

Addendum

to

Bharat PetroResources JPDA Limited

Annual Report 2020-2021



Ragini Chokshi & Co.

Company Secretaries

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Tel. : 022-2283 1120
022-2283 1134

Date: _____

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE PERIOD 01-04-2020 TO 31-03-2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat PetroResources JPDA Limited (CIN:U23209MH2006GOI165279)(hereinafter called the "Company") for the financial year ended 31st March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Due to COVID-19 pandemic impact and situation of partial lockdown, the verification and examination of documents as facilitated by the Company were conducted through electronic mode and based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering 1st April, 2020 to 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period April 1, 2020 to March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



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- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (to the extent applicable)
- (v) Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines), as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ; **Not Applicable**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ; **Not Applicable**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **Not Applicable**
 - d. The Securities and Exchange Board of India ((Share Based Employee Benefits) Regulations 2014- **Not applicable.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable**
 - f. The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client. - **Not Applicable**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable.**
 - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018- **Not applicable.**

Based on the Compliance Mechanism established by the Company and information, explanations and representation received from the Officers of the Company, we are of the opinion that the Company has generally complied with the laws, regulations, rules



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and guidelines specifically applicable to the Company with respect to oil exploration and discovery of natural gas.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India;
- Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015. Not applicable

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned herein below:

- *We have been informed by the Company that it being a Central Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, including remuneration and evaluation, vests with the Government of India and the Company is awaiting suitable nominations for the same. Therefore the Audit Committee and Remuneration committee is not duly constituted as required under the Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines), as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.*
- *As per Section 179(3) of Companies Act, 2013 read with Rule 8 of (Meetings of Board and its powers) Rules, 2014, and as per Section 117(1) of Companies Act, 2013, the Company has not filed Form MGT-14 for approval of Directors report for Financial Year 2019-20. It is hereby recommended that Company file Form CG-1 with Central Government through MCA portal for condoning the delay w.r.t filing of aforesaid form.*

We further report that other than the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors, except for the observations stated above. The following changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provision of the Act expect for observations as stated above;



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- Appointment of Shri Jitender P Waghray as an Additional Director of Company with effect from 13th May, 2020 and thereafter his designation being changed to Director with effect from 14th August, 2020.
- Cessation of Shri Pankaj Kumar as Director of Company with effect from 30th July, 2020.
- Cessation of Shri Sateesh Kumar V as Director of Company with effect from 25th January, 2021.
- Cessation of Shri VivekMaheshwari as Director and Chief Financial Officer of Company with effect from 5th February, 2021.
- Appoinment of Shri Ramanuj Chari as an Additional Director of Company with effect from 24th March, 2021.
- Appoinment of Shri Atit Shah as an Additional Director of Company with effect from 24th March, 2021.

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 where the same were given at shorter notice than seven days, the Company has taken shorter notice consent from the Members of the Board and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws, Service tax has not been reviewed in this audit since the same has been subject to review by the statutory financial audit, internal audit conducted by the internal audit department of the Company.

We further report that as per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

Further no reportable event or actions having major effect on the operations of the Company took place during the financial year ended March 31,2021, other than those reported below:



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- Appointment of Shri Shivram Mattaparthi as Company Secretary of Company in place of Smt Sarita Aggarwal with effect from 23rd October, 2020.
- Appoinment of Shri Atit Shah as Chief Financial Officer of Company with effect from 31st March, 2021.
- We have been informed that the Directors have decided to prepare the financial statements on a basis other than that of going concern because of the following reasons;
 - a) the Company has accumulated losses of Rs.11,620.82 Lacs and has incurred a net gain of Rs. 1223.63 Lakhs during the current year as at March 31, 2021 and, as of that date, the company's current liabilities exceed its total assets by Rs. 5620.82 lakhs., indicating the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern and therefore the directors have decided to prepare the financial statements on a basis other than that of a going concern.
 - b) Further the Company was formed as a special purpose vehicle for undertaking the exploration activities in the block "JPDA 06-103" awarded by the Autoridade Nacional do Petroleoe Minaerais(ANPM) of Timor Leste in which Company currently holds 20% Participating Interest(P.I.). Thus, Production Sharing Contract(PSC) entered in relation to Block is critical to the business model and existence of the Company since the participating interest in the Block represented the sole operations of the Company. The Company as a part of the consortium has initiated the process to discontinue exploration in the block and has completely ceased operations and has no alternative plans. The Company is not exploring any other alternatives. Due to the above factors, the directors have decided to prepare the financial statements on a basis other than that of a going concern

FOR RAGINI CHOKSHI & CO.

UMASHANKAR
KRISHNA HEGDE

Digitally signed by UMASHANKAR
KRISHNA HEGDE
Date: 2021.08.18 16:23:42 +0530

**UMASHANKAR K HEGDE
(PARTNER)**

M.No- A22133 #C.P.No- 11161

Place: Mumbai

Date : 18/08/2021

ICSI UDIN: A022133C000800988



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Annexure -A

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR RAGINI CHOKSHI & CO.

UMASHANKAR Digitally signed by
UMASHANKAR KRISHNA HEGDE
KRISHNA HEGDE Date: 2021.08.18 16:23:57
+05'30'

UMASHANKAR K HEGDE
(PARTNER)

M.No- A22133 #C.P.No- 11161

ICSI UDIN: A022133C000800988

Place: Mumbai

Date : 18/08/2021



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CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Bharat PetroResources JPDA Limited

We have examined the compliance of the conditions of Corporate Governance by Bharat PetroResources JPDA Limited, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India, for the financial year ended 31st March, 2021.

The Compliance of conditions of Corporate Governance as stipulated in the Guidelines is the responsibility of management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

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

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

For RAGINI CHOKSHI & CO, COMPANY SECRETARIES

UMASHANKAR Digitally signed by
KROSHNA
HEGDE

Umashankar K Hegde
Partner
M.No- A22133 #C.P. No- 11161

Place: Mumbai
Date: 18/08/2021

ICSI UDIN:- A022133C000801010