



Annual Report

for the Financial Year 2018 - 19



Energy
that Drives
Dreams



Shri D Rajkumar, C & MD, BPCL has been recognised as one of the top hundred “Most Influential CEOs” in the world, by the CEOWORLD Magazine. While conferring this distinction, CEOWORLD considered the illustrious career of Shri D Rajkumar spanning over three decades having led BPCL successfully to foray into Exploration and Production through its wholly owned subsidiary Bharat PetroResources Limited. BPCL group achieved historic milestone under his dynamic leadership, chief among them being conferment of Maharatna status, receipt of prestigious Star PSU Award. Incorporation of BPCL’s wholly owned Bharat Gas Resources Limited, substantial advancements in Petrochemicals business, expansion of footprints in Renewables and a revamped R & D Strategy. A transformational leader and a visionary to the core, he firmly believes that people are the key to an organization’s progress and prosperity. With the mantra of “Always on Strategy”, he has transformed the Strategic Thinking of the Corporation.



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BOARD OF DIRECTORS



D Rajkumar
Chairman & Director



R P Natekar
Director



R Ramachandran
Director



Arun Kumar Singh
Director
(w.e.f. 26.06.2018)



Neelakantapillai Vijayagopal
Director
(w.e.f. 13.12.2018)



REGISTERED OFFICE

Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate,
Mumbai: 400001.
CIN: U11200MH2018GOI310461

BANKERS

State Bank of India
Bank of Baroda
ICICI Bank
Yes Bank

STATUTORY AUDITOR

M/s. Chokshi and Chokshi LLP
Chartered Accountants

SECRETARIAL AUDITOR

M/s. Subhash Kulkarni & Associates
Company Secretaries

NOTICE

Notice is hereby given that the 1st Annual General Meeting of the Members of Bharat Gas Resources Limited will be held at the registered office at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001, on Wednesday, 21st August, 2019, at 12 Noon, to transact the following Ordinary and Special Businesses:

A. Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2019, the reports of the Board of Directors and Statutory Auditors and the comments of the Comptroller & Auditor General of India thereon.
2. To appoint a Director in place of Shri Rajendra Pushparaj Natekar, Director (DIN-07858989), who retires by rotation. Shri Rajendra Pushparaj Natekar being eligible, offer himself for re-appointment.

"RESOLVED THAT Shri Rajendra Pushparaj Natekar, Director (DIN-07858989), who retire by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible be and is hereby re-appointed as Director of the Company whose office shall be liable to retirement by rotation".

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 authorized 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."

B. Special Business:

4. **Regularization of Appointment of Shri Arun Kumar Singh (DIN-06646894) as 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, if any, of the Companies Act, 2013 and read with the Rules framed thereunder as amended from time to time, Shri Arun Kumar Singh (DIN- 06646894), who was appointed by the Board of Directors as an Additional Director with effect from 26th June, 2018, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. **Regularization of Appointment of Shri N. Vijayagopal (DIN- 03621835) as 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, if any, of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, Shri N. Vijayagopal (DIN- 03621835), who was appointed by the Board of Directors as an Additional Director with effect from 13th December, 2018, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. Approval of borrowing of funds exceeding the aggregate of the paid up capital and free reserves:

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

"RESOLVED THAT subject to Board Resolution passed at the Meeting held on 23rd July, 2019 and pursuant to Section 180 (1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof till date) read with Article 130 of the Articles of Association of the Company, consent of the members of the Company be and are hereby accorded for borrowing from time to time the sum not exceeding Rs. 4,000/- crores (Rupees Four Thousand Crores Only) to the Board of Directors (which expression shall include Committee of Directors appointed by the Board of Directors). For the purpose of borrowing of the sum or sums of money, on such security and on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the money to be borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on date of the relevant foreign currency transaction) may exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves provided however that the total borrowings outstanding shall not exceed the limit of Rs. 4,000/- crores (Rupees Four Thousand Crores Only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director of the Company be and are hereby authorized to sign and file the requisite e-forms and to do all other regulatory filings needed as the Companies Act, 2013 concerning the above mentioned Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director/CEO along with another Director of the Company."

7. Creation of charge:

"RESOLVED THAT pursuant to Section 180 (1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or

re-enactment there of till date), and subject to Board Resolution passed at the Meeting held on 23rd July, 2019, consent of the members of the Company be and are hereby accorded to the Board of Directors to create charge/provide security for the sums borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest, costs, charges, expenses and all other monies payable by the Company to the Lenders, under respective borrowing arrangements entered into/to be entered by the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director of the Company be and are hereby authorized to sign and file the requisite e-forms and to do all other regulatory filings needed as the Companies Act, 2013 concerning the above mentioned Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director/CEO along with another Director of the Company."

8. Increasing authorised capital from Rs. 2,000/- Crores to Rs. 2,300/- Crores:

"RESOLVED THAT pursuant to Section 61(1)(a) read with section 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification, amendments or re-enactments there of till date) and read with applicable the rules framed thereunder, the consent of the members of the Company be and are hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 2,000,00,00,000/- (Rupees Two Thousand Crores Only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of Rs 10/- (Rupees Ten) each to Rs. 2300,00, 00,000/- (Rupees Two Thousand and Three Hundreds Crores only) divided into of 230,00,00,000 (Two Hundred and thirty Crores) Equity Shares of Rs. 10/- (Rupees Ten) each by creation additional 30,00,00,000 (Thirty Crores) further Equity Shares of Rs. 10/- (Rupees Ten) each ranking pari passu in all respect with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director or Company Secretary of the Company be and are hereby authorized to sign and file the requisite e-forms and to do all other regulatory filings needed as the Companies Act, 2013 concerning the above mentioned Resolution."

9. Alteration of clause 5 of the Memorandum of Association of the Company:

"RESOLVED THAT pursuant to provisions of Sections 13, 61 and 64 and other applicable provisions of section, if any, of the Companies Act, 2013 (including any statutory modification, amendments or re-enactments there of till date) and read with applicable the rules framed there

under, the consent of members of the Company be and are hereby accorded to altered existing Clause 5 of the Memorandum of Association of the Company in the following manner –

(a) The Authorised Share Capital of the Company is Rs. 23,00,00, 00,000/- (Rupees Two Thousand and Three Hundred Crores only) divided into 230,00,00,000 (Two hundred and thirty Crores) Equity Shares of Rs.10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any director or Company Secretary of the Company be and are hereby authorized to sign and file the requisite e-forms and to do all other regulatory filings needed as the Companies Act, 2013 concerning the above mentioned Resolution."

By Order of the Board of Directors of
Bharat Gas Resources Limited

Sd/-
Bharat Gangani
Company Secretary

Place: Mumbai
Date: 23/07/2019

Registered Office:

Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate,
Mumbai 400001.

CIN:U11200MH2018GOI310461
Phone No: 022-26381635
E-mail: z_csgas@bharatpetroleum.in

NOTES FOR MEMBERS' ATTENTION:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the Corporate office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of 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 shall not act as a proxy for any other person or shareholder.

2. The Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection by the members of the Company at Corporate office of the Company during business hours 10:00 A.M. to 06:00 P.M. (except Saturday and Sunday) up to the date of Annual General Meeting and will also be available during the Annual General Meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Members/proxies attending the meeting are requested to bring their duly filled admission/ attendance slips sent along with the notice of annual general meeting at the meeting.
5. Corporate members intending to send their authorised representatives to attend the meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.
6. A Route Map along with Prominent Landmark for easy location to reach the venue of Annual General Meeting is annexed with the notice of Annual General Meeting.
7. All documents referred to in accompanying Notice and Statement pursuant to section 102 shall be open for inspection at the registered office of the Company during the office hours on all working days between [9 A.M. to 6 P.M.], upto the date of conclusion of AGM.

By Order of the Board of Directors of
Bharat Gas Resources limited

Sd/-
Bharat Gangani
Company Secretary
Place: Mumbai
Date: 23/07/2019
CIN:U11200MH2018GOI310461

Explanatory Statements for the Special Business pursuant to Section 102 of the Companies Act, 2013:

Following are the explanatory statements in respect of item No. 4, 5, 6,7,8 & 9 of the Special Business in the Notice dated 21st August, 2019.

Item No. 4: Regularization of Appointment of Shri Arun Kumar Singh (DIN- 06646894) as Director

Shri Arun Kumar Singh is appointed as an Additional Director w.e.f. 26th June, 2018 in pursuant to the Section 161 of the Companies Act, 2013 and applicable rules made thereunder.

Being appointed as an Additional Director, he will hold office up to the date of the ensuing Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of the Companies Act, 2013 approval of the members of the Company is required for regularization of Shri Arun Kumar Singh as Director of the Company. A brief resume of Shri Arun Kumar Singh is provided separately in this Report.

The Board recommends appointment of Shri Arun Kumar Singh as Director of the Company. Shri Arun Kumar Singh 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. 5: Regularization of Appointment of Shri N. Vijayagopal (DIN- 03621835) as Director.

Shri N. Vijayagopal was appointed as Additional Director on the Board of the Company w.e.f. 13th December, 2018 pursuant to Article 85 of the Articles of the Association of the Company read with Section 161 of the Companies Act, 2013.

Being appointed as an Additional Director, he will hold office up to the date of the ensuing Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of the Companies Act, 2013 approval of the members of the Company is required for regularization of Shri N. Vijayagopal as Director of the Company. A brief resume of Shri N Vijayagopal is provided separately in this Report.

