

Annual Report 2020-21

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Statutory Auditor
BDG & Associates
Chartered Accountants

Statutory Auditor
Ragini Chokshi & Co.
Company Secretaries

Bankers
State Bank of India
BNP Paribas

Registered Office
Bharat Bhavan,
4 & 6 Currimbhoy Road, Ballard Estate,

Mumbai 400001
Tel : 022-22714000
Fax : 022-22713874
CIN:U23209MH2006GOI16512

Corporate Office
'E' Wing, 9th Floor,
Maker Towers, Cuffe Parade,
Mumbai 400005

Tel : 022-22175600
Fax: 022-22154364

Board of Directors



Jitender Pershad Waghray



Barnali Barua Tokhi



Atit P Shah



Ramanuj Chari

NOTICE TO THE MEMBERS

Notice is hereby given that the 14th Annual General Meeting of the members of Bharat PetroResources JPDA Limited will be held on Monday, 20th September, 2021 at 10:00 hrs through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following Businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31 March 2021, the reports of the Board of Directors and Statutory Auditors.
2. To appoint a Director in place of Smt Barnali Barua Tokhi (DIN No. 08202910) who retires by rotation. Smt Barnali Barua Tokhi., being eligible, offers herself for re-appointment.
3. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2021-22 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to decide and fix the remuneration of the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2021-22, as may be deemed fit by the Board.”

SPECIAL BUSINESS**4. Appointment of Shri Ramanuj Chari DIN (09066274) as Director**

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

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, Shri Ramanuj Chari DIN (09066274) who was appointed as Director w.e.f. 24.03.2021 and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

5. Appointment of Shri Atit P Shah DIN (09066285) as Director

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

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, Shri Atit P Shah DIN (09066285) who was appointed as Director w.e.f. 24.03.2021 and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

Registered Office:

Bharat Bhavan, 4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai - 400 001

Place: Mumbai

Date:

Tel: 022-22713000

Fax: 022-22713874

CIN No U23209MH2006GOI165279

By Order of the Board

For Bharat PetroResources JPDA Limited

Sd/-

(Shivram Mattaparthi)

Company Secretary (I/c)

Notes:-

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated January 13, 2021 read with circulars dated May 5, 2020, April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), DPE Circulars and MCA Circulars, the AGM of the Company is being held through VC /OAVM.
2. The relevant details, pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the

proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. In compliance with the aforesaid MCA and DPE Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.bharatpetroresources.in.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM by using the link of VC Dialing Options. VC Dialing options is as follows:

VC Meeting Dialing Options

Meeting ID : 898 4308 6246

Passcode : 467990

SIP : 89843086246@zoomcrc.com

Web URL : <https://bharatpetroleum.zoom.us/j/89843086246?pwd=dEpncE4rZTlwU0VUTW1UQ1I1SCtRQT09>

Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. Members who need assistance before or during the AGM, can contact on 022-22714249, Shri Mukund Rajam, Asst. IS Services.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, folio number, PAN, mobile number at www.bharatpetroresources.com from 17th September, 2021 (0930 IST) to 18th September (1730 IST).

Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

Item No.4 Appointment of Shri Ramanuj Chari as Director

Shri Ramanuj Chari DIN (09066274) was appointed as an Additional Director by the Board of Directors, under the provision of Articles 9 and 11 of the Articles of Association of the Company, read with Section 161(3) of the Companies Act, 2013 with effect from 24.03.2021.

The Company has received a notice, u/s 160 of the Companies Act, 2013 from a member, proposing his name as Director of the Company. His brief resume containing age, qualification, experience etc is attached.

Shri Ramanuj Chari is not disqualified from being appointed as Director in terms of the Section 164 of the Companies Act, 2013. He neither holds any share in the Company nor has any relationship with other Directors and Key Managerial Personnel of the Company. Except Shri Ramanuj Chari, no other Director, Key Managerial Personnel or their relatives are interested in the Resolution.

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

Item No.5 Appointment of Shri Atit P Shah as Director

Shri Atit P Shah DIN (09066285) was appointed as an Additional Director by the Board of Directors, under the provision of Articles 9 and 11 of the Articles of Association of the Company, read with Section 161(3) of the Companies Act, 2013 with effect from 24.03.2021.

The Company has received a notice, u/s 160 of the Companies Act, 2013 from a member, proposing his name as Director of the Company. His brief resume containing age, qualification, experience etc is attached.

Shri Atit P Shah is not disqualified from being appointed as Director in terms of the Section 164 of the Companies Act, 2013. He neither holds any share in the Company nor has any relationship with other Directors and Key Managerial Personnel of the Company. Except Shri Atit P Shah, no other Director, Key Managerial Personnel or their relatives are interested in the Resolution.

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

Registered Office:
Bharat Bhavan, 4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai - 400 001

Place: Mumbai

Date:

Tel: 022-22713000

Fax: 022-22713874

CIN No U23209MH2006GOI165279

By Order of the Board
For Bharat PetroResources JPDA Limited

Sd/-
(Shivram Mattaparthi)
Company Secretary (I/c)

Brief Resume of Director seeking Appointment/Re-appointment at the 14th Annual General Meeting

Name	Smt Barnali Barua Tokhi	Shri Atit P Shah	Shri Ramanuj Chari
Date of Birth	31.08.1965	08.06.1983	18.06.1969
Date of Appointment	30.06.2017	24.03.2021	24.03.2021
Qualifications	MSc	Chartered Accountant, PGEMP - SPJIMR	BE(CIVIL),PGEMP
Experience in specific Functional Areas	33 years	15+ years in Finance	BPCL Marketing, Retail and LPG, Asset Management in BPRL
Directorship held in other Companies	Urja Bharat Pte Ltd (UBPL)	India - Nil Netherlands - BPRL International BV, BPRL Ventures BV, BPRL Ventures Mozambique BV, BPRL Ventures Indonesia BV, BPRL International Ventures BV	BPRL International Ventures BV BPRL Ventures Indonesia BV
Memberships/ Chairmanships of Audit Committee	NA	NA	NA

DIRECTORS' REPORT

The Directors present their 14th Report of Bharat PetroResources JPDA Limited for the financial year ended 31 March 2021:-

BACKGROUND AND BUSINESS ACTIVITIES OF THE COMPANY

Bharat PetroResources JPDA Limited ("the Company") was incorporated in 2006 as a wholly owned Subsidiary Company of Bharat PetroResources Limited (BPRL). The Company was formed as a Special Purpose Vehicle to hold 20% participating interest (PI) for undertaking the exploration activities in the Block JPDA 06-103 awarded to the consortium in the year 2006 by the Autoridade Nacional do Petroleo E Minerais (ANPM), the oil and gas regulatory agency of Timor Leste. The other consortium members are Videocon JPDA 06-103 Limited & GSPC JPDA Limited, both holding 20% PI, Pan Pacific Petroleum (JPDA 06-103) Pty Limited holding 15% PI, Oilex Limited holding 10% PI and Japan Energy E&P JPDA Pty Limited holding 15% PI in the said block. Oilex Limited is the operator of the block.

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

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

In October 2018, ANPM initiated Arbitration Proceedings against the JV in the International Chamber of Commerce (ICC) under the provisions of PSC on the consortium towards termination costs and damages. Meanwhile, the Operator

commenced out of court settlement with the regulatory agency on behalf of the consortium partnership. A settlement with ANPM was arrived at and the Operator behalf of the consortium partnership executed a Deed of Settlement and Release. The Deed of Settlement and Release stated that the consortium partners should settle their share of settlement sum severally. A letter dated 18th September, 2020 was received from ICC notifying the award by consent dated 16 September 2020, which was approved by the International Court of Arbitration of the International Chamber of Commerce (ICC) on 10th September 2020. The BPR JPDA and BPRL Boards approved the payment of BPR JPDA's share of settlement sum to ANPM.

