0.2393	1,062.35

MMm3 = Million Cubic Meters

Notes forming part of the Financial Statement

Note 45 Changes in financial year of subsidiary **(₹ in Lakhs)**

BPRL International Singapore Pte Ltd. changed its financial year end from 31 March to 31 December. Accordingly, the current financial period for which the financial results of the subsidiary are consolidated comprises of 9 months i.e., from 1 April 2018 to 31 December 2018. The comparitive financial year covers the 12 months from 1 April 2017 to 31 March 2018.

Note 46 Changes in liabilities arising from financing activities **(₹ in Lakhs)**

	Current - Other financial liabilities		Non-current borrowings	Current borrowings	Total
	Current maturities of long term borrowings	Interest accrued but not due on borrowings			
As at 1 April 2017	**194,515.80**	**12,105.96**	**1,119,152.44**	**97,170.90**	**1,422,945.10**
Cash Flows	(194,515.80)	(48,708.61)	361,402.83	(97,170.90)	21,007.52
Other changes	-	50,899.82	1,971.00	-	52,870.82
As at 31 March 2018	**-**	**14,297.17**	**1,482,526.27**	**-**	**1,496,823.44**
Cash Flows	-	(47,805.13)	(344,069.04)	501,491.93	109,617.76
Other changes	-	50,494.06	(907.20)	-	49,586.86
As at 31 March 2019	**-**	**16,986.10**	**1,137,550.03**	**501,491.93**	**1,656,028.06**

Note 47 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 consent from consortium partners 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 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. As per the PSC, the operator has to submit audited financial statements within 60 days from the end of the year. 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 Group as given below:

i) In respect of Block CB/ONN/2010/8, the Company is operator. The Company's share of the assets and liabilities have been recorded under respective heads based on the audited financials statement. The Company is also operator for CB/ONHP/2017/9 and five DSF blocks in which it holds 100% participating interest.

ii) Out of the remaining six Indian Blocks (previous year six), two blocks RJ/ONN/2005/1 and MB/OSN/2010/2 have been proposed for relinquishment for which approval is pending from Director General of Hydrocarbons (DGH). Out of the remaining four Indian Blocks (previous year four), the Company has received one (previous year three) audited financial statements as at 31 March 2019 and this has been considered in the financial statements of the Company. The Company has received unaudited financial statements for two (previous year one) blocks and expenses for these blocks are accounted on the basis of the same. In case of remaining one block, the Company has accounted the expenses based on the billing statement (Statement of Expenses) received from the operator for the period upto 31 March 2019.

iii) For Block 32 (block outside India), the Company has paid cash call during the year but is yet to receive billing statement/ financial statement from the Operator of the block. In respect of remaining one (previous year one) Joint Venture block EP413 (block outside India) the assets, liabilities, income and expenditure have been incorporated on the basis of unaudited financial statements as at 31 March 2019.

Notes forming part of the Financial Statement

Note 47 Joint Operations *(Contd.)*

Details of the Group's Participating Interest (PI) in the blocks are as under:

Name	Company	Country	Participating Interest of the Group	
			31 March 2019	31 March 2018
Blocks in India				
NELP – IV				
CY/ONN/2002/2	BPRL	India	40.00%	40.00%
NELP – VI				
CY/ONN/2004/2	BPRL	India	20.00%	20.00%
NELP – VII				
RJ/ONN/2005/1	BPRL	India	33.33%	33.33%
NELP – IX				
CB/ONN/2010/11	BPRL	India	25%	25%
AA/ONN/2010/3	BPRL	India	20%	20%
CB/ONN/2010/8	BPRL	India	25%	25%
MB/OSN/2010/2	BPRL	India	20%	20%
Discovery of New field				
CY/ONDSF/KARAIKAL/2016	BPRL	India	100%	100%
RJ/ONDSF/BAKHRI TIBBA/2016	BPRL	India	100%	100%
RJ/ONDSF/SADEWALA/2016	BPRL	India	100%	100%
MB/OSDF/B15/2016	BPRL	India	100%	100%
MB/OSDF/B127E/2016	BPRL	India	100%	100%
OALP				
CB-ONHP-2017/9	BPRL	India	100%	-
Blocks outside India				
JPDA 06-103 (e)	BPR JPDA	Australia / Timor	20.00%	20.00%
EP-413	BPRL	Australia	27.80%	27.80%
Block 32	BPRL	Israel	25.00%	-
Mozambique Rovuma Basin	BPRL Ventures Mozambique B.V.	Mozambique	10.00%	10.00%
Nunukan PSC, Tarakan Basin	BPRL Ventures Indonesia B.V.	Indonesia	12.50%	12.50%