The Board recommends appointment of Shri N Vijayagopal as Director of the Company.

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

Item No. 6 & 7:

Section 180 of the Companies Act, 2013 requires that consent of the members of Company is accorded by way of Special Resolution is required to borrow money in excess of the Company's paid up capital and free reserves. Further as per section 180 (1) (a) of the Companies Act, 2013, Special Resolution will be required for creation of security/charge for borrowing.

The Board members of the Company at their Meeting held on 23rd July, 2019 recommended to members of Company for authorizing Board to borrow sum not exceeding Rs.4,000/- crores (Rupees Four Thousand Crores Only) (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) by way of Resolution taken thereof and also to authorize Board to create charge on the assets of the company, if required.

It is therefore, necessary for the members to pass a Special Resolution for aforesaid purpose. The Board recommends the Resolution set out at item no. 6 & 7 for approval of members by way of Special Resolution.

None of the Directors/Key Managerial Personnel and their relatives is in any way, concerned or interested in the Resolutions set out at item no 6 & 7.

Item No. 8 & 9:

The Authorised Capital of the Company presently stands at Rs.2000,00,00,000/- (Rupees Two Thousand Crores) divided into 200,00,00,000 (Two Hundred Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each.

In view of the further growth and expansion potential of the company’s business, and in order to fund the expansion program, it is desirable to increase the authorised capital of the Company, to facilitate infusion of funds by the members. It is therefore considered advisable to increase the authorised capital of the Company from Rs.2,000,00,00,000/- (Rupees Two Thousand Crores Only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of Rs.10/- (Rupees Ten) each to Rs.2300,00, 00,000/- (Rupees Two Thousand and Three Hundreds Crores only) divided into 230,00,00,000 (Two Hundred and thirty Crores) Equity Shares of Rs.10/- (Rupees Ten) each by creation of 30,00,00,000 (Thirty Crores) further Equity Shares of Rs.10/- (Rupees Ten) each.”

The proposed increase of the authorised capital of the company requires the approval of the members in General Meeting. Consequent upon the increase in capital of the company, the company’s memorandum will require alteration so as to reflect the increased share capital. The Alteration of the Memorandum needs approval by an Ordinary Resolution.

The Board recommends the Resolution set out at item no. 8 & 9 for approval of members by way of Ordinary Resolution.

None of the Directors/Key Managerial Personnel and their relatives is in any way, concerned or interested in the Resolutions set out at item no 8 & 9.

The Board recommends that the said resolution be passed.

Brief Resume of Director seeking re-appointment at the 1 st Annual General meeting.

Name	Shri Rajendra P Natekar	Shri Arun Kumar Singh	Shri Neelakantapillai Vijayagopal
Date of Birth	11.08.1962	06.10.1962	31.07.1961
Date of Appointment	07.06.2018	26.06.2018	13.12.2018
Qualifications	M.Com, MBA, ICWA, PGP Max	Mechanical Engineer with first rank from National Institute of Technology, Patna (Formerly BCE, Patna)	A.C.A. L.L.B.

Experience in specific functional areas	He has experience of 33 years in BPCL and its subsidiaries and joint ventures handling different roles and functions across various business areas which includes LPG, I&C, Retail, Treasury and Pricing. He is also a nominee Director in CGD networks in MNGL, Pune; CUGL, Kanpur; SGL, Gandhinagar, HNGPL Haridwar.	He has headed various Business Units and Entities in BPCL viz. Retail, LPG, Pipelines and Supply Chain Optimization etc. and has experience of over 34 years. He has also held position of President (Africa & Australasia) in Bharat Petro Resources Ltd., a wholly owned Subsidiary of BPCL.	He has experience of 31 years in financial management. He has held various senior positions in BPCL including 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.
Directorship held in other Companies	Chairman: Maharashtra Natural Gas Limited. Haridwar Natural Gas Limited. Director: Sabarmati Gas Limited Indraprastha Gas Limited	Bharat Petroleum Corporation Limited.	Bharat Petroleum Corporation Limited. Bharat Petro Resources Ltd. Bharat Oman Refineries Ltd.
Membership/ Chairmanship of Audit Committees	Indraprastha Gas Limited	Nil	Bharat Petro Resources Ltd.
No. of shares held in BGRL	1	Nil	1

By Order of the Board of Directors of
Bharat Gas Resources Limited

Sd/-
Bharat Gangani
Company Secretary

Place: Mumbai
Date: 23/07/2019

FORM NO. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:

Name of the company:

Registered office:.....

Name of the member (s) :	
Registered address :	
E-mail Id:	
Folio No/ Client Id :	
DP ID :	

I/We, being the member (s) of shares of the above named company, hereby appoint

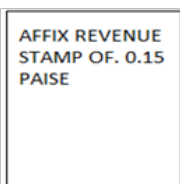
1. Name :
Address :
E-mail Id :
Signature :....., or failing him
2. Name :
Address:
E-mail Id :
Signature:....., or failing him
3. Name :
Address:
E-mail Id:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the at Registered office of the Company at and at any adjournment thereof in respect of such resolutions as are indicated below:

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(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.

ROUTE MAP OF AGM VENUE



By Order of the Board of Directors of
Bharat Gas Resources Limited

Sd/-
Bharat Gangani
Company Secretary

Place: Mumbai
Date: 23/07/2019

DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting the 1st Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2019.

Financial Results and operations:

The Company's financial and operational performance for the financial year ended 31st March, 2019 is summarized below:

Particulars	For the year ended 31 st March, 2019 (Amount in Rs./Lakhs)
Revenue from operations	-
Other Income	195.13
Total Revenue	195.13
Cost of Materials consumed	-
Purchase of Stock in Trade	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-
Employee Benefits Expenses	-
Other Expenses	1660.01
Total Expenditure	1660.01
Profit/(Loss) before Depreciation and Tax	(1464.88)
Less: Depreciation	-
Less: Provision for Tax	-
Less: Deferred Tax	(426.55)
Less: MAT Credit entitlement	-
Profit/(Loss) after Tax	(1038.33)
Add: Balance in Statement of Profit and Loss brought forward	-
Balance in Statement of Profit and Loss carried forward	(1038.33)

Business Performance/ Financial over view:

During 1st Financial Year ended 31st March 2019, BGRL has participated in the City Gas Distribution (CGD) Bidding round 9 and 10 and has won authorization for developing CGD infrastructure in the 11 and 2 Geographical Areas, respectively. The directors are pleased to state that BGRL was bidder for highest number of sites in 9th round and won maximum GAs amongst the PSU players.

Company has recorded loss of Rs. 1038.33 Lakhs in financial year ended 31st March 2019 mainly on account of expenses incurred for bidding purpose.

Business transfer:

Your company is formed to take over the Gas Business undertaking of parent company Bharat Petroleum Corporation Limited (BPCL). In line with the objective, BPCL Board during meeting held on 20th July 2018 at New Delhi has approved transfer of the business on a slump sale basis. The business transfer would include inter alia the current bulk Liquefied Natural Gas (LNG) business, existing 4 CGD Networks in BPCL Books and investments in Natural Gas related Joint Ventures (JVs) covering regasification, pipelines and CGD. The process of Business Transfer is a long process involving approvals and agreements with all counter parties, which is progressing well and is expected to be completed in the year 2019-20, post which the business transfer will be completed.

Bulk LNG:

Considering the growth in LNG demand, BGRL, has executed Sales Purchase Agreement (SPA) with Mozambique LNG1 Company Pte. Ltd (MozLNG) for tying up 0.5 MMTPA in year 2024-25 increasing to 1.0 MMTPA by 2028. MozLNG has achieved financial closure and the agreement has now seen completion of all Conditions Precedent (CPs). This LNG will be a major source for BGRL on completion of existing contracts with Qatar LNG.

To augment the gas handling capacity, BGRL has embarked upon the project to develop a Port based LNG Terminal facility including LNG Regasification facility and is in advance stage of reaching agreement with Krishnapatnam Port Company Limited (KPCL).

BGRL has also signed an agreement to participate in equity of another regasification terminal being developed at Gopalpur in Eastern part of India. This participation would be subject to development of a Detailed Feasibility Report (DFR) for that port and BGRL finding the investment attractive.

CGD Networks:

BGRL has participated in the 9th and 10th round of CGD bidding by PNGRB and has won 13 GAs in these rounds. The total investment in these CGD networks is expected to be around Rs.11,750 crores. BGRL has completed the DFRs as well as the financial closure process for 11 GAs won in 9th round and has tied up for a loan on project finance basis for the same. BGRL has been given a rating of AA+ by CRISIL for the long term loans. BGRL is in the process of implementing these projects and an elaborate organization structure with CGD coordinators, CGD heads at locations, engineers, central purchase organization and monitoring staff has been put in place. The total number of people working for CGD and related activities is 62. The DFR preparation for the GAs in 10th round is in advanced stage and is likely to be completed soon.

Dividend / Reserves and surplus:

No dividends were declared for current financial year by the company.

Capital Expenditure:

By the end of the year, BGRL had spent Rs. 8.43 crores towards capital expenditure in the 11 GAs of 9th round. During the current year, with the increase in activities, the capital expenditure is likely to increase manifold.

Directors and key Managerial Personnel:

The Board of Directors and Key Managerial Personnel of the Company comprised of following persons.