ANPM informed that Pan Pacific Petroleum and Japan Energy made their payments towards Settlement Sum and accordingly, BPR JPDA Ltd made its payment of its share of settlement sum to ANPM, which was acknowledged by the regulatory agency, releasing BPR JPDA from all liabilities of the PSC.

Considering that BPR JPDA was formed only for holding PI in the specific block, and does not have any other business, the financial statements of BPR JPDA for the FY 2020-21 has been prepared on the basis other than going concern.

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. As on 31 March 2021, the Company has authorized and paid up share capital of Rs 60.00 crores. The amount of the unsecured loan was Rs. 54.54 crores. Further, the Company has incurred Rs. 197.41 Lakh expenditure during the year 2020-21. The Company has recorded current year profit of Rs.1223.63 Lakhs as on 31 March 2021 mainly due to reversal of earlier provision made for liability upon termination.

The Comptroller and Auditor General of India (C&AG) has vide letter dated 19.07.2021, which is enclosed to the Directors' Report as Annexure B, stated that on the basis supplementary audit nothing significant comments to my knowledge which would give rise to any comments upon or supplement to satisfactory Auditor's Report under section 143(6)(b) of the Companies Act, 2013.

DISCLOSURE REQUIREMENTS

As per DPE Guidelines, the Corporate Governance Report with the Auditor's Certificate thereon, and the integrated Management Discussion and Analysis are attached, which forms part of this report. The Company has devised proper system to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended 31 March 2021.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the financial year 2020-21.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not provided any Loans, given guarantees or made any investments in terms of Section 186 of the Companies Act, 2013. Further, there were no contracts or arrangements made by the Company with related parties in terms of Section 188 of the Companies Act, 2013. During the year, no other company has become/ceased to be subsidiaries/joint venture/ associate company of the company.

RISK MANAGEMENT AND FINANCIAL CONTROLS

The Company takes suitable steps relating to risk management and ensures adequate financial controls.

NUMBER OF MEETINGS OF THE BOARD

There were 6 meetings of the Board held during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

HUMAN RESOURCES AND EMPLOYEES PARTICULARS

There are no employees in the Company except the Directors on the Board who are nominees of holding company and are looking after the affairs of the Company. The Directors do not receive any remuneration from the Company. The Company, being a Government Company, the provisions of Section 134(3)(e) of the Companies Act, 2013, regarding the disclosure of details of company's policy on Directors appointment and other matters under Section 178(3) are not applicable. Further, information in respect of remuneration of employees under Section 197 of the said act and information regarding annual evaluation of the Board under provisions of Section 134 (3) (p) of the said Act, are not applicable as Company is a Government Company.

CITIZENS' CHARTER, OFFICIAL LANGUAGE & FULFILLMENT OF SOCIAL OBLIGATIONS, RIGHT TO INFORMATION ACT, 2005, PUBLIC PROCUREMENT POLICIES FOR MICRO & SMALL ENTERPRISES, 2012

All possible steps are taken with regard to Citizen Charter, Official Language implementation and fulfillment of Social obligations, Right to Information Act, 2005, Public Procurement policy for Micro & Small Enterprises, 2012, with the support of the Parent Company, i.e. BPRL.

The Central Public Information Officer (CPIO) and Appellate Authority of BPRL, (Parent Company) are the concerned Officers for handling Right to Information (RTI) matters in the Company. During the year 2020-21, the Company did not receive any RTI Queries/Appeals. In the Parent Company's corporate website, the Company has a separate section on RTI for better understanding of the public at large.

VIGILANCE

Corporate Vigilance guidelines are applicable to the Company. The Chief Vigilance Officer of BPCL looks after the activities of the Company. All the assistance is given to Chief Vigilance Officer by the Company.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report of the Company is enclosed as Annexure A.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts for the year ended 31 March 2021, the applicable Accounting Standards have been followed and there are no material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2021 and of the profit and loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on the principle other than going concern.
5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In view of resignation Shri Satheesh Kumar K.V. as director w.e.f 25.01.2021 and Shri Vivek Maheshwari as director w.e.f 05.02.2021, Shri Ramanuj Chari and Shri Atit P Shah has been appointed as additional directors w.e.f 24.03.2021.

Appointment of Shri Shivram Mattaparthi as Company Secretary of Company in place of Smt Sarita Aggarwal w.e.f. 23.10.2020.

Notice under section 160 of the Act has been received proposing his name for appointment as Director in ensuing AGM. He will hold office upto the conclusion of this ensuing Annual General Meeting.

AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

STATUTORY AUDITORS

M/s BDG & Associates Chartered Accountants were appointed as Statutory Auditors of BPRL for the Financial Year ended 31 March 2021, by the C&AG under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the ensuing Annual General Meeting. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

M/s Ragini Chokshi & Co, Company Secretaries was appointed to carry out the Secretarial Audit of the company for the financial year ended 31 March 2021, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report is enclosed as Annexure B. They have made observation on non-compliance regarding the appointment of Independent Directors, constitution/reconstitution of Nomination & Remuneration Committee and Audit Committee and 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.

As the Company is a Government Company under the administrative control of Ministry of Petroleum & Natural Gas, appointment of Independent Directors can be made only after receiving nomination from Govt. of India. After receiving nomination from Govt. of India, the Company will be able to comply the requirements, as indicated in the Secretarial Audit Report.

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

The Regulator has terminated the PSC and initiated Arbitration Proceedings against the JV in the International Chamber of Commerce (ICC) under the provisions of PSC has come to deed of Settlement and paid its share of settlement sum to ANPM, which was acknowledged by the regulatory Agency. The, activities related to conservation of energy and technology absorption are accordingly not applicable to the Company.

Foreign Exchange earning- Nil

Foreign Exchange Outgo- Rs 13,50,15,455/- (including Capex expenditure)

ACKNOWLEDGEMENTS

The Directors place on record their sincere thanks to the valuable guidance and continued support from the Government of India and the Holding Companies.

Date:

For and on Behalf of the Board of Directors

Place: Mumbai

**Sd/-
(Jitender Pershad Waghay)
Chairman**

Annexure A

Report on Corporate Governance**1. Company's Background and Board of Directors**

Bharat PetroResources JPDA Ltd. ("the Company") was incorporated with the sole object of undertaking the exploration activities related to Block JPDA 06-103 awarded in the Joint Petroleum Development Area. At Present, the Company is managed by four part time Directors. There are limited numbers of activities in the Company.

There were Six (6) Board Meetings held during the financial year on the following dates:-

13.05.2020	29.07.2020	17.08.2020	23.10.2020
18.01.2021	31.03.2021		

Details regarding the Board meetings, Directors' attendance thereat, Annual General Meeting, Directorships and Committee positions held by the Directors are given separately.

2. Audit Committee

The Company has constituted the Audit Committee in terms of the Companies Act, 2013. As on 31 March 2021, Jitender Pershad Waghray, Smt. Barnali Tokhi and Shri Ramanuj Chari were the members of Audit Committee.

The quorum for the meetings of the Committee is 2 members. The Directors possesses the requisite knowledge of finance & accounting for effective functioning of the Audit Committee. the following dates:-

There were four (4) Audit Committee meetings held during the financial year on the following dates:-

13.05.2020	29.07.2020	23.10.2020	18.01.2021
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The attendance of the members for the Audit Committee meetings during the financial year is given below:-

Name of the Member	No. of meetings attended	Name of the Member	No. of meetings attended
Shri Jitender Waghray	4	Shri Satheesh Kumar K.V (resigned w.e.f 25.01.2021)	4
Shri Barnali Tokhi	4	Shri Atit Shah	Nil
Shri Ramanuj Chari	Nil	Shri Vivek Maheshwari (resigned w.e.f.05.02.2021)	4

The Audit Committee reviewed the annual financial statements for the financial year 2020-21 as its meeting held on 07.05.2021.