The table below provides summarised financial information of the company's share of assets, liabilities, income and expenses in the joint operations:

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Property, plant and equipment	88.01	92.98
Other Intangible assets	10,938.43	6,089.63
Intangible asset under development	606,883.73	506,834.71
Other Non-Current Assets	498.91	4.08
Current Assets including financial assets	4,809.55	6,613.32
Cash and Bank Balances	391.42	311.16
Current & Non Current Liabilities/ Provisions including financial liabilities	18,659.54	10,348.90
Expenses	2,624.17	1,748.47
Income	13,081.20	8,969.90

Notes forming part of the Financial Statement

Note 48 Segment reporting

A. Basis for segmentation

The Group has following three reportable segments based on geography. Details of the segments are as follows:

- India
- Mozambique
- Singapore

The Managing Director, Chief Operating Decision Maker for the Group, 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) before 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.

(₹ in Lakhs)

For the year ended 31 March 2019	**Reportable segments**			
Particulars*	**India**	**Mozambique**	**Singapore**	**Total Segments**
Revenue				
External Customers	13,054.93	-	-	13,054.93
Total Revenue	**13,054.93**	**-**	**-**	**13,054.93**
Segment profit / (loss) before tax	**(4,984.73)**	**(328.03)**	**47,591.72**	**42,278.95**
Segment profit / (loss) before tax includes:				
Interest expense	6,591.24	-	18,847.17	25,438.41
Depreciation, Depletion, Amortisation	3,443.73	-	-	3,443.73
Share of profit/ (loss) of equity accounted investees			65,964.31	65,964.31
Material non-cash items other than depreciation, depletion, amortisation				
Impairment losses on non financial assets	82.18	-	-	82.18
Segment assets	**55,675.41**	**535,669.12**	**751,608.28**	**1,342,952.81**
Segment assets include:				
Investment in equity accounted investees	-	203.45	716,758.85	716,962.30
Capital expenditure during the year	12,538.78	60,947.43	-	73,486.21
Segment liabilities	**96,693.32**	**302,795.55**	**531,642.01**	**931,130.88**

Notes forming part of the Financial Statement

Note 48 Segment reporting *(Contd.)*

(₹ in Lakhs)

For the year ended 31 March 2018	Reportable segments			
Particulars	**India**	**Mozambique**	**Singapore**	**Total Segments**
Revenue				
External Customers	8,969.90	-	-	8,969.90
Total Revenue	**8,969.90**	**-**	**-**	**8,969.90**
Segment profit / (loss)	**(17,439.63)**	**(223.93)**	**10,163.44**	**(7,500.12)**
Segment profit / (loss) before tax includes:				
Interest expense	16,897.95	-	22,724.68	39,622.63
Depreciation, Depletion, Amortisation	5,160.33	-		5,160.33
Share of profit/ (loss) of equity accounted investees	-	-	32,735.69	32,735.69
Material non-cash items other than depreciation, depletion, amortisation				
Impairment losses on non financial assets	55.79	-	-	55.79
Segment assets	**39,447.50**	**446,477.77**	**756,650.04**	**1,242,575.30**
Segment assets include:				
Investment in equity accounted investees	-	191.31	723,424.78	723,616.09
Capital expenditure during the year	8,341.90	28,373.48	-	36,715.38
Segment liabilities	**119,658.20**	**210,039.51**	**491,694.02**	**821,391.73**

C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Revenue		
Total revenue for reportable segments	13,054.93	8,969.90
Revenue for other segments	-	-
Total revenue as per Statement of profit and Loss	**13,054.93**	**8,969.90**
(b) Profit / (loss) before tax		
Total profit / (loss) before tax for reportable segments	42,278.95	(7,500.12)
Unallocated amounts:		
– Other expenses / income	(52,248.81)	(2,159.32)
Total profit before tax from operations as per Statement of profit and Loss	**(9,969.86)**	**(9,659.44)**
(c) Assets		
Total assets for reportable segments	1,342,952.81	1,242,575.30
Other unallocated amounts	637,317.58	625,490.72
Total assets as per balance sheet	**1,980,270.39**	**1,868,066.02**
(d) Liabilities		
Total liabilities for reportable segments	931,130.88	821,391.73
Other unallocated amounts	759,354.99	705,125.84
Total liabilities as per balance sheet	**1,690,485.87**	**1,526,517.57**