1. Shri. D. Rajkumar, Chairman and Director
2. Shri. R. Ramachandran, Director

3. Shri. R. P. Natekar, Director
4. Shri. Arun Kumar Singh, Additional Director (w.e.f. 26th June, 2018)
5. Shri. N. Vijayagopal, Additional Director (w.e.f. 13th December, 2018)

Number of board meeting and Annual General Meeting held during Financial Year 2018-19:

Bharat Gas Resources Limited (BGRL) was incorporated on 7th June 2018 and since then has conducted 4 Board meetings for financial year 2018-19. No AGM was held during year.

The details of Director's attendance at Board Meeting and in AGM are given below:

Name of Director	Director Identification No.	Board Meeting Attended		Attended at last AGM
		No. of Board meeting held post appointment date	No. of Board meeting attended	
Shri. D. Rajkumar	00872597	4	4	NA
Shri R. Ramachandran	07049995	4	4	NA
Shri. R. P. Natekar	07858989	4	4	NA
Shri. Arun Kumar Singh	06646894	4	4	NA
Shri N. Vijayagopal	03621835	2	2	NA

Fixed Deposits:

The Company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Details of fraud:

There are, to the best of our knowledge and belief, no transactions entered into by the company during the financial year which are fraudulent.

Secretarial Standard:

The Company has complied with the provisions of applicable Secretarial Standards SS-1 and SS-2 issued by Institute of Company Secretaries of India.

Accounts:

The Accounts submitted with this report are audited by the Statutory Auditors of the Company and authenticated by the Directors on behalf of the Company.

Auditors:

Statutory Auditors:

M/s Chokshi and Chokshi LLP, Chartered Accountants were appointed as statutory auditors of BGRL for 2018-19 by Comptroller and Auditor General of India (C&AG) under the section 139(5) of the Companies Act, 2013. They will hold the office till conclusion of the ensuing AGM.

Cost Record and Cost Audit:

BGRL did not have any physical operations during the year. Therefore, Cost Record maintenance and Cost Audit as prescribed under section 148 (1) of the Companies Act, 2013 are not applicable for the financial year ended on 31st March 2019.

Secretarial Auditor:

M/s. Subhash Kulkarni and Associates, Practising Company Secretaries has been appointed by the Board in its meeting on 23rd July 2019, as Secretarial Auditor for the financial year 2018-19. The Secretarial Audit Report in form MR-3 for the financial year ended on 31st March 2019 is annexed as Annexure A.

There is no qualification, reservation or adverse remark made by the Practising Company Secretary in his Secretarial Audit Report except the following observations:

The company is not required to appoint Independent Director and constitute Audit Committee as per the Companies Act, 2013. However, as required in accordance with the DPE Corporate Governance Guidelines 2010, the company did not appoint Independent Director and constitute Audit and Remuneration Committee.

In this regard the company has confirmed that being a Government Company, which is under the Administrative Control of Ministry of Petroleum and Natural Gas (MOP&NG) the power to appoint the Directors (including Independent Directors) and the terms and conditions of appointment vest with the Government of India. The matter regarding appointment of required number of Independent Directors is being taken up with MOP&NG. The company further informed that on appointment of Independent Director (s), both Audit and Remuneration Committee shall be constituted.

Audit Remarks:

The Statutory Auditor's report does not contain any qualification, reservations or adverse remarks.

C&AG Audit:

Comments of the Comptroller and Auditor General of India (C&AG) under section 143 (6)(b) of the Companies Act, 2013 on accounts of the Company (both standalone as well as consolidated accounts) for the year ended 31st March 2019 is attached along with the Independent Auditors Report as Annexure C.

Director's responsibility statement:

Pursuant to Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- a. in the preparation of the annual accounts for financial year ended 31st March 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis; and
- e. 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.

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 E.

Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013:

During the Financial year ended 31st March 2019, no loans, guarantees or investments as specified under section 186(2) of the Companies Act, 2013 have been given by the company.

Risk Management Policy:

Risk Management Policy of the company pursuant to Section 134 (3) (n) of the Companies Act 2013 is in the process of formulation. Pending that, the company will be following the risk management policy of parent company BPCL.

During the financial year under review the Board of Directors did not come across any potential risks which may threaten the existence of the Company.

Management Discussion and Analysis:

The Management Discussion and Analysis Report for the year under review is presented in a separate section.

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

Board Evaluation

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

Issue of Shares and Debentures and buyback of shares:

During the financial year ended 31st March 2019, company has issued equity shares of Rs. 160 crores. No Debentures issue or buyback of shares has been done by company during the financial year.

Details of significant material orders passed by the regulators /courts / tribunal impacting the going concern status and company's operation in future:

During the financial year ended 31st March 2019, no significant material orders passed by the regulators/ courts/ tribunal impacting the going concern status and company's operation in future

Transactions with related parties:

During the financial year, the Corporation has entered into contracts or arrangements with related parties, which were in the ordinary course of business and on an arm's length basis.

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

Corporate Governance:

Corporate Governance is about maintaining a relationship based on trust with all stakeholders and is an integral part of value creation within the Company. In sync with its core values, your Company has been maintaining integrity, transparency and accountability in all its spheres of business.

In accordance with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) in May 2010, the Company is in the process of the establishing norms for all compliances including induction of Independent Directors in the Board, setting up of Audit Committee and other Board Committees etc. Report on Corporate Governance is attached as Annexure B.

Foreign Exchange earnings and outgo:

(a) Foreign exchange earnings and outgo:

Particulars	Financial Year 2018-19
Earnings	NIL
Outgo	NIL
Value of Import on CIF basis	NIL

Adequacy of internal financial control:

Based on the assessment of the company's internal control over financial reporting, to best of the knowledge and belief, the company has maintained effective control over the financial reporting for financial year ended 31st March 2019.

Human resources and particulars of employees and related disclosures:

Most of the employees of the company have been deputed from the parent company BPCL. The Company considers its employees as most important resources and asset. The Company ensures that safe working conditions are provided in the offices of the Company. The overall industrial relations in the Company have been cordial.

As per MCA Notification No.: GSR 463(E) dated 5th June, 2015, provisions of Section 134(3)(e) are not applicable to a Government Company and hence, details on Company's policy on Directors' appointment and other matters are not provided under Section 178(3). Further, Govt. Companies are also exempted from the applicability of the provisions of section 197 of the Companies Act, 2013. Therefore, the requirement of disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details as may be prescribed, including the statement showing the name of every employee of the Company, who if employed throughout/part of the financial year, was in receipt of remuneration not less than Rs. 60 Lakhs/Rs. 5 Lakhs per month etc. are not provided in the Directors' report in terms of section 197(12) read with Rule 5(1)/(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Acknowledgements:

The Directors would like to place on record and express their sincere thanks for the continuous support given by the various stakeholders and customers to the Company. The Directors also place on record their appreciation of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

For and on behalf of the Board of Directors of
Bharat Gas Resources Limited

Sd/-	Sd/-
R P Natekar	N Vijayagopal
Director	Additional Director
DIN: 07858989	DIN: 03621835

Place : Mumbai
Date : 01/08/2019

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Activities

After strong growth in 2017 and early 2018, global economic activity slowed down notably in the second half of the year, reflecting a confluence of factors affecting major economies. Global growth is now projected to slow and hover around 3% in 2019, before again picking up in 2020. A number of advanced economies including China and most of Europe have shown signs of a slow-down. The Middle East has also shown weakness consequent to the fall in oil prices. The global growth is dependent on geopolitical dynamics and faces serious risk from rising threat of protectionism and vulnerabilities across economies.

Indian Economic Scenario

With economic growth of around 7% in 2018, India is the fastest growing major economy in the world. The main reason for this growth is increased domestic consumption and public investment. However, with slower growth in consumption, lower levels of private investments, financial market instability and materialization of major global downside risks, the growth in India is slowing down.

Global Natural Gas Outlook

Globally, in 2018, the northeast Asian LNG spot price averaged at a four-year high of \$9.68/MMBtu, up from \$7.04/MMBtu in 2017. Prices peaked above \$11.50/MMBtu in January, June and September 2018 due to strong spot buying from China, high oil prices and pre-winter stock building.

The trend of strong spot LNG prices was, however, reversed during calendar 2019, with spot prices dropping to levels of US \$ 5 per MMBTU. The prices are expected to be stable in this range in short and medium term and before going up in later years.

Globally LNG supply in 2018 increased by 28 bcm to 320 bcm, and in 2019, 46 bcm of additional gas is expected to be exported, which will be able to sufficiently meet the projected demand of 356 bcm in 2019.

Natural Gas in India

India is driving to raise share of gas in the Country's energy consumption to 15%, which is a great challenge. Demand for LNG in industrial sectors like Fertilizers continues to display a reasonable growth. Compressed Natural Gas (CNG) and

Piped Domestic Natural Gas (DPNG) also are very attractive with their pricing. These augur well for BGRL as the Company will find newer market for LNG. Consumers are also likely to gain as Natural Gas/LNG prices are on decline due to excessive supplies.

In its endeavour to increase the usage of environment friendly and cheaper fuels, the Government of India has taken several initiatives for promotion of Gas in the country. The project of creation of Gas Grid across the country and development of 13500 Km long gas pipeline to connect all possible consumption centres is progressing well. To make available natural gas to public at large and boost the City Gas Distribution (CGD) sector, two CGD Bidding Rounds were launched and finalised in the year 2018-19 to cover the targeted 70% of the population. As at end of the year 2018-19, total coverage area is spread over 17 States covering 50% of India's geographical area.