3. Particulars of Directors including their attendance at the Board meetings during the year 2020-21

Names of the Directors	Academic Qualifications	Attendance out of 6 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Limited Companies	Memberships held in Committees
		No. Meetings Attended	%			
Non Executive Directors						
Shri Jitender Waghay	M.Sc.;M.Tech	6		Attended	Director 1) Bharat PetroResources Ltd	
Smt Barnali Barua Tokhi	M.Sc (Geology)	6		Attended	NIL	Member - Audit Committee - Bharat PetroResources JPDA LTD
Shri Sathesh Kumar K.V. (Resigned w.e.f 25.01.2021)	B.Tech (Mech Engg.) PGEMP, CIPM	5		Attended	NIL	Member - Audit Committee - Bharat PetroResources JPDA LTD
Shri Vivek Kumar Maheshwari (Resigned w.e.f 05.02.2021)	CA	5		Attended	NIL	NIL
Shri Ramanuj Chari w.e.f 25.02.2021)		1			NIL	Member - Audit Committee - Bharat PetroResources JPDA LTD
Shri Atit Shah w.e.f 05.02.2021)	CA	1			NIL	

*indicates percentage computed by considering the meetings attended with the total meetings held during the tenure

4. Annual/Extraordinary General Meetings during last three years

Annual General Meeting The Annual General Meeting (AGM) will be held on (*) at 'E' wing, 09th Floor, Maker Towers, Cuff Parade, Mumbai, 400 005.

Date and Time of the meeting	Venue
4 September 2018 at 11.00 am	Registered office at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001
21 August 2019 at 11.30 am	Registered office at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001
14 August 2020 at 10.00 am	Through Video Conferencing (“VC”)/ Other Audio Visual Means(“OAVM”)
20 September 2021 at 10.00 am	Through Video Conferencing (“VC”)/ Other Audio Visual Means(“OAVM”)

5. Remuneration to Directors

All the Directors of the Company are the nominees of the Parent Company and hence do not receive any remuneration.

None of the Directors have any pecuniary relationship / transactions with the Company, during the year.

6. Disclosures

There were no transactions of material nature that may have potential conflict with the interest of the Company at large. There are no items of expenditure in the books of accounts, which are not for the purpose of business. Further, no expenses were incurred which were personal in nature and incurred for the Board of Directors. The revenue expenditure mainly consists of Administrative & other office expenses.

The Company has only four part time Directors, nominated from Parent Company. Hence, there is no separate Whistle Blower policy for the Company.

Annexure B

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;
- (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 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 or 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;

- 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.
- Appointment of Shri Ramanuj Chari as an Additional Director of Company with effect from 24th March, 2021.
- Appointment 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:

- 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 Minerais(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 K HEGDE

(PARTNER)

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

Place : Mumbai

Date :

ICSI UDIN :



Tel 022-2283 1120
022-2283 1134

Ragini Chokshi & Co.

Company Secretaries

34, Kamer Building, 5th Floor, 38 Cawasji Patel Street, Fort, Mumbai- 400 001

E-mail: ragini.c@rediffmail.com/mail@csraginichokshi.com

Web: csraginichokshi.com

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.

UMASHANKAR K HEGDE

(PARTNER)

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

Place : Mumbai

Date :

ICSI UDIN :

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 K HEGDE
(PARTNER)
M. NO. A22133 # C.P. No- 11161

Place : Mumbai

Date :

ICSI UDIN :

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BHARAT PETRORESOURCES JPDA LIMITED
REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

Opinion

1. We have audited the accompanying standalone financial statements of **Bharat PetroResources JPDA Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive Income), the Statement of Cash Flows and the Statement of changes in equity for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and

the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Contingent Liabilities and Provisions

Key Audit Matter	How the matter was addressed in our audit
<p>During the current year International Chamber of Commerce (ICC) passed a Deed of Settlement dated 15th July, 2020 between Autoridade Nacional do Petroleo e Minerais (Hereafter referred as "ANPM") and parties to the Joint Venture.</p> <p>By virtue of ICC's order, a settlement sum of USD 80,00,000 was payable to ANPM by all the parties of Joint Venture parties in their proportionate share of Joint Venture Agreement (i.e. share of Profit Sharing Ratio). Accordingly, the company has recognized and discharged its share of liability (i.e. 20%) of USD 16,00,000 during the year.</p> <p>Further, reversal of excess provision of Contractor's liability upon termination aggregating to USD 1,900,000 (i.e. Rs.1,424.16 lakhs) has been disclosed as exceptional item in the statement of Profit & Loss for the period ended 31st March, 2021 of the company.</p> <p>Refer to Note 10, 19, 26, to the financial statements</p>	<p>The audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> - Obtaining a detailed understanding processes and controls of the Management with respect to the case. - Understanding the matters by reading the correspondences, communications, minutes of the Audit Committee and /or the Board meetings and discussions with the appropriate Management personnel. - Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company, and perusing legal opinions, if any, obtained by the Management. - Evaluating appropriateness of adequate disclosures in financial statements, accordance with the applicable accounting standards. - Validating Settlement deed & payments made against the Deed of Settlement between parties.

Material Uncertainty Relating to Going Concern

4. We draw attention to the following matters in the Note No. 2.1 of Significant Accounting Policies stated in the Notes to the Financial Statements:

The financial statement(s) indicate that the Company has accumulated losses of Rs. 11,620.82 lakhs (Previous Year 12,844.45 Lakhs), and has incurred a net gain of Rs. 1,223.63 Lakhs during the current year (Previous Year Loss Rs. 410.16 Lakhs) as at

March 31, 2021 and, as of that date, the company's current liabilities exceed its total assets by Rs. 5,620.82 lakhs. These conditions, along with other matters set forth in Note 3, indicates 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.

Our opinion is not modified in respect of above matters reported.

Emphasis of Matters

5. We draw attention to the following matters in the Note 21 as stated in the Notes to Financial Statements:
 - a. The financial statement of the company includes Company's share of assets of Rs. 30.49 lakhs and liability of Rs. 151.63 lakhs in the Balance Sheet as at March 31, 2021 and Company's share of income from Joint Operation Rs. Nil included in statement of Profit and Loss for the year. In absence of Statement from operator from the April 2020 to March 2021, the financial information with regards to the Company's share of assets, liabilities, income, and expenditure has been considered by the Management on the basis of budgeted statement provided by the operator.
 - b. In Note No. 5 & 8 to the financial statements, the amounts pertaining to Balances of Advance & Payable to Operator are subject to confirmation as on balance sheet date.

Further, in Note No. 4 & 8 to the financial statement, the amounts of Share of Company in Unincorporated Joint Venture are subject to confirmation as on balance sheet date.

Our opinion is not modified in respect of above matters reported.

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
9. Based on the work we have performed, we conclude that there is no material misstatement of this other information, which we are required to report. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements
14. As part of an audit in accordance with SAs, we have exercised professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and have obtained 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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. 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.

We draw attention to a separate section para 4 on Material Uncertainty on Going Concern reported above in the report

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. We also communicate that the Company has not paid any managerial remuneration to managerial personal.

Report on Other Legal and Regulatory Requirements

18. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by section 143 (5) of the Act, we give in **Annexure B**, a statement on the matters specified by the Comptroller and Auditor-General of India for the Company.
20. 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, the Statement of Profit and Loss including other comprehensive income, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. The Company, being a government company, the provisions of Section 164 (2) of the Act with regard to disqualification of Directors are not applicable in terms of Notification No, GSR 463(E) dated 5th June, 2015 from Ministry of Corporate Affairs;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure C**”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, Company has not paid any remuneration to its directors. Hence, said clause is not applicable to the company

- h. 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 has disclosed impact of pending litigations on its financial position in its standalone financial statements Refer Note 19;
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2021

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B D G & Associates

Firm Registration Number: 119739W

Chartered Accountants

Nikhil Rathod

Partner

Membership Number: 161220

Place: Mumbai

Date:

UDIN: 21161220AAAAYB1628

Annexure A to Independent Auditors' Report

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of Bharat PetroResources JPDA Limited on the standalone financial statements as of and for the year ended March 31, 2021.