Notes forming part of the Financial Statement

Note 49 Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116 "Leases", which replaces Ind AS 17 and is effective from 1 April 2019. The core principle of this standard is that in case of a lessee most of the leases are to be recognised in the balance sheet as Right of use asset on the asset side and lease liability on liability side of balance sheet. The new standard also provides two broad alternative transition options- Retrospective method and cumulative effect method. The Group is in the process of evaluating the impact of new leases standard.

Note 50 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Joint Ventures.

(₹ in Lakhs)

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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
	<u>Parent</u>								
	Bharat PetroResources Limited	(16%)	(47,017.81)	48%	(4,577.44)	0%	2.60	4%	(4,574.84)
	<u>Subsidiaries</u>								
	Indian								
1	Bharat PetroResources JPDA Limited	(2%)	(6,434.29)	1%	(131.06)	0%	-	0%	(131.06)
	Foreign								
1	BPRL International Singapore Pte Limited	75%	219,966.29	(497%)	47,585.63	109%	(106,433.27)	55%	(58,847.64)
2	BPRL International B.V.	43%	123,270.33	548%	(52,445.79)	(9%)	9,035.68	41%	(43,310.11)
	Total	**100%**	**289,784.53**	**100%**	**(9,568.66)**	**100%**	**(97,394.99)**	**100%**	**(106,963.65)**

Note 51 Figures of 31 March 2018 have been regrouped wherever necessary, to conform to current year presentation.

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193

Place: New Delhi
Dated: 14 May 2019

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Ajay Kumar V.
Managing Director
DIN No. 05160445

Sd/-
Pankaj Kumar
Director (Finance)
DIN No. 07245781

Sd/-
Sarita Aggarwal
Company Secretary

BHARAT PETRORESOURCES LIMITED

Corporate Identification No. (CIN) – U23209MH2006GOI165152

Registered Office: Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001

Tel 022-22714000 Fax 022-22713874

ATTENDANCE SLIP

(To be presented at the entrance)

12th ANNUAL GENERAL MEETING ON WEDNESDAY, 21 AUGUST 2019, AT 1430 hrs.
at Registered Office: Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001

Folio No.____________________________________ No. of Shares held.________________

Name of the Shareholder/Proxy holder ____

I /We hereby record my/our presence at the 12th Annual General Meeting of the Company on Wednesday, 21 August 2019, at 14.30 hrs, at the Registered Office of the Company Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001.

____

Signature of the Member/Proxy

BHARAT PETRORESOURCES LIMITED

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Corporate Identification No. (CIN) –	U23209MH2006GOI165152
Name of the Company	Bharat PetroResources Ltd
Registered Office	Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001 Tel 022-22714000 Fax 022-22713874

Name of the Member(s) : ....
Registered address : ....
Email Id : ....
Folio No./Client ID : ....
DP ID : ....

I / We, being the member(s) of …………Shares of Bharat PetroResources Limited, hereby appoint

1. Name:………………………...………...
   Address: ....
   E-mail ID …………….....................……..………………………….....Signature…………...
   or failing him
2. Name:………………………...………...
   Address: ....
   E-mail ID …………….....................……..………………………….....Signature…………...
3. Name:………………………...………...
   Address: ....
   E-mail ID …………….....................……..………………………….....Signature…………...

   as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 12th Annual General Meeting of the Company to be held on Wednesday, 21 August 2019, at 1430 hrs at Registered Office of the Company Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001, and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the audited financial statements (including the audited consolidated financial statements) of the Company for the financial year ended 31 March 2019, the reports of the Board of Directors and Statutory Auditors.
2. To appoint a Director in place of Shri Rajkumar Duraiswamy (DIN No. 00872597) who retires by rotation. Shri Rajkumar Duraiswamy, being eligible, offers himself for re-appointment.
3. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2019-20 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.
4. Appointment of Shri Jitender Pershad Waghray as Director
5. Appointment of Shri Neelakantapillai Vijayagopal as Director
6. Appointment of Smt. Esha Srivastava as Women Director
7. Appointment of Shri Ajay Kadmawala as an Independent Director
8. Approval of Remuneration of the Cost Auditors for the Financial Year 2019-20
9. Approval for increase in the Borrowing limits
10. To increase the Authorised Share Capital of the Company
11. Alteration in the Capital Clause of Memorandum of Association