To meet the increased gas demand in the country, different entities are importing Liquefied Natural Gas (LNG) from global gas markets. The import of LNG is being carried out at existing four LNG terminals at west coast which have Regassification capacity of about 26.3 MMTPA (~ 95 MMSCMD). A new terminal has been commissioned by Indian Oil Corporation Limited at Ennore with a capacity of 5 MMTPA. Additional terminals are being developed in both East and West Coast at various locations which will add to the capacity of the country.

These terminals are being matched by increase in pipeline capacity. Petroleum and Natural Gas Regulatory Board (PNGRB) has approved pipelines linking Ennore to Southern part of India, Ennore and Nellore to Vizag, a pipeline starting from Orissa and going into Eastern and North-Eastern states. This increased infrastructure will help Gas business considerably.

Company initiative

To empower BGRL, BPCL has drawn a dated plan to handover its already developed gas business, which is expected to be completed by October 2019. On taking over the business, BGRL shall have a ready customer base to supply their gas. Four Geographical Areas for City Gas Distribution Network (CGD) authorised by PNGRB shall also be part of the business transfer. Thus, BGRL shall

have a ready business available at their disposal for pursuing the business objective.

BGRL participated in the 9th and 10th round bidding of PNGRB and was successful in getting authorization for 11 Geographical Areas (GA) and 2 Geographical Areas, respectively. The coverage of these 13 GAs include, 2 GAs in Maharashtra, 4 GAs in Odisha, 2 GAs in Karnataka, 2 GAs in Madhya Pradesh, 1 GA each in Uttar Pradesh, Himachal Pradesh and Jharkhand.

With respect to 11 GAs authorized in 9th round, the total commitment of BGRL includes the laying of 11658 Inch KM Steel Pipeline, issuance of 1274049 Domestic PNG Connections and setting up of 297 CNG Stations in 8/10 years of exclusivity. BGRL had submitted the Performance Bank Guarantee for Rs. 398 crores to PNGRB post which PNGRB awarded the "Letter of Authorization (LOA)" to BGRL for these 11 GAs.

BGRL had appointed three consultants and "Detailed Feasibility Reports (DFRs)" were prepared. The total Capex Outlay of around Rs.11,000 Crore will be required in 25 years for sustaining these GAs. The project was also financially appraised independently by M/s IDBI Capital. BGRL has submitted to PNGRB the financial closure (FC) for the initial 5 years Capex cost, which comes to around Rs. 4,600Cr., in respect of round 9 GAs.

With respect to 2 GAs authorized in round 10, BGRL has submitted total Performance Bank Guarantee for Rs. 66 Crores. to PNGRB with a commitment of 700 inch KM pipeline, 25,500 domestic PNG connections and 13 CNG Stations over the period of 8 years of exclusivity. The DFRs for these GAs are in advanced stage.

The manpower in all GAs of round 9th as well as round 10th has been placed. BGRL has also appointed Project Management Consultant of repute for design and execution of the infrastructure for 11 GAs of round 9. Actual physical activities have already commenced in these areas.

LNG Import Terminal

BGRL as part of its business strategy approved setting up of LNG Re-gasification plant at Krishnapatnam through a special purpose vehicle. This project is having a capacity of 1 MMTPA initially and scalable to 3 MMTPA depending on the demand for LNG. This project is proposed to

be set up on 20 acres of land taken on lease from Krishnapatnam Port Trust (KPT) at an estimated Project cost of Rs.1761 crores including interest during construction period. The project will have a regasification capacity of 1 MMTPA to start with. It will also have storage in a floating storage unit (FSU) which technology is being used for the first time in the country. The SPV can enhance the facility upto 3 MMTPA in a modular way. Land area demarcation for this project is in final stage. A DFR for the project is also being prepared. Inclusion of Natural Gas under GST, timely implementation of CGD networks and commissioning of Kakinada Nellore pipeline also would be critical to success of this terminal.

BGRL has also signed a MOU for in principle participation upto 26% in the Gopalpur LNG project. The DFR for the project is expected and full financial approval will be obtained thereafter.

Long Term LNG Supply Agreement

With a view to meet the growth in LNG demand, BGRL has executed LNG Long Term Supply Agreement M/s. Mozambique LNG1 Company Pte Ltd (MozLNG) for tying up 0.5 MMTPA in year 2024-25 gradually increasing to 1.0 MMTPA by 2028. Features include pricing formula, annual take or pay clause of 100% annual contracted quantity with deferment of cargo in the event of inoperability of the BPCL refineries i.e. BGRL's parent company.

Opportunities, Threats, Risks and Concerns.

As significant impetus is being given to increase the consumption of natural gas in the country, the sector is poised for immense growth and offer remarkable opportunities to the Oil and Gas companies.

However, with declining gas prices owing to excessive global supplies and a weak gas price outlook for next few years, the Long Term Pricing conditions in the LNG purchase agreements expose the companies to significant price risks. Non-inclusion of gas in the GST gamut is also creating a pricing barrier for industries wanting to shift from solid or liquid fuels to natural gas.

With strong growth projected for Natural Gas and LNG in the country, BGRL has drawn ambitious plans to enhance its presence across the gas value chain. The company is constantly monitoring the market demand and supply position and the pricing trends and is devising strategies to leverage the opportunities and mitigate the risks.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Gas Resources Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Bharat Gas Resources Limited's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bharat Gas Resources Limited for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable during reporting period)
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable during reporting period)
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No event during reporting period)
 - (v) The following Regulations and Guide lines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (Not Applicable during reporting period)
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Requirements) Regulations, 2009;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, subject to the following observations:

- a) Pursuant to provisions of Section 203 of the Companies Act, 2013 read with Rules applicable thereon, the Company has not appointed Chief Financial Officer, Company Secretary has been appointed by Board dated 17th May, 2019. However, the Company is under process of appointment of Chief Financial Officer.
- b) Although not required by provisions of the Companies Act, 2013 the following requirement under DPE (Department of Public Enterprise) Guideline issued by the Ministry of Heavy Industries and Public Enterprise Department of Public Enterprise are not complied by company:
- Appointment of Independent Director
 - Constitution of Audit Committee and Remuneration Committee.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors except Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has allotted equity shares of Rs. 150 Cr to BPCL except this there were no instances of:

- Public/Preferential issue of Shares /Debentures/Sweat Equity, etc.
- Major decision taken by the members in pursuance to section 180 of the Companies Act, 2013.
- Merger/Amalgamation/Reconstruction, etc.
- Foreign technical collaborations

FOR SUBHASH KULKARNI & ASSOCIATES
Company Secretaries

Sd/-
Subhash Kulkarni
Proprietor
CP No. : 18464
Mem. No.: F4903

Place: Mumbai
Date: 29/07/2019



Annexure A to the Secretarial Audit Report

To,
The Members,
BHARAT GAS RESOURCES LIMITED ("Company")
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 practice 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 the financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the Provision of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR SUBHASH KULKARNI & ASSOCIATES
Company Secretaries

Sd/-
Subhash Kulkarni
Proprietor
CP No. : 18464
Mem. No.: F4903

Place: Mumbai
Date: 29/07/2019

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Governance

Bharat Gas Resources Limited's ("the Company") corporate philosophy on Corporate Governance has been to ensure fairness to the Stakeholders through transparency, full disclosures, empowerment of employees and collective decision making.

Board of Directors:

As per the Articles of Association of the Company, the number of Directors shall not be less than three and not more than fifteen.

As on 31st March 2019, the BGRL Board comprised 5 Directors represented by 3 (three) Directors (Non-Executive) and 2 (two) Additional Directors (Non-Executive) as per nomination of BPCL.

During the Financial Year 2018-19, all meetings of the Board were chaired by the Chairman.

None of the Non-Executive Directors of BGRL had any pecuniary relationship / transaction with the Company during the Financial Year.

Details regarding the Board Meetings; Directors' attendance thereat; Directorship and Committee positions held by the Directors are given separately.:

1. Board Meetings:

Four Board Meetings were held during the Financial Year 2018-19 on the following dates:

26/06/2018	24/10/2018	13/12/2018	02/01/2019
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The Board has reviewed the compliance of all laws applicable to the Company. The Company has followed all identified provision requiring compliance.

Particulars of Directors including their attendance at the Board/Shareholders Meetings during the financial year 2018-19.

Names of the Directors	Attendance Board Meetings held during the year and percentage thereof		Details of Directorships held in other Public Limited Companies	Memberships held in Committees
	No.of Meetings Attended	%		
Shri D Rajkumar	4	100	Chairman: Bharat Petroleum Corporation Ltd. Numaligarh Refinery Ltd. Bharat Oman Refineries Ltd. Director: Bharat Petro Resources Ltd. Petronet LNG Ltd.	Chairman: Audit Committee- Bharat Petro Resources Ltd.
Shri R Ramachandran	4	100	Director: Bharat Petroleum Corporation Ltd. Bharat Oman Refineries Ltd. Ratnagiri Refinery And Petrochemicals Ltd. Petronet India Ltd.	Nil

Shri R P Natekar	4	100	Chairman: Maharashtra Natural Gas Ltd. Haridwar Natural Gas Private Ltd. Director: Sabarmati Gas Ltd. Indraprastha Gas Ltd.	Chairman: Nomination and Remuneration Committee- Sabarmati Gas Ltd. Member : Audit and Nomination & Remuneration Committee- Indraprastha Gas Ltd. CSR Committee- Sabarmati Gas Ltd. CSR Committee and Nomination & Remuneration Committee- Maharashtra Natural Gas Ltd.
Shri Arun Kumar Singh (w.e.f. 26/06/2018)	4	100	Director: Bharat Petroleum Corporation Ltd.	Nil
Shri N Vijayagopal (w.e.f. 13/12/2018)	2	100	Director: Bharat Petroleum Corporation Limited Bharat Petro Resources Ltd. Bharat Gas Resources Ltd. Bharat Oman Refineries Ltd.	Member: Audit Committee - Bharat Petro Resources Ltd. Stakeholder's Relationship Committee - Bharat Petroleum Corporation Ltd.