1. (a) The Company does not own any fixed assets during the year.

(b) The Company has incurred expenditure totaling to Rs. 9,308.07 Lakh up to March 31, 2021 on exploration and production of Oil/Gas. The same has been considered as Intangible assets under development. We have been informed that such expenditure is recorded by the Company based on details of such expenditure received from the operators of the respective exploration. Operation(s) of this exploration have ceased due to a treaty dispute between the Government of Australia and the Government of East Timor leading to termination of PSC. In view of the termination of PSC, the Company has provided for the total capital expenditure in its standalone financial statements as at March 31, 2021. Accordingly, the entire amount aggregating to Rs. 197.42 lakhs incurred during the year, has been provided as impairment loss in the Statement of Profit and Loss.
2. As per information and explanation given to us and in our opinion, since the Company is still in exploration stage and does not hold any inventory. Therefore, the provisions of the clause 3(ii) of the said order are not applicable to the Company.
3. According to the information and explanations given to us and on basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013. Therefore, the provision of clauses 3(iii), 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the Company.

4. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not given loans, made investments, provided guarantees and securities to parties covered under section 185 and 186 of the Companies Act 2013. Therefore, the provisions the clause 3(iv) of the said order are not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of section 73 to 76 of the Companies Act 2013, and the rules framed thereunder to the extent notified.
6. The Central Government has prescribed the maintenance of cost records under section 148 (1) of the Act, however the management is of the view that the said requirements are not applicable to the company as it has not commenced production.
7. In respect of statutory dues:
 - a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax and any other statutory dues with the appropriate authorities, wherever applicable. The Company had no employees hence provisions relating to Provident Fund and Employees State Insurance are not applicable.

According to the information and explanation given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2021 for a period of more than 6 months from the date they became payable.

- b) According to the information and explanations given to us and records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax which have not been deposited on account of any dispute.

8. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid managerial remuneration to managerial personnel.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. At present, BPR JPDA has 4 part-time Directors nominated by BPRL in its Audit Committee. In terms of requirements under DPE Guidelines on Corporate Governance, there is a need for appointment of at least two Independent Directors in the Audit Committee of BPR JPDA. (As per revised MCA notification dated 05 July 2017, BPR JPDA being unlisted public company and wholly owned subsidiary of BPCL/BPRL, Independent Directors are not required to be appointed in BPR JPDA under Companies Act, 2013).

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For B D G & Associates

Firm Registration Number: 119739W

Chartered Accountants

Nikhil Rathod

Partner

Membership Number: 161220

Place: Mumbai

Date:

UDIN: 21161220AAAAYB1628

Annexure B to the Independent Auditor's Report

Referred to in paragraph 19 of the Independent Auditors' Report of even date to the members of **Bharat PetroResources JPDA Limited** on the standalone financial statements as of and for the year ended March 31, 2021.

We have completed the Statutory Audit of **Bharat PetroResources JPDA Limited** ("the **Company**") and our views/comments on the directions/sub-directions in respect of accounts for the year ended March 31, 2021 are as below:

1. Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications if any, may be stated.

Reply: Yes, the Company has system in place to process all the accounting transactions through IT system, namely SAP. Based on the verification carried out by us during the course of our audit and based on the information and explanation given to us, we have not come across any instance having significant implications on the integrity of accounts.

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:

Reply: There is no 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.

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:

Reply: As per the information and explanations given to us, the Company does not have any funds received/ receivable for specific schemes from Central / State agencies.

For B D G & Associates

Firm Registration Number: 119739W

Chartered Accountants

Nikhil Rathod

Partner

Membership Number: 161220

Place: Mumbai

Date:

UDIN: 21161220AAAAYB1628

Annexure C to Independent Auditors' Report

Referred to in paragraph 20 (f) of the Independent Auditors' Report of even date to the members of **Bharat PetroResources JPDA Limited** on the standalone financial statements as of and for the year ended March 31, 2021.

We have audited the internal financial controls over financial reporting of **Bharat PetroResources JPDA Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

1. Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

3. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 standalone financial statements.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 B D G & Associates

Firm Registration Number: 119739W

Chartered Accountants

Nikhil Rathod

Partner

Membership Number: 161220

Place: Mumbai

Date:

UDIN: 21161220AAAAYB1628

Compliance Certificate

We have conducted the audit of accounts of **Bharat PetroResources JPDA Limited** (“the Company”), having its office at **Maker Towers, Mumbai** for the year ended March 31, 2021, in accordance with the directions/sub-directions issued by the C & AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

For B D G & Associates

Firm Registration Number: 119739W

Chartered Accountants

Nikhil Rathod

Partner

Membership Number: 161220

Place: Mumbai

Date:

UDIN: 21161220AAAAYB1628

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF BHARAT PETRORESOURCES JPDA LIMITED FOR THE YEAR
ENDED 31 MARCH 2021**

The preparation of financial statements of Bharat PetroResources JPDA Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bharat PetroResources JPDA Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**

**C.M.Sane
Director General of Commercial Audit, Mumbai**

Place: Mumbai

Date: 19 July 2021

BHARAT PETRORESOURCES JPDA LIMITED

Balance Sheet as at March 31, 2021

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) Non-Current assets			
(a) Intangible assets under development	3	-	-
Total Non-Current assets		-	-
(2) Current Assets			
(a) Financial Assets			
(i) Cash and cash equivalents	4	78.36	38.21
(b) Other current assets	5	18.82	53.17
Total Current Assets		97.18	91.38
TOTAL ASSETS		97.18	91.38
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	6	6,000.00	6,000.00
(b) Other equity	7	(11,620.82)	(12,844.45)
Total Equity		(5,620.82)	(6,844.45)
(2) Current Liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	8	5,717.98	4,297.28
(b) Other current liabilities	9	0.02	0.04
(c) Provisions	10	-	2,638.51
Total Current Liabilities		5,718.00	6,935.83
TOTAL LIABILITIES		5,718.00	6,935.83
TOTAL EQUITY AND LIABILITIES		97.18	91.38

Significant Accounting Policies

2

Notes forming Part of the Financial Statements

3 - 27

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of
B D G & Associates
Chartered Accountants
FRN. 119739W

J.P. Waghray
Director
DIN No. 08202910

Barnali Tokhi
Director
DIN No. 07850177

Nikhil Rathod
Partner
M.No. 161220

Atit P Shah
Director & CFO
DIN No. 09066285

Shivram Mattaparthi
Company Secretary (I/c)

Place: Mumbai
Date: 7th May, 2021

BHARAT PETRORESOURCES JPDA LIMITED
Statement of Profit and Loss for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Revenue from operations		-	-
II. Other income	11	20.03	4.52
III. Total Income (I+II)		20.03	4.52
IV. Expenses			
Finance Cost	12	4.94	4.56
Provision towards impairment	3	197.41	102.34
Other Expenses	13	18.21	307.78
Total Expenses		220.56	414.68
V. Profit/(Loss) before Exceptional Items and Tax		(200.53)	(410.16)
VI. Exceptional Items	26	1,424.16	-
VII. Profit/(Loss) before Tax		1,223.63	(410.16)
VIII. Tax expense:			
1. Current Tax		-	-
2. Deferred Tax		-	-
IX. Profit/(Loss) for the period		1,223.63	(410.16)
X. Other Comprehensive Income		-	-
XI. Total Comprehensive Income for the period		1,223.63	(410.16)
XII. Earnings per equity share	15		
1. Basic		2.04	(0.68)
2. Diluted		2.04	(0.68)

Significant Accounting Policies

2

Notes forming Part of the Financial Statements

3 - 27

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of
B D G & Associates
Chartered Accountants
FRN. 119739W

J.P. Waghray
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Atit P Shah
Director & CFO
DIN No. 09066285

Shivram Mattaparathi
Company Secretary (I/c)