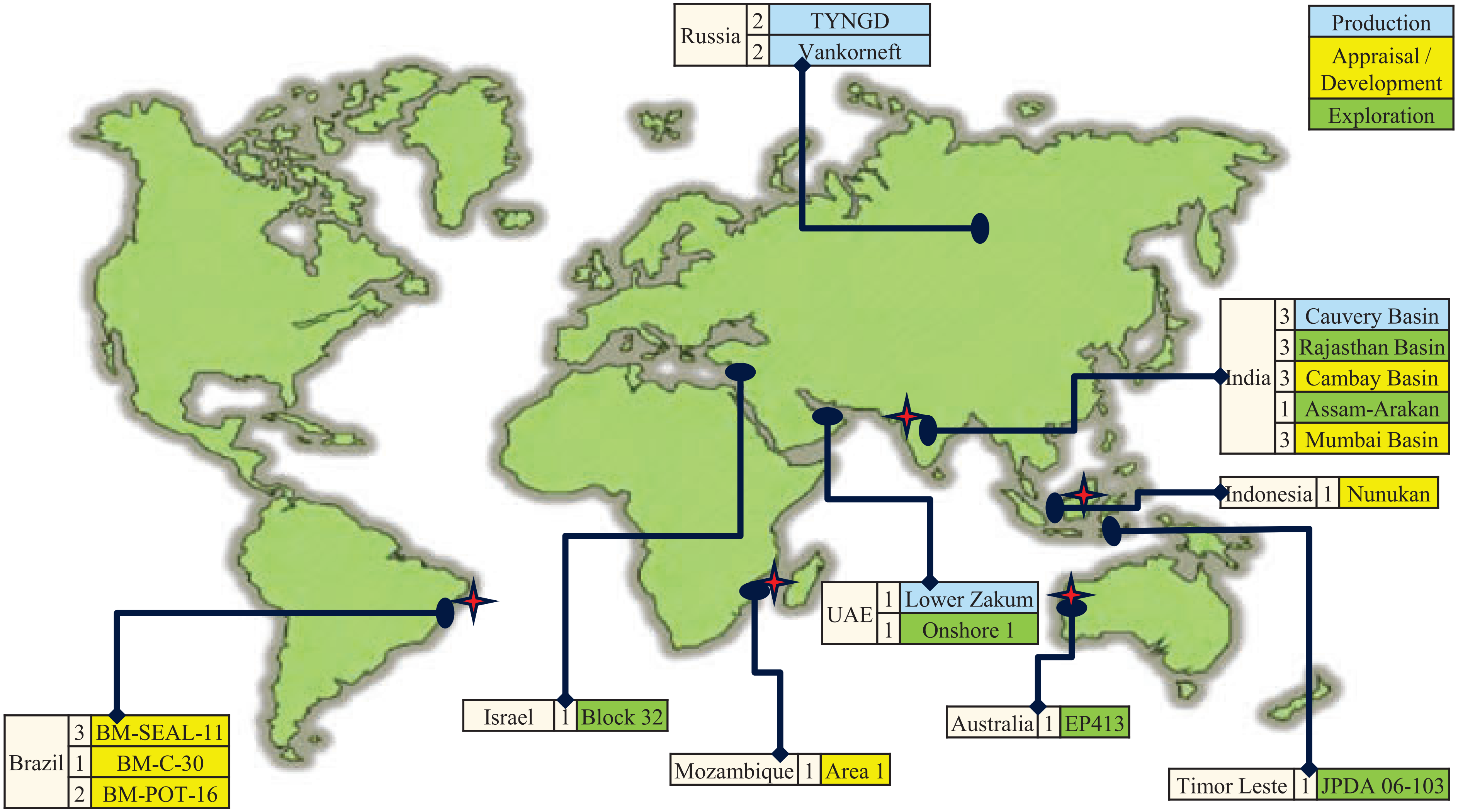
Affix Revenue Stamp

Signed this …....…… day of ………………. 2019

Signature of shareholder..Signature of Proxyholder(s)...

NOTE:
This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Global Spread



26 Exploration Discoveries

Discovery Location

Bharat PetroResources Limited

Regd. Office : Bharat Bhavan, 4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai 400 001.