Board Committees:

A) Audit Committee:

Independent Director in the Board of BGRL will be inducted on receipt of recommendation from the appropriate authority, which is in progress.

On appointment of Independent Directors, Audit Committee will be constituted.

B) Nomination and Remuneration Committee:

Nomination and Remuneration Committee will be constituted on appointment of Independent Director

C) Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee is not applicable to BGRL as they have only seven shareholders.

D) Corporate Social Responsibility Committee:

BGRL is in the process of setting up their operational activities and there has been loss in the first year of operation. Hence, in accordance with section 135 of the Companies Act, 2013, Corporate Social Responsibility provisions are not applicable, hence this committee is not constituted.

E) Risk Management Committee:

In the initial year of business operation and till stabilization of business process, BGRL is following the risk management policy of BPCL and for the time being, Risk Management Committee is not set up. However, risk assessment is being carried by Functional Managers and mitigation measures are adopted.

F) Separate Meeting of Independent Directors:

For the present, there being no Independent Directors in the Board of BGRL, separate meeting of Independent Directors was not held.

2. Remuneration to Directors:

BGRL, being a Government Company, appointment and remuneration of Whole-time Directors are determined by the Government through the Ministry of Petroleum & Natural Gas. The Part-time (ex-officio) Directors do not receive any remuneration from the Company. Performance Linked Incentives are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.

3. General Body Meetings:

The Company was incorporated on 7th June 2018 and first General Body Meeting is being held on 21st August, 2019 at 12 Noon at BPCL Board room, 2nd Floor, Bharat Bhavan-1, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai- 400 001.

4. General Shareholders'/ Members' Information:

Annual General Meeting : Date, Time and Venue	21st August, 2019 at 12 Noon at the Registered office of the Company at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001.
Financial Calendar	BGRL follows the first financial year from 7th June, 2018 to 31st March, 2019.
Shareholding Pattern	BPCL along with its nominees is holding entire paid up equity share capital of 160000000 equity shares of Rs.10 each in the Company.
Location	Registered Office Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai-400001.
CIN	U11200MH2018GOI310461

5. Management Discussion & Analysis Report

MDA Report is given in a separate section.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

The preparation of financial statements of Bharat Gas Resources 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 (7) 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 17.05.2019.

I, on behalf of the Comptroller and Audit General of India, have conducted a supplementary audit of the financial statements of Bharat Gas Resources 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 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 supplementary to statutory auditor's 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:15 July 2019

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL.
2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No	Name of the Related Party	Nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Transaction Value for FY 2018-19 (Rs. Crores)	Dates of Board Approval	Amount paid as Advances (Rs. Crores)
1	Bharat Petroleum Corporation Limited	Holding Company	Receiving of services	2018-19	BG Commission Charges	1.94	NA	-
2					Reimbursement of expenses including Salaries and Others	7.67	NA	-

Note: The threshold for determining the material transaction has been considered in line with rule no. 15 (3) of Companies (Meetings of Boards and its powers) Rules, 2014.

For and on behalf of the Board of Directors of
Bharat Gas Resources Limited

Sd/-
R P Natekar
Director
(DIN-07858989)

Place: Mumbai
Date : 01.08.2019

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST 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	U11200MH2018GOI310461
ii.	Registration Date	7 th June, 2018
iii.	Name of the Company	BHARAT GAS RESOURCES LIMITED
iv.	Category / Sub-Category of the Company	Public Company Limited by Shares/ Government company
v.	Address of the Registered office and contact details	Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, P.B.No.688, Mumbai 400001 Phone: 022-26381635 Email: z_csgas@bharatpetroleum.in
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable (NA)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company was incorporated as a wholly owned subsidiary of Bharat Petroleum Corporation Limited (BPCL). The company is engaged in the business of Natural Gas.

In the first year of operation, business projects are being set up. There has been no business transaction other than getting authorization from Petroleum and Natural Gas Regulatory Authority for 13 Geographical Areas as part of CGD Bidding process.

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated:)

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% Total turnover of the company
	No revenue from operation during the financial year.		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. 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 400 001, India.	L23220MH1952GOI008931	Holding	100	2(46)
Company does not have Subsidiary and Associate Company.					

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,00,00,000	1,00,00,000	100	-	16,00,00,000	16,00,00,000	100	93.75	

ii. Share holding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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)	99,99,994	100	NIL	159999994	100	NIL	
2.	Shri Ravi Kothandaraman jointly with BPCL	1	--	NIL	1	--	NIL	NIL
3.	Shri Rajendra Pushparaj Natekar jointly with BPCL	1	--	NIL	1	--	NIL	NIL
4.	Shri Rajamani Ramaswamy jointly with BPCL	1	--	NIL	1	--	NIL	NIL
5.	Shri Mani Venugopal jointly with BPCL	1	--	NIL	1	--	NIL	NIL

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	
6.	Shri Neelakantapillai Vijayagopal jointly with BPCL	1	--	NIL	1	--	NIL	NIL
7.	Shri Suresh Kotteeri Nair jointly with BPCL	1	--	NIL	1	--	NIL	NIL
	Total	1,00,00,000	100	NIL	16000000	100	NIL	

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

Sr. No.		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 (Bharat Petroleum Corporation Limited)	1,00,00,000	100	1,00,00,000	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): 13/12/2018	15000000	100	15000000	100
	At the End of the year	16000000	100	16000000	100

iv. Shareholding Pattern of top ten Members (other than Directors, Promoters and Holders of GDRs and ADRs): N.A.

v. Shareholding of Directors and Key Managerial Personnel: N.A.

vi. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
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					
2.	Stock Option					

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
6.	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other Directors: Not Applicable.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Independent Directors •Fee for attending board committee meetings •Commission •Others, please specify					
2.	Total (1)					
3.	Other Non-Executive Directors •Fee for attending board committee meetings •Commission •Others, please specify					
4.	Total (2)					
5.	Total (B)=(1+2)					
6.	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: Not Applicable

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	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				
2	Stock Option				
3	Sweat Equity				

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
4	Commission - as % of profit -others, specify...				
5	Others, please specify				
6	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :Nil

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made. If any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
C. Directors					
Penalty					
Punishment					
Compounding					
D. Other Officers In Default					
Penalty					
Punishment					
Compounding					

INDEPENDENT AUDITORS' REPORT

To the Members,
Bharat Gas Resources Limited
Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of Bharat Gas Resources Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive income), the statement of Cash flows and the Statement of Changes in Equity for the period 7th June 2018 to 31st March 2019 ('the period') and a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its Loss and the total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

2. We conducted our audit of financial statements 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 (ICAI) 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 on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

4. 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 during the course of our 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.

Management's Responsibility for the Financial Statement



5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended.
6. 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 internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditors' Responsibilities for the Audit of the Financial Statements

8. 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. The description of the auditor's responsibilities for the audit of the financial statements is given in "Appendix I" to this report.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. The Comptroller and Auditor-General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "Annexure-B".
11. 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.
 - 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 Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. In view of exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of directors, are not applicable to the Company.
- f. With respect to the existence of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses unmodified opinion on the existence and operative effectiveness of the Company's internal financial controls with reference to financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses.
 - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the company.

For CHOKSHI & CHOKSHI LLP

Chartered Accountants

FRN: 101872W/W100045

Sd/-

Nilesh Joshi

Partner

M. No. 114749

Place of Signature: Mumbai

Date: 17.05.2019

APPENDIX – I : THE FURTHER DESCRIPTION OF THE AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal financial controls 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 an existence of internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

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.

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.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT IN RESPECT OF THE MATTERS COVERED IN CARO 2016 REPORT, WE CONFIRM THE FOLLOWING:

1. In respect of its fixed assets:

The company has not capitalized any fixed assets since the date of incorporation, hence the clause 3(i) of the companies (Auditor's report) Order, 2016 (the "CARO 2016") are not applicable.
2. The Company is in the process of commencement of business and does not hold the inventory on reporting date, hence the Clause 3(ii) of the order regarding physical verification of inventories and maintenance of records are not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the clause 3(iii) (a) to 3(iii)(c) are not applicable to the Company.
4. According to the information and explanations given to us the company has not given/made any loans, investments, guarantees, and security accordingly provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
5. The Company has not accepted any public deposits within the meaning of sections 73 to 76 of Companies Act, 2013 and rules framed there under;
6. As the Company is not a manufacturing concern, the clause 3(vi) of the Order regarding maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.
7.
 - a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing applicable undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, duty of excise, value added tax, goods & service tax, cess and any other statutory dues with the appropriate authorities during the period under audit and no such dues are outstanding for more than six months from the date they became payable.
 - b) According to the information and explanations given to us, No disputed dues are payable by the Company on account of Income tax/ Sales tax/ Wealth tax/ Service tax/ Duty of Custom/ Duty of Excise.
8. In our opinion, and according to the information and explanations given to us, the Company has not borrowed any money from financial institutions, banks or Debenture holders. Accordingly, the clause 3(viii) of the Order is not applicable to the Company.
9. According to the information and explanations given to us, the Company has not raised any fund by way of public offer, further public offer (including debt instruments) and term loans. Accordingly, the Clause 3(ix) of the order are not applicable to the company.
10. During the course of our examination of the books of accounts, carried out in accordance with the generally accepted auditing standards in India, and according to the information and explanation given to us, we have not come across any instance of fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the period under audit, on or by the Company.