Place: Mumbai
Date: 7th May, 2021

BHARAT PETRORESOURCES JPDA LIMITED
Statement of Cash flow for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash Flow from Operating Activities		
Profit/(Loss) before tax	1,223.63	(410.16)
Adjustments for:		
Finance Cost	4.94	4.56
Provision towards impairment	197.41	102.34
Provision for bad and doubtful advances	-	83.38
Net unrealised exchange (gain)/loss	(2.24)	205.59
Operating Profit/(Loss) before Working Capital changes	1,423.74	(14.29)
Decrease/(Increase) in Current Assets	34.35	(102.98)
(Decrease)/Increase in Current Liabilities (other than forex variation considered above)	20.98	191.59
Increase/(Decrease) in Provisions (other than forex variation considered above) (Refer note 10)	(2,638.51)	-
Net Cash Flow from/ (used in) Operating Activities	(1,159.44)	74.32
B Cash Flow from Investing Activities		
Additions to Intangible Assets under Development	(197.41)	(102.34)
Net Cash Flow from/ (used in) Investing Activities	(197.41)	(102.34)
C Cash Flow from Financing Activities		
Proceeds from long-term borrowings	1,397.00	50.00
Net Cash Flow from/ (used in) Financing Activities	1,397.00	50.00
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	40.15	21.98
Cash and cash equivalents at the beginning of the year		
Bank Balance	38.21	16.23
Cash and cash equivalents at the end of the year		
Bank Balance	78.36	38.21
Net change in Cash and Cash equivalents	40.15	21.98

Notes:-

- The Cash Flow Statement is prepared in accordance with Indian Accounting Standard 7.
- In Part-A of the Cash Flow Statement, figures in bracket indicate deductions made from the Net Profit / (Loss) for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in bracket indicate cash outflows.
- Figures of previous year have been regrouped wherever necessary, to conform to current year's presentation.

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of
B D G & Associates
Chartered Accountants
FRN. 119739W

J.P. Waghray
Director
DIN No. 08202910

Barnali Tokhi
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Partner
M.No. 161220

Atit P Shah
Director & CFO
DIN No. 09066285

Shivram Mattaparathi
Company Secretary (I/c)

Place: Mumbai
Date: 7th May, 2021

BHARAT PETRORESOURCES JPDA LIMITED
Statement of Changes in Equity for the year ended 31st March, 2021
(a) Equity share capital

Number of Particulars Shares	Number of Shares	(Rs. in Lakhs)
Balance as at 1 April 2019	6,00,00,000	6,000.00
Changes in equity share capital during the year 2019-20	-	-
Balance as at 31 March 2020	6,00,00,000	6,000.00
Changes in equity share capital during the year 2020-21	-	-
Balance as at 31 March 2021	6,00,00,000	6,000.00

(b) Other equity
(Rs. in Lakhs)

Particulars	Retained earnings
Balance at April 1, 2019	(12,434.29)
Profit/(Loss) for the year	(410.16)
Other comprehensive income for the year	-
Total comprehensive income for the year	(410.16)
Balance at March 31, 2020	(12,844.45)
Profit/(Loss) for the year	1,223.63
Other comprehensive income for the year	-
Total comprehensive income for the year	1,223.63
Balance at March 31, 2021	(11,620.82)

Nature and purpose of reserves
Retained earnings

Retained earnings represents accumulated earnings and losses of the Company.

As per our attached report of even date

For and on behalf of the Board of Directors
For and on behalf of
B D G & Associates
 Chartered Accountants
 FRN. 119739W

J.P. Waghray
 Director
 DIN No. 08202910

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 Director
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Nikhil Rathod
 Partner
 M.No. 161220

Atit P Shah
 Director & CFO
 DIN No. 09066285

Shivram Mattaparthi
 Company Secretary (I/c)

 Place: Mumbai
 Date: 7th May, 2021

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1. Company Overview

Bharat PetroResources JPDA Limited referred to as “the Company” was incorporated as a 100% subsidiary of Bharat PetroResources Limited (BPRL) on 28th October 2006 to hold 25% participating interest in block “JPDA 06-103” located in the Joint Petroleum Development Area between Australia and Timor. Currently, the ownership interest is 20%. The Company is engaged in the business of exploration and production of Hydrocarbons.

2. Statement of Significant Accounting Policies

2.1 Basis of preparation

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 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 has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the “Previous GAAP”.

The Company’s presentation and functional currency is INR. All values are rounded to the nearest Lakh (Rs. Lakh), except where otherwise indicated.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 7th May, 2021.

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 Petroleo e Minerais (ANPM) of Timor Leste in which Company currently holds 20% Participating Interest (P.I.). Thus, Production Sharing Contract (“PSC”) entered in relation to the 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 business 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 and the following policies were implemented:

- (a) Non-current and current assets, shown at carrying value or fair value less costs to sell whichever is lower.
- (b) Liabilities measured at their carrying value or, if higher, the value at which they are expected to be discharged. Accordingly, loan received from BPRL is measured at the carrying amount till such obligations are discharged, cancelled or expired.

2.2 Use of Judgement and Estimates

In preparing financial statements in conformity with Ind AS, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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:

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2021 is included in below notes:

- Note 3 - impairment of non-financial asset: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible asset under development.
- Note 11 - recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 15 - evaluation of recoverability of deferred tax assets

2.3 Segment reporting

An operating segment is one whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance.

The Company has identified the chief operating decision maker as its Managing Director.

The CODM reviews performance of exploration and production business on an overall business level. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable.

2.4 Oil and natural gas producing activities

- 2.4.1** Acquisition costs such as costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved are capitalised. Any pre-acquisition costs are expensed as and when incurred.

- 2.4.2** All costs which are directly attributable to the exploration and evaluation activities of oil and gas are capitalised as Exploratory Wells-in-Progress under “intangible assets under development”. General and administrative costs are included in the exploration and evaluation costs only to the extent that those costs can be directly attributable to the related exploration and evaluation assets. In all other cases, these costs are expensed as incurred.
- 2.4.3** The Company classifies the acquisition costs, exploration and evaluation assets as tangible asset or intangible asset according to nature of assets acquired.
- 2.4.4** Once the technical feasibility and commercial viability of extracting oil and gas is determinable, exploration and evaluation assets are classified as Development Wells-in-Progress under “intangible assets under development”. Exploration and evaluation asset is assessed for impairment, and impairment loss if any, is recognized, before such reclassification. Subsequent development costs are capitalised as and when incurred.
- 2.4.5** When a block or cost centre is ready to commence commercial production, the capitalised costs referred above are reclassified as completed wells or producing wells from capital work in progress or intangible assets under development as the case may be. The cost centre is not normally smaller than a country except where warranted by major difference in economic, fiscal or other factors in the country.
- 2.4.6** When the block or cost centre in which the above mentioned cost are capitalised, does not result in discovery of proved oil and gas resources from all wells identified in the block or cost centre, accumulated cost is charged as an expense. Expenditure incurred on exploratory blocks or cost centre which are written off in past and start producing subsequently are not reinstated.
- 2.4.7** Depletion charge is calculated on the capitalised cost according to the unit of production method. The depreciation charge or the unit of production (UOP) charge for all costs within a cost centre is calculated by multiplying the UOP rate with the production for the period. The UOP rate for computing depreciation charge for the acquisition cost within a field is arrived at by dividing the acquisition cost of the field

by the Proved Oil and Gas Reserves and for all capitalised cost excluding acquisition cost by dividing the depreciation base of the cost centre by the Proved Developed Oil and Gas Reserves. The depreciation base of a cost centre includes gross block of the cost centre and estimated site restoration expenditure and is reduced by the accumulated depreciation and accumulated impairment charge of the cost centre. The estimates of proved reserves used are based on the latest technical assessment available with the Company.