11. In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Corporation. Accordingly, clause 3(xi) of the Order is not applicable;
12. The Company is not in the nature of a Nidhi Company as defined under section 406 of the Act.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in note 18 of the financial Statements etc., as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under audit.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **CHOKSHI & CHOKSHI LLP**

Chartered Accountants

FRN: 101872W/W100045

Sd/-

Nilesh Joshi

Partner

M. No. 114749

Place of Signature: Mumbai

Date: 17.05.2019

ANNEXURE-B INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 10 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Bharat Gas Resources Ltd. On the financial statements as on and for the period ended on 31st March 2019)

Sr. No.	Directions	Auditor's 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 processing accounting transactions through IT system. The Company has not processed any transaction outside IT system.
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 loan? If yes, the financial impact may be stated.	There were no case of restructuring of an existing loan or waiver / write off of debts / loans / interest etc. made by lenders to the Company during the period under audit.
3)	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	The Company has not received funds from any central / state agencies during the period under audit.

For CHOKSHI & CHOKSHI LLP

Chartered Accountants
FRN: 101872W/W100045

Sd/-

Nilesh Joshi

Partner

M. No. 114749

Place of Signature: Mumbai

Date: 17.05.2019

ANNEXURE - C TO INDEPENDENT AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls over financial reporting of Bharat Gas Resources Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 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 Act.

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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether existence of internal financial controls system with reference to financial statements 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 existence of internal financial controls system with reference to financial statements 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 judgement, 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 existence of internal financial controls with reference to financial statements and its operating effectiveness as at March 31, 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 **CHOKSHI & CHOKSHI LLP**

Chartered Accountants

FRN: 101872W/W100045

Sd/-

Nilesh Joshi

Partner

M. No. 114749

Place of Signature: Mumbai

Date: 17.05.2019

BHARAT GAS RESOURCES LIMITED

Balance Sheet as at March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31,2019
ASSETS		
Non-current assets		
Property, Plant and Equipment		-
Capital work-in-progress	2	843.33
Other Intangible assets		-
Financial Asset		-
(i) Other financial asset	3	12.38
Deferred Tax Asset	20	426.55
Other non-current assets	4	21.89
Total non-current assets		1,304.15
Current assets		
Inventories		-
Financial Assets		
(i) Cash and cash equivalents	5	15,464.85
(ii) Other financial assets	3	47.67
Other current assets	6	1.17
Total Current Assets		15,513.69
Total - Assets		16,817.83
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	7 (a)	16,000.00
Other Equity	7 (b)	(176.64)
Total Equity		15,823.36
Non-current liabilities		
Financial Liabilities		-
Long-term provisions		-
Liabilities for Tax (Net)		-
Deferred tax liabilities (Net)		-
Total non-current liabilities		-

Balance Sheet (Contd.)		
Current liabilities		
Financial Liabilities		
(i) Trade payables	8	137.63
(ii) Other financial liabilities	9	15.12
Short-term provisions		-
Liabilities for Current Tax (Net)		-
Other current liabilities	10	841.72
Total Current Liabilities		994.47
Total - Liabilities		994.47
Total Equity and liabilities		16,817.83
Significant accounting policies	1	
The accompanying notes form an integral part of these financial statements.		

For and on behalf of the Board of Directors

As per our report of even date attached
For M/s Chokshi & Chokshi LLP
 FRN: 101872W/W100045
 Chartered Accountants

Sd/-
R. P. Natekar
 Director
 DIN: 07858989

Sd/-
N. Vijayagopal
 Director
 DIN: 03621835

Sd/-
Nilesh Joshi
 Partner
 Membership No : 114749
 Place of signing: Mumbai

Sd/-
 Bharat Gangani
Company Secretary
 Place : New Delhi
 Date : 17th May 2019

BHARAT GAS RESOURCES LIMITED

Statement of Profit and Loss for the period ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Particulars No.	Note No.	Period Ending March 31, 2019
Revenue from Operations		-
Other Income	11	195.13
Total Income		195.13
Expenses		
Purchases of Natural Gas		-
Changes in inventories of finished goods		-
Excise Duty		-
Employee benefit expense		-
Depreciation and amortisation expense		-
Finance Costs		-
Other expenses	12	1,660.01
Total Expenses		1,660.01
Profit before exceptional items and tax		(1,464.88)
Exceptional Items		
Profit before tax from continuing operations		(1,464.88)
Income tax Expense		
- Current Tax		-
- Deferred tax	20	(426.55)
Total Tax Expense		(426.55)
Profit for the Period		(1,038.33)

Statement of Profit and Loss (Contd.)		
Particulars	Note Reference	Period Ended March 31, 2019
Other Comprehensive income		
Items that will not be reclassified to profit or loss		-
Remeasurements of post employment benefit obligations		-
Income tax relating to these items		-
Other Comprehensive income for the period, net of tax		-
Total Comprehensive income for the period		(1,038.33)
Earnings per equity share for profit from continuing operation		(0.65)
Basic and diluted earnings per share (in Rs.)	17	

For and on behalf of the Board of Directors

As per our report of even date attached
For M/s Chokshi & Chokshi LLP
FRN: 101872W/W100045
Chartered Accountants

Sd/-
R. P. Natekar
Director
DIN: 07858989

Sd/-
N. Vijayagopal
Director
DIN: 03621835

Sd/-
Nilesh Joshi
Partner
Membership No : 114749
Place of signing: Mumbai

Sd/-
Bharat Gangani
Company Secretary
Place : New Delhi
Date : 17th May 2019

BHARAT GAS RESOURCES LIMITED

Statement of Cash flows for the period ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	Period Ending March , 2019	
A	Cash Flow from Operating Activities		
	Profit before income tax		(1,464.88)
	Adjustments for Non Cash Item:		
	Advance for Equity Share pending application	861.69	861.69
	Operating Profit Before Working Capital Changes		(603.19)
	Change in operating assets and liabilities		
	(Increase)/Decrease in Trade and Other Receivables	(83.10)	
	Increase/(Decrease) in Trade and Other Payables	994.47	
	Cash Generated from Operations		308.18
	Net cash inflow from operating activities		308.18
B	Cash flow from investing activities		
	Purchase for Property, Plant and Equipment (incl under construction)	(843.33)	
	Net cash outflow from investing activities		(843.33)
C	Cash flow from financing activities		
	Proceeds from Issue of Share Capital	16,000.00	
	Net cash inflow from financing activities		16,000.00
D	Net increase/(decrease) in cash & cash Equivalents (A+B+C)		15,464.85
	Cash & Cash Equivalents as at beginning of the Period		-
	Cash & Cash Equivalents as at end of the Period		

Cash balance with Banks - in current Accounts	2,297.09	
Deposits with maturity of less than three months	13,167.76	
		15,464.85
Net Change in Cash and Cash Equivalents		15,464.85

The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Cash Flow Statement. Brackets indicate cash outflow/ deduction.

For and on behalf of the Board of Directors

As per our report of even date attached
For M/s Chokshi & Chokshi LLP
FRN: 101872W/W100045
Chartered Accountants

Sd/-
R. P. Natekar
Director
DIN: 07858989

Sd/-
N. Vijayagopal
Director
DIN: 03621835

Sd/-
Nilesh Joshi
Partner
Membership No : 114749
Place of signing: Mumbai

Sd/-
Bharat Gangani
Company Secretary
Place : New Delhi
Date : 17th May 2019

BHARAT GAS RESOURCES LIMITED

Statement of Changes in Equity

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	
	No. of Shares (In Lakhs)	Amount (INR in Lakhs)
(a) Equity Share Capital		
Balance at the beginning of the period	-	0
Changes in equity share capital during the period	1600.00	16000.00
Balance at the end of the period	1600.00	16000.00

Particulars	As at March 31, 2019	
	Retained earnings	Advance for Equity Share pending application
(b) Other equity		
Balance at the beginning of the period	-	-
Profit/(Loss) for the period	(1038.33)	-
Transactions for the period	-	861.69
Balance at the end of the period	(1038.33)	861.69

For and on behalf of the Board of Directors

As per our report of even date attached
For M/s Chokshi & Chokshi LLP
 FRN: 101872W/W100045
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Company Secretary
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BHARAT GAS RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

Company Overview

Bharat Gas Resources Limited referred to as 'BGRL' or 'the Company' was incorporated on 7th June 2018. It is wholly owned subsidiary of Bharat Petroleum Corporation Limited (BPCL) which is a Government of India Enterprise listed on BSE Limited and National Stock Exchange of India Limited.

The company is engaged in the business of natural gas.

Both BGRL and Parent Company BPCL have approved the proposal of transfer of BPCL's Gas Business undertaking to BGRL during the Financial Year 2018-19 and the same is in process. BGRL on its own has also won authorisation to set-up City Gas distribution network in 13 GAs in Bid Round 9 and 10 conducted by PNGRB.

1. Statement of Significant Accounting Policies

Basis for preparation: The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company's presentation and functional currency is Indian Rupees (INR). All figures appearing in the financial statements are rounded to the nearest lakhs (INR lakhs) except where otherwise indicated.