2.4.8 The Company recognizes the obligations for removal and restoration that are incurred during a particular period as a consequence of having undertaken the exploration for and evaluation of mineral resources. The Company capitalises as part of property, plant and equipment or intangible asset, as the case may be, the amount of provision required to be created for subsequent abandonment. The provision for estimated abandonment costs is made at current prices considering the environment and social obligations, terms of mining lease agreement, industry practice, etc. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate (or rates) is pre-tax rate (or rates) that reflect current market assessments of the time value of money and the risks specific to the liability. Where there is uncertainty of timing on incurrance of the expenditure, time value of money is not considered while providing for the obligations. Changes in the measurement of existing abandonment costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation or a change in the discount rate is added to, or deducted from the related field in the current period and is considered for necessary depletion (depreciation) prospectively. The change in the estimated provision due to the periodic unwinding of the discount is recognized in statement of profit and loss as it occurs.

2.4.9 Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Impairment test is performed in accordance with the procedures given below for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

2.4.10 The Company allocates exploration and evaluation assets to cash generating units or group of cash generating units for the purpose of assessing such assets for impairment.

2.4.11 In case an entity, sells a part of its interest in a field, gain or loss is recognised in the statement of profit and loss, except that no gain is recognised at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or the entity has substantial obligation for future performance. The gain in such a situation (for example, in the exploratory phase) is treated as recovery of cost related to that field.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

2.5.1 As a Lessee

At the commencement date, company recognises a right-of-use asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has right to obtain substantially all of the economic benefits from use of the asset throughout the period of the lease and (iii) the Company has the right to direct the use of the asset.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as a operating expenses. Lease of items such as IT assets (tablets, personal computers, mobiles, POS machines etc.), small items of office furniture items etc. are treated as low value.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the Company's incremental borrowing rate computed on periodic basis based on lease term. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment, whether it will exercise an extension or a termination option.

Right-of-use assets are depreciated over the lease term on systematic basis and Interest on lease liability is charged to statement of profit and loss as Finance cost.

2.5.2 As a Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

2.5.3 Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Company shall recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

2.5.4 Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Company shall recognise lease payments from operating leases as income on systematic basis in the pattern in which benefit from the use of the underlying asset is diminished

2.6 Fair Value measurement

2.6.1 The Company measures financial instruments i.e. financial assets and financial liabilities at fair value on initial recognition.

2.6.2 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 reflects its non-performance risk

2.6.3 A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

2.6.4 When one is available, the Company measures the fair value of an financial instrument using the quoted price in an active market for that instrument. A market is regarded as active is transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

2.6.5 If there is no quoted price in an active market, then the Company uses a valuation technique that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

2.6.6 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 for which any unobservable inputs are judged to be insignificant in relation to the measurement, 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 profit or 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.

2.7 Classification of Income/Expenses

Prepaid expenses upto Rs. 5 Lakh in each case, are charged to revenue as and when incurred.

2.8 Foreign Currency Transactions

2.8.1 Monetary items:

- Transactions in foreign currencies are initially recorded at their respective spot rates at the date the transaction first qualifies for recognition.
- Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange prevailing at the reporting date.
- Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss either as profit or loss on foreign currency transaction and translation.

2.8.2 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.

2.9 Provisions, Contingent Liabilities and Capital Commitments

2.9.1 Capital Commitments, Contingent Liabilities are disclosed for only if the amount exceeds Rs. 5 Lakh in each case.

2.9.2 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

2.9.3 The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

2.9.4 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.

2.9.5 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.

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

2.10 Financial Assets

2.10.1 Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

2.10.2 Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.10.3 Debt instruments

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 profit or loss.

2.10.4 Derecognition

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.

2.10.5 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 following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost such as bank balance.

2.11 Financial Liabilities

2.11.1 Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Borrowing from parent company is subsequently measured at fair value through profit or loss.

2.11.2 Initial recognition and measurement

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

2.11.3 Subsequent Measurement of Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

2.11.4 Derecognition

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 derecognition 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.

2.12 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.

2.13 Joint operations

The Company had Joint operations in the nature of Production Sharing Contracts (PSC) for exploration, development and production activities.

In accordance with Ind AS 111 on "Joint Arrangements", the financial statements of the Company includes the Company's share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the operator.

The income, expenditure, assets and liabilities of the Jointly Controlled Assets are merged on line by line basis according to the participating interest with the similar items in the financial statements of the Company.

2.14 Taxes on Income

2.14.1 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, at the time of reporting.

Current Tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the statement of Profit or Loss (either in other comprehensive income or in equity). Current Tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2.14.2 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 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 relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in 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.

2.15 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

2.16 Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

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

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

2.18 Cash Flows

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

Note 3 Intangible assets under development

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Exploratory Wells-in-Progress:		
Acquisition Cost	81.79	81.79
Exploration Cost		
- Geological & Geophysical Cost	2,768.40	2,768.40
- Drilling Cost	5,671.14	5,671.14
- General & Administrative Cost	786.74	589.33
Total (A)	9,308.07	9,110.66
Less: Provision for impairment (B)	9,308.07	9,110.66
Intangible assets under development (A-B)	-	-

Impairment

The Company has a Non-Operator participating interest of 20% in JPDA 06-103 block (Refer Note 20). The exploration activity was suspended because of the uncertainty arising out of arbitration proceedings by Timor Leste Government against Government of Australia with regard to the 'Certain Maritime Arrangements in Timor Sea', (CMATS) Treaty. The consortium submitted formal request to Autoridade Nacional do Petroleo e Minerai (ANPM) of Timor Leste, the Regulator towards termination of Production Sharing Contract (PSC) for consent, without claim or penalty, citing expenditure in excess of commitment. ANP rejected the consortium's offer to terminate without claim and penalty. The regulator terminated the PSC on 15th July 2015 and demanded the payment of the "liability upon termination" (Refer Note 10). The arbitration proceedings initiated in October 2018 has come to a "deed of settlement and release" being the full and final settlement of the disputes and proceedings. In view of the termination of PSC, an amount of Rs.197.41 Lakhs, being expenditure incurred during F.Y. 2020-21 has been provided during the year in the financial statements towards impairment loss (March 31, 2020 - Rs.102.34 Lakhs).

The Company has recognized its share of income, expenditure in the block on the basis of billing statements provided by the operator upto October 2019 and on the basis of management estimates from November 2019 to March 2021.

The Company does not expect to recover any amount from the underlying intangible asset under development and hence entire carrying amount is recognised as impairment loss.

BHARAT PETRORESOURCES JPDA LIMITED

Notes forming part of the Financial Statements

(Rs. in Lakhs)

Note 4 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks: On Current Account*	78.36	38.21
	78.36	38.21

* Includes Rs. 30.49 Lakhs (31 March 2020: Rs.29.56 Lakhs) towards share in Unincorporated Joint Venture.

Note 5 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with government authorities	0.51	0.51
Advance to Operator	99.62	136.04
Less: Provision #	(81.31)	(83.38)
	18.31	52.66
	18.82	53.17

Represents amount towards JV partners default cash calls

Note 6 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
i. Authorised 60,000,000 equity shares	6,000.00	6,000.00
ii. Issued, subscribed and paid-up 60,000,000 (previous year 60,000,000) equity shares fully paid-up	6,000.00	6,000.00
Total	6,000.00	6,000.00

iii. The Company has only one class of shares namely equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

iv. Reconciliation of No. of Equity Shares

	March 31, 2021	March 31, 2020
A. Opening Balance	6,00,00,000	6,00,00,000
B. Shares Issued	-	-
C. Shares Bought Back	-	-
D. Closing Balance	6,00,00,000	6,00,00,000

v. Details of shareholders holding more than 5% shares

Name of shareholder	March 31, 2021 No. of shares	March 31, 2020 No. of shares
Bharat PetroResources Limited	5,99,99,940	5,99,99,940
Percentage of holding	100% #	100% #

60 Shares held by Nominee Shareholders

BHARAT PETRORESOURCES JPDA LIMITED

Notes forming part of the Financial Statements

(Rs. in Lakhs)

vi. Shares held by Holding Company

Name of shareholder	March 31, 2021	March 31, 2020
	No. of shares	No. of shares
Bharat PetroResources Limited	5,99,99,940	5,99,99,940
Percentage of holding	100% #	100% #

60 Shares held by Nominee Shareholders

In the event of liquidation of the Company, the holders of equity share will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 7 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
As per last Balance Sheet	(12,844.45)	(12,434.29)
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	1,223.63	(410.16)
	(11,620.82)	(12,844.45)

Nature and purpose of reserves**Retained earnings**

Retained earnings represents accumulated earnings and losses of the Company.

Note 8 Current - Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Interest free loan from Bharat PetroResources Ltd. (Parent Company)	5,454.20	4,057.20
Accrual for expenses	3.18	11.50
Payable for Legal and Professional fees	0.11	1.80
Other payables*	160.86	90.74
Payable to Operator	99.62	136.04
	5,717.98	4,297.28

(Refer note 8 (a) for details of Dues to Micro and Small Enterprises)

**Includes Rs. 151.63 Lakhs (31 March 2020: Rs. 81.13 Lakhs) towards share in Unincorporated Joint Venture."

BHARAT PETRORESOURCES JPDA LIMITED
Notes forming part of the Financial Statements
Note 8 (a)
Micro and small Enterprises
(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid to any supplier as at the period	-	-
Interest due thereon	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
Amount of interest accrued and remaining unpaid at the end of the accounting year		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006		

Note 9 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues Payable	0.02	0.04
	0.02	0.04

Note 10 Short term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Contractor's liability upon termination	-	2,638.51
	-	2,638.51

Movements in provisions	Contractor's liability
Balance as at 1 April 2019	2,421.00
Provisions made during the year	-
Foreign exchange fluctuation	217.51
Balance as at 31 March 2020	2,638.51
Balance as at 1 April 2020	2,638.51
Payment towards contractors liability upon termination	(1,198.96)
Provisions made during the year	-
Reversal of excess provision	(1,424.16)
Foreign exchange fluctuation	(15.39)
Balance as at 31 March 2021	-

BHARAT PETRORESOURCES JPDA LIMITED

Notes forming part of the Financial Statements

Contractor's liability upon termination

Company has a Non-Operator participating interest of 20% in JPDA 06-103 block. The exploration activity was suspended because of the uncertainty arising out of arbitration proceedings by Timor Leste Government against Government of Australia with regard to the 'Certain Maritime Arrangements in Timor Sea', (CMATS) Treaty, the consortium submitted formal request to Autoridade Nacional do Petroleo e Minerais (ANPM) of Timor Leste, the Regulator towards termination of Production Sharing Contract (PSC) for consent, without claim or penalty, citing expenditure in excess of commitment. ANPM rejected the consortium's offer to terminate without claim and penalty. The regulator terminated the PSC on 15th July 2015 and demanded the payment of the "liability upon termination". Based on the notice a provision of Rs. 2,190.68 Lakhs (USD 3,500,000) towards Company's share of contractor's liability towards termination was created in the accounts of F.Y. 2014-15. This has been reinstated as on 31st March 2020 at closing exchange rate i.e. Rs.75.3839 per USD as Rs. 2,638.51 lakhs. The arbitration proceedings initiated in October 2018 has come to a "deed of settlement and release" being the full and final settlement of the disputes and proceedings. Accordingly, Rs.1,198.96 lakhs (USD 1,600,000) has been paid as the settlement sum. Reversal of excess provision of Rs.1,424.16 lakhs (USD 1,900,000) has been shown as exceptional item in the statement of Profit & Loss for the period ended 31st March 2021

Note 11 Other Income

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Foreign Exchange fluctuations (net)	15.81	-
Miscellaneous income	4.22	4.52
	20.03	4.52

Note 12 Finance cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Cash call default	4.94	4.56
	4.94	4.56

BHARAT PETRORESOURCES JPDA LIMITED
Notes forming part of the Financial Statements
Note 13 Other Expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and Professional Fees	15.67	16.08
Provision for doubtful advances	-	83.38
Rent, Rates and Taxes	0.48	0.63
Bank Charges	0.24	0.01
Foreign Exchange fluctuations (net)	-	205.59
Irrecoverable Service tax	0.96	1.39
Payment to Auditors *	0.86	0.70
	18.21	307.78

*** Payment to Auditors**

Audit fees	0.66	0.60
Other services	0.20	0.05
Out of pocket expenses	-	0.05
Total	0.86	0.70

Note 14 Tax Reconciliation

March 31, 2020

(Rs. in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(Loss) before tax	1,223.63	(410.16)
Tax using the Company's domestic tax rate of 26%	318.14	(106.64)
Tax effect of:		
Tax losses for which no deferred income tax was recognised	4.92	26.58
Expenses not deductible for tax purposes	(323.06)	80.06
Income not chargeable to tax	-	-
	-	-

(b) Movement in deferred tax balances

					March 31, 2021
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / liability
Deferred tax asset	-	-	-	-	-

(c) Movement in deferred tax balances

					March 31, 2020
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / liability
Deferred tax asset	-	-	-	-	-

BHARAT PETRORESOURCES JPDA LIMITED**Notes forming part of the Financial Statements**

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. Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and

Tax losses carried forward

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available to utilise these tax losses.

Particulars	Year	Gross amount	Unrecognised tax effect	Expiry date
Unabsorbed business loss	March 31, 2021	18.93	4.92	2028-2029
Unabsorbed business loss	March 31, 2020	102.23	26.58	2027-2028
Unabsorbed business loss	March 31, 2019	9.38	2.44	2026-2027
Unabsorbed business loss	March 31, 2018	3.89	1.01	2025-2026
Unabsorbed business loss	March 31, 2017	10.11	2.63	2024-2025
Unabsorbed business loss	March 31, 2016	139.68	36.32	2023-2024
Unabsorbed business loss	March 31, 2015	20.44	5.31	2022-2023
Unabsorbed business loss	March 31, 2014	27.84	7.24	2021-2022

Note 15 Earnings per share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the Profit/(Loss) for the year attributable to equity holders of the parent company by the weighted average number of Equity shares outstanding during the year.

i. Profit/(Loss) attributable to Equity holders of parent company**(Rs. in Lakhs)**

	March 31, 2021	March 31, 2020
Profit/(Loss) attributable to equity holders of the parent for basic and diluted earnings per share	1,223.63	(410.16)
Weighted Average Number of shares during the year	600	600
Weighted average number of shares for basic and diluted earning per shares	600	600
Basic and Diluted earnings per share	2.04	(0.68)

Note 16 Financial instruments**1. Financial instruments – Fair values and risk management****A. Accounting classification and fair values**

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

BHARAT PETRORESOURCES JPDA LIMITED
Notes forming part of the Financial Statements

(Rs. in Lakhs)

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	78.36	78.36	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
	-	-	78.36	78.36	-	-	-	-
Financial liabilities								
Other financial liabilities	-	-	5,717.98	5,717.98	-	-	-	-
	-	-	5,717.98	5,717.98	-	-	-	-

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	38.21	38.21	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
	-	-	38.21	38.21	-	-	-	-
Financial liabilities								
Other financial liabilities	-	-	4,297.28	4,297.28	-	-	-	-
	-	-	4,297.28	4,297.28	-	-	-	-

B. Financial risk management
i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

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

Note 17 Financial instruments - Fair values and risk management (continued)
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 cash equivalent kept with banks. The Company's bank balance also includes its share in operator of JPDA Block bank balance. The Company keeps its funds in scheduled banks, in India.

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.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The holding company will continue to provide such financial support to the Company as is necessary to meet the Company's debts and liabilities, both present as well as in the future, as and when they fall due for payment in the normal course of business.

BHARAT PETRORESOURCES JPDA LIMITED**Notes forming part of the Financial Statements**

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

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities.

(Rs. in Lakhs)

	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Other financial liabilities	5,717.98	5,717.98	5,717.98	-	-	-

	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Other financial liabilities	4,297.28	4,297.28	4,297.28	-	-	-

Note 18 Financial instruments – Fair values and risk management (continued)**iv. Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the Company's exposure to market risk is a function of operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency costs.