Authorisation of Financial Statements: The Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th 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, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;

- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions including loss allowances;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.2. Property, plant and equipment

- 1.2.1. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.2.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- 1.2.3. Direct and other expenses incurred during construction period on capital projects are capitalised. Expenditure incurred on enabling assets are capitalised.
- 1.2.4. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.2.5. Expenditure on assets, other than plant and machinery not exceeding threshold limit are charged to revenue.
- 1.2.6. Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- 1.2.7. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.
- 1.2.8. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

1.3. Depreciation

Depreciation on Property, Plant and Equipment are provided on the straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of upto 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act, except in following cases:

- 1.3.1. Plant & Machinery at Retail Outlets (other than Storage tanks and related equipments) are depreciated over a useful life of 15 years based on the technical assessment.
- 1.3.2. Computer equipments are depreciated over a period of 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 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. Solar Panels are depreciated over a period of 25 years based on the technical assessment of useful life and applicable warranty conditions.
- 1.3.4. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition.
- 1.3.5. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.
- 1.3.6. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 1.3.7. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

1.4. Intangible Assets

- 1.4.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, is not capitalised and is reflected in 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. Assets where entire output generated is committed to be sold to entities providing public services for almost entire useful life of the asset are classified as intangible assets as per the requirements of Ind AS 11 and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.
- 1.4.3. In cases where, the Company has constructed assets on behalf of public infrastructure entities and the Company has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.
- 1.4.4. Intangible assets with indefinite useful lives, such as right of way which is perpetual and absolute in nature, are not amortised, but are tested for impairment annually. The useful lives are reviewed at each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment losses on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

- 1.4.5. Expenditure incurred for creating / acquiring other intangible assets above threshold limit from which future economic benefits will flow over a period of time, is 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 intangible asset with finite useful lives and impairment losses in case there is an indication that the intangible asset may be impaired, is recognised in the Statement of Profit and Loss.

1.5. Investment Property

- 1.5.1. Investment property is property (land or a building — or part of a building — or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.5.2. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

1.6. Borrowing costs

- 1.6.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- 1.6.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.
- 1.6.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

1.7. Non-current assets/Disposal Group held for sale

- 1.7.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 1.7.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell (@5% of the acquisition value)
- 1.7.3. The disposal group classified as held for sale, are measured at the lower of carrying amount and fair value less costs to sell.
- 1.7.4. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

1.8. Leases

1.8.1. Finance Lease

Lease Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Lease Agreements in respect of land for lease period above threshold limit are classified as a finance lease.

1.8.2. Operating Lease

Lease Agreements which are not classified as finance leases are considered as operating 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 premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

1.8.3. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At 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 Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

1.9.2. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.10. Inventories

1.10.1. Inventories are stated at cost or net realisable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and are determined on the following basis:

- Traded goods and finished products are determined on First in First out basis
- Other raw materials, packages, and stores and spares are determined on weighted average basis.
- The cost of Stock-in-Process is determined at raw material cost plus cost of conversion.

- 1.10.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.
- 1.10.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.
- 1.10.4. The net realisable value of finished goods and stock in trade are based on the inter-company transfer prices and final selling prices (applicable at the location of stock) for sale to oil marketing companies and retail consumers respectively.
- 1.10.5. Raw Materials held for use in the production of finished goods are not written down below cost except in cases where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.
- 1.10.6. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.11. Revenue Recognition

1.11.1. Sale of goods

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

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to 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.

Any upfront fees earned by the company with no identifiable performance obligation are recognized as revenue on a systematic basis over the period of the Contract.

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

1.11.2. Construction contracts

Revenue from Construction contracts arise from the service concession arrangements entered into by the Company and certain arrangements involving construction of specific assets as part of arrangements involving more than one performance obligation.

Contract revenue includes the amount agreed in the contract to the extent that it is probable that they will result in revenue and can be measured reliably.

Based on an assessment of the terms of such contracts, the contract revenue is recognised in the Statement of Profit and Loss based on the percentage of completion method.

The stage of completion is assessed with reference to the proportion of actual cost incurred as compared to the total estimated cost of the related contract.

Contract expenses are recognised as incurred unless they create an asset relating to future contract activity. An expected loss on a contract is recognised immediately in the Statement of Profit and Loss.

- 1.11.3. Interest income is recognised using effective interest rate (EIR) method.
- 1.11.4. Dividend is recognised when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.
- 1.11.5. Income from sale of scrap is accounted for on realisation.

1.12. Classification of Income / Expenses

- 1.12.1. Income / expenditure (net) in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.
- 1.12.2. Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.
- 1.12.3. Deposits placed with Government agencies / local authorities which are perpetual in nature are charged to revenue in the year of payment.

1.13. Employee Benefits

1.13.1. Short-term employee benefits

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss/Balance Sheet of the period 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.

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.

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 and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

1.14.2. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.15. Investment in Subsidiaries, Joint Ventures and Associates

Investments in equity shares of Subsidiaries, Joint Ventures and Associates are recorded at cost and reviewed for impairment at each reporting date.

1.16. 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.
- 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 Company 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 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.
- 1.17.5. 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)
- 1.17.6. When quoted price in 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.

- 1.17.7. If there is no quoted prices in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.
- 1.17.8. 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 and losses and impairment losses are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Debt instruments at Fair value through Profit or Loss (FVTPL)

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

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

Equity investments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognised in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

1.18.3. 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 or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

1.18.4. 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.

Loss allowances on receivables from customers and LPG consumers are measured following the ‘simplified approach’ at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.19. 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 liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

1.19.2. Subsequent measurement

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

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

Financial Liabilities at 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 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. Earnings per share

- 1.23.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes)

by the weighted average number of equity shares outstanding during the period.

- 1.23.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.24. 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 as 12 months) and other criteria set out in Schedule III of the Act.

1.25. Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and 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, cheques and drafts on hand, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. 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.

1.26. Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.27. 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	1.2.5	INR	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.2.6	INR Lakhs	1
Depreciation at 100 percent in the year of acquisition	1.3.4	INR	5,000
Expenditure incurred for creating / acquiring other intangible assets in each case	1.4.5	INR Lakhs	50
Lease agreements in respect of land	1.8.1	Period (years)	99
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.12.1	INR Crores	50
Prepaid expenses in each case	1.12.2	INR Lakhs	1
Disclosure of Contingent liabilities and Capital Commitments in each case	1.16.6	INR Lakhs	5

BHARAT GAS RESOURCES LIMITED

Notes to the financial statements

(All amounts in INR Lakhs, unless otherwise stated)

Note 2: Capital Work in Progress

Particulars	As at March 31, 2019	
Capital Work in Progress		
Property, Plant and Equipment under construction		55.99
Allocation of Construction period expenses		
Opening Balance	-	
Add: Expenditure during the period	787.34	
Closing Balance pending allocation		787.34
Total		843.33

During the period ended March 31, 2019, the company has incurred INR 787.34 Lakhs in respect of CGD Authorisations won in 13 GAs in Bid Round 9 and 10 conducted by PNGRB.

Note 3: Other Financial Assets

Particulars	As at March 31, 2019	
Non-Current		
Security Deposit		12.38
		12.38
Current		
Interest Receivable on Bank Deposits		47.67
		47.67
Total		60.05

Note 4: Other non-current assets

Particulars	As at March 31, 2019	
Prepaid expenses		2.14
Receivable from revenue authorities		
- TDS Receivable (FY 18-19)		19.50
- VAT Recoverable		0.25
Total		21.89

Note 5: Cash and cash equivalents

Particulars	As at March 31, 2019
Balances with banks	
- in current accounts	2,297.09
- Deposits with maturity of less than three months	13,167.76
Cash on hand	-
Total	15,464.85

Note 6: Other Current assets

Particulars	As at March 31, 2019
Unsecured considered good	
Prepaid Expenses	1.17
Total	1.17

Note 7: Equity share capital and Other Equity

7 (a): Equity Share capital

Particulars	As at March 31, 2019
Authorised	
2,00,00,00,000 equity shares	200,000.00
Issued, subscribed and paid-up *	
16,00,00,000 equity shares fully paid-up	16,000.0

* The Company is having issued, subscribed and paid up share capital as on 31.03.2019, Rs. 160 crores (16 crores shares of Rs. 10/- each). However as per Memorandum of Association filed with Registrar of Companies at the time of incorporation of the Company, subscribers of Memorandum of Association subscribed 200 crores shares of Rs. 10/- each aggregating Rs. 2000/- crores. The above error is under process of rectification. The same has been noted in the Meeting of the Board of Directors held on 26.06.2018.

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

(ii) Shares of the company held by holding/ultimate holding company

Particulars	As at March 31, 2019 (Nos in lakhs)	Percentage held as at March 31, 2019
Bharat Petroleum Corporation Limited (including those held through nominees of BPCL)	1600	100%

(iii) Reconciliation of No. of Equity Shares

Particulars	As at March 31, 2019
Opening Balance	-
Shares Issued	1,600.00
Closing Balance	1,600.00

(iv) Details of shareholders holding more than 5% shares

Particulars	As at March 31, 2019 (Nos in lakhs)	Percentage held as at March 31, 2019
Bharat Petroleum Corporation Limited (including those held through nominees of BPCL)	1,600.00	100%

7 (b) Other Equity

Particulars	As at March 31, 2019
(i) Retained Earnings	
Opening Balance	0
Net profit for the period	(1,038.33)
	(1,038.33)
Items of other comprehensive income recognised directly in retained earnings	-
Closing Balance	(1,038.33)
(ii) Advance for Equity Share pending application *	861.69
	861.69
TOTAL OTHER EQUITY	(176.64)

* The given amount has been incurred by Parent Company on behalf of the Company for which the Company will be issuing Equity Shares at a future date subject to applicable statutory provisions and as approved in the meeting of Board of Directors held on 17-May-2019.

Note 8: Trade Payables

Particulars	As at March 31, 2019
Due to Others	137.63
Total	137.63

Note 9: Other Financial Liabilities

Particulars	As at March 31, 2019
Current EMD/SD from vendors	15.12
Total	15.12

Note 10: Other Current liabilities

Particulars	As at March 31, 2019
Dues to Micro and Small Enterprises	52.55
Other Liabilities	759.97
Statutory Liabilities	29.19
Total	841.72

Note 11: Other income

Particulars	Period Ending March 31, 2019
Interest income from Bank deposits	194.95
Interest income from Financial Assets recognised at amortised cost	0.18
Total other income	195.13

Note 12: Other expenses

Particulars	Period Ending March 31, 2019
Pre Incorporation Expenses *	300.02
Bidding Related Expenses	780.70
Bank Charges	36.91
Rent	37.27
Postage & Courier Exp. and Telephone Exp.	1.56
Professional & Legal expenses	493.82
Printing & Stationery	3.45
Remuneration to auditors	4.00
Other Charges	2.29
Total Expenses	1,660.01

*Represence full amount expenditure.

12 (a) Details of remuneration to auditors

Particulars	Period Ending March 31, 2019
Remuneration to Auditors	
As auditor:	
Audit fee	4.00
Total	4.00

Note 13: Leases

Operating Leases

Leases as Lessee

The Company has entered into operating lease arrangement with IL&FS for its office premises at BKC for a period of five years w.e.f. 1-Feb-2019 with a lock-in-period of three years. The Basic monthly service charge (Rent) is Rs. 15,70,950/- which will remain same during the entire Five years as per agreement without any escalation. The details of the lease payments to be made across the non-cancellable period of the above lease arrangement are given below :

a) The future minimum lease payments under Non cancellable leases payable as at the period ending are as follows:

Particulars (Basic Monthly Rent)	As at March 31, 2019
i) Less than one year	188.51
Between one and five years	345.61
More than five years	-
ii) Lease Rentals recognized in the Statement of Profit and Loss	37.07

Note 14: Segment Information

The company operates in a single segment of Natural Gas Business, therefore, disclosure requirements as per Ind AS 108 "Operating Segment" is not applicable.

Note 15: Employee Benefit Obligations

All of the employees for the FY 18-19 are on deputation from Bharat Petroleum Corporation Limited (BPCL).

For the FY 18-19 all Employee Benefit Expenditure is appearing under Capital Work in Progress in Balance sheet based on the provision created by BPCL in its books. The debit note from BPCL giving the breakup of employee benefits including retirement benefits towards Provident Fund, Gratuity, etc is yet to be received.

In view of the above, the management is of the view that no additional disclosure is required in terms of Indian Accounting Standard 19 on "Employee Benefits" notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

Note 16: Micro, Small and Medium Enterprises

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

Particulars	As at March 31,2019
Principal amount overdue (remaining unpaid) as on 31st March	-
Interest due thereon remaining unpaid as on 31st March	-
Payment made during the period after the due date	-
Principal	-
Interest	-
Interest accrued and remaining unpaid as at 31st March	-

Note 17: Earnings Per Share (EPS)

Particulars	Period Ending March 31, 2019
Net profit attributable to the Equity shareholders of the Company (Amount in INR Lakhs)	(1,038.33)
Weighted average number of ordinary shares Issued during the period	1,600.00
Weighted average number of shares at period end for basic and diluted EPS (Nos. in lakhs)	1,600.00
Basic & Diluted EPS (INR)	(0.65)

Note 18: Related Party Transactions

(a) Parent Entity

The company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest
			March 31,2019
Bharat Petroleum Corporation Ltd. (BPCL)	Immediate and Ultimate parent entity	India	100%

(b) Key Management Personnel

Shri D. Rajkumar, Director
 Shri R. Ramachandran, Director
 Shri A. K. Singh, Director
 Shri R. P. Natekar, Director
 Shri N. Vijayagopal, Director (w.e.f. 13-Dec-2018)
 Shri B. Gangani, Company Secretary (w.e.f. 17-May-2019)

(c) Transactions with related parties

The following transactions occurred with related parties:

Particulars	Period Ending March 31,2019
Sales and Purchases of goods and services	
Recovery of BG Commission Charges (payable to parent entity)	194.04
Reimbursement of expenses including Salaries and others (payable to parent entity)	766.83
Other Transactions	
Issue of Equity Shares to parent entity	16,000.00

Advance for Equity Share pending application	861.69
Corporate Guarantee given by Parent Company on behalf of Company	23,899.00
PBG given by Parent Company on behalf of Company	16,600.00

(d) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	As at March 31, 2019
Payable at period end	657.57
Advance for Equity Share pending application	861.69
Total	1,519.26

The outstanding balances are unsecured and are settled in cash except advance against equities which are settled in equity.

Note 19: Financial Instruments

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31.03.2019	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amort. Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	15,464.85	15,464.85				
Others								
Non - Current	-	-	12.38	12.38	-	12.38	-	12.38
Current	-	-	47.67	47.67				
Total Financial Assets	-	-	15,524.90	15,524.90				
Financial Liabilities								
Trade Payables	-	-	137.63	137.63				
Others								
Current	-	-	15.12	15.12				
Total Financial Liabilities	-	-	152.75	152.75				

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the Balance Sheet, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter - relationship between significant unobservable inputs and fair value measurement
Non Current Financial Asset 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

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 Company is in the process of setting up a Risk Management Committee (the Committee which would be responsible for developing and monitoring the Company's risk management policies) and establishing a Risk Management Policy.

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

Cash and cash equivalents

The Company held cash and cash equivalents with banks with good credit ratings. Further, Company invests its short term surplus funds in bank fixed deposits which carry no/low mark to market risk for short duration. These instruments do not expose the Company to credit risk.

Note 19: Financial Instruments (contd.)

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. Liquidity risk is managed through effective fund management.

As at 31.03.2019	Contractual Cash Flows				
	Upto 1 yr	1 -3 yrs	3 - 5 yrs	3 - 5 yrs	Total
Non-derivative financial liabilities					
Trade payables	137.63	-	-	-	137.63
Other financial liabilities	841.72	-	-	-	841.72

iv. Market risk

Interest rate risk

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, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Note 20: Tax Reconciliation

(a) Amounts recognised in profit and loss

Particulars	Period Ending March 31, 2019
Current income tax	
Deferred income tax liability / (asset), net	(426.55)
Tax Expense for the period	(426.55)

(b) Reconciliation of effective tax rate

Particulars	Period Ending March 31, 2019
Profit before tax	(1,464.88)
Tax using the Company's Domestic tax rate (@ 29.12%)	(426.57)
Tax effect of:	
Expenses not deductible for tax purposes	0.07
Others	(0.05)
Tax expense/(income) for the period	(426.55)

(c) Movement in deferred tax balances

Particulars	Op. Bal.	Recognised in profit or loss	Closing Bal.	Deferred tax Asset
Deferred tax Assets				
Other Items	-	240.09	240.09	69.89
Tax Losses c/f	-	1,224.79	1,224.79	356.66
Total	-	1,464.88	1,464.88	426.55

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.

Tax losses carried forward

Particulars	Period Ending March 31, 2019	
	Gross amount (INR in Lakhs)	Expiry date
Business loss	(1,224.79)	FY 2026-27

Note 21: Capital Management

The Company's objective 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, 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.

Note 22:

Since the company doesn't have any Revenue in the Current Financial period, IND AS '115' 'Revenue from Contracts with Customers' is not applicable.

Note 23: Contingent Liabilities and Capital Commitments

Particulars	Period Ending March 31, 2019
(a) Contingent Liabilities:	
(b) Capital Commitments :	
Estimated amount of contracts remaining to be executed on capital account and not provided for.	2,424.22

Note 24:

The Company is having paid up share capital more than Rs. 10 crores, hence is required to appoint Whole Time Company Secretary and Chief Financial officer pursuant to provisions of the Section 203 of the Companies Act, 2013 read with Rules applicable thereon. The Company has appointed Whole Time Company Secretary with effect from 17.05.2019. The Company is under process of appointment of Chief Financial Officer.

Note 25:

Both BGRL and Parent Company BPCL have approved the proposal of transfer of BPCL's Gas Business undertaking to BGRL during the Financial Year 2018-19 and the same is in process. However no financial impact on same is there in the current Financial period.

Note 26:

Section 135 of Companies Act, 2013 in respect of CSR is not applicable to the Company for the Current Financial Period.

Note 27:

The company is in its first year of operation w.e.f. 7-Jun-2018, previous year figures are not applicable.

For and on behalf of the Board of Directors

As per our report of even date attached
For M/s Chokshi & Chokshi LLP
FRN: 101872W/W100045
Chartered Accountants

Sd/-
R. P. Natekar
Director
DIN: 07858989

Sd/-
N. Vijayagopal
Director
DIN: 03621835

Sd/-
Nilesh Joshi
Partner
Membership No : 114749
Place of signing: Mumbai

Sd/-
Bharat Gangani
Company Secretary
Place : New Delhi
Date : 17th May 2019



National Presence of BGRL