Currency risk

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

The Company has not taken derivative instruments to hedge the foreign currency risk. However, the Company continuously monitors the fluctuation in currency risk and ensures that the Company does not have adverse impact on account of fluctuation in exchange rates.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2021 and March 31, 2020 are as below:

BHARAT PETRORESOURCES JPDA LIMITED
Notes forming part of the Financial Statements

	Total	(Rs. in Lakhs)	
		March 31, 2021 USD	March 31, 2021 AUD
Financial assets			
Cash and cash equivalents	-	-	-
Other financial assets	-	-	-
Financial liabilities			
Other financial liabilities	253.76	251.25	2.51
Net exposure (Assets - Liabilities)	(253.76)	(251.25)	(2.51)

	Total	(Rs. in Lakhs)	
		March 31, 2020 USD	March 31, 2020 AUD
Financial assets			
Cash and cash equivalents	29.56	29.56	-
Other financial assets	-	-	-
Financial liabilities			
Other financial liabilities	253.99	251.79	2.20
Net exposure (Assets - Liabilities)	(224.43)	(222.23)	(2.20)

Sensitivity analysis

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

Effect on Profit or loss (before tax)	Strengthening/ Weakening %	(Rs. in Lakhs)	
		Strengthening	Weakening
March 31, 2021			
USD	3%	(7.54)	7.54
AUD	5%	(0.13)	0.13
		(7.67)	7.67

Effect on Profit or loss (before tax)	Strengthening/ Weakening %	(Rs. in Lakhs)	
		Strengthening	Weakening
March 31, 2020			
USD	3%	(6.67)	6.67
AUD	5%	(0.11)	0.11
		(6.78)	6.78

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The company does not have any interest bearing financial assets or financial liabilities, and therefore the company is not exposed to interest rate risk.

BHARAT PETRORESOURCES JPDA LIMITED**Notes forming part of the Financial Statements****Note 19 Capital Commitments and Contingent Liabilities:****(Rs. in Lakhs)**

	March 31, 2021	March 31, 2020
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
(b) Contingent Liabilities (Refer Note 3)	-	4,168.84

Note 20 Related party disclosures:**a) Related Party relationships**

1. Ultimate Holding Company:
Bharat Petroleum Corporation Limited
2. Holding Company:
Bharat PetroResources Limited
3. Key Management Personnel:
 - i) Shri Jitender Pershad Waghray w.e.f. 13th May 2020
 - ii) Shri Pankaj Kumar, Director upto 30th July, 2020
 - iii) Shri Vivek Maheshwari, Director and Chief Financial Officer upto 5th February, 2021
 - iv) Shri Atit P. Shah, Director w.e.f. 24th March, 2021 and Chief Financial Officer w.e.f. 30th March, 2021
 - v) Smt. Barnali Tokhi, Director w.e.f. 30th June, 2017
 - vi) Shri Ramanuj Chari, Director w.e.f. 24th March, 2021
 - vii) Shri Satheesh Kumar K. V., Director upto 25th January, 2021
 - viii) Shri Shivram Mattaparathi, Company Secretary w.e.f. 23rd October, 2020

b) Transactions with Related Party:

In accordance with the paragraph 25 of Ind AS 24 "Related Party Disclosures", the company is exempt from the disclosure requirements of in relation to related party transactions and outstanding balances with government and government related entity. Hence transactions and outstanding balances with Holding and Ultimate Holding company are not disclosed.

Note 21 Joint Operations**(a)**

The Company currently has a 20% (P.Y. 20%) Non-Operator participating interest in a joint arrangement in relation to JPDA 06-103 block which was awarded to consortium in the year 2006 by the Autoridade Nacional do Petroleo e Minerais (ANPM) of Timor Leste.

The principal place of the joint operation is in East Timor.

The exploration activity was suspended because of the uncertainty arising out of arbitration proceedings by Timor Leste Government against Government of Australia with regard to the 'Certain Maritime Arrangements in Timor Sea', (CMATS) Treaty, the consortium submitted formal request to Autoridade Nacional do Petroleo e Minerais (ANPM) of Timor Leste, the Regulator towards termination of Production Sharing Contract (PSC) for consent, without claim or penalty, citing expenditure in excess of commitment. ANPM rejected the consortium's offer to terminate without claim and penalty. The regulator terminated the PSC on 15th July 2015 and demanded the payment of the "liability upon termination" which has been settled during the year. Also, Refer Note 3 & Note 10.

BHARAT PETRORESOURCES JPDA LIMITED
Notes forming part of the Financial Statements
Note 21 Joint Operations (Contd.)
Significant judgement: Classification of Joint Arrangement

The joint arrangement agreements require consent from all parties by the operator for all relevant activities. The partners have direct rights to the assets and jointly and severally liable for the liabilities incurred. This is therefore classified as a joint operation and the Company recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

	Reference	(Rs. in Lakhs)	
		March 31, 2021	March 31, 2020
Assets	Note No. 4 & 5	30.49	29.56
Liabilities	Note No. 8	151.63	81.13
Income	-	-	-
Expenses	-	-	-

(b)

During the year 2019-20, two parties to the JV defaulted to the cash call sought by the Operator. Accordingly, the proportionate share of liabilities has been recognised by the Company. Further, considering the liquidity position of these two parties to the JV, Company had provided for "provision for doubtful advances" against this amount.

Note 22 During the year, there were no employees on the payroll of the Company.

Note 23 Foreign Exchange differences (net) of Rs.15.81 Lakhs have been credited to statement of Profit & Loss. (March 31, 2020: Rs.205.59 Lakhs [foreign exchange loss]).

Note 24 Exchange Rate - 1 USD = INR 73.5047 & 1 AUD = INR 55.7023 as at March 31, 2021
 Exchange Rate - 1 USD = INR 75.3859 & 1 AUD = INR 46.63 as at March 31, 2020
 Exchange Rate - 1 USD = INR 69.1713 & 1 AUD = INR 48.95 as at March 31, 2019

Note 25 Changes in liabilities arising from financing activities
(Rs. in Lakhs)

	Non-current borrowings	Total
As at April 1, 2019	4,007.20	4,007.20
Cash Flows	50.00	50.00
As at March 31, 2020	4,057.20	4,057.20
Cash Flows	1,397.00	1,397.00
As at March 31, 2021	5,454.20	5,454.20

BHARAT PETRORESOURCES JPDA LIMITED**Notes forming part of the Financial Statements****Note 26 Exceptional Item**

In respect of the arbitration proceeding initiated by ANPM in respect of Block JPDA 06-103 in October 2018, ANPM vide its letter dated 22nd September 2020, has provided the "Award of Consent orders" issued by ICC Tribunal in respect of arbitration proceedings out of the termination of Production Sharing Contract for JPDA 06-103 block. As per the "Deed of Settlement and release", both parties have agreed for a full and final settlement of the dispute by way of Settlement of USD 8 Million, inclusive of applicable taxes, to be paid to ANPM by each part on a several basis. Accordingly, BPR JPDA Ltd is required to pay its proportionate share of the Settlement (as defined in the Deed) to ANPM, being 20% of USD 8 million (USD 1,600,000). Accordingly, Rs.1,198.96 lakhs (USD 1,600,000) has been paid as the settlement sum. Reversal of excess provision of Rs.1,424.16 lakhs (USD 1,900,000) has been shown as exceptional item in the statement of Profit & Loss for the period ended 31st March 2021

Note 27 Figures of March 31, 2020 have been regrouped wherever necessary, to confirm to current year presentation.

As per our attached report of even date

For and on behalf of the Board of Directors

**For and on behalf of
B D G & Associates**

Chartered Accountants
FRN. 119739W

J.P. Waghray
Director
DIN No. 08202910

Barnali Tokhi
Director
DIN No. 07850177

Nikhil Rathod
Partner
M.No. 161220

Atit P Shah
Director & CFO
DIN No. 09066285

Shivram Mattaparthi
Company Secretary (I/c)

Place: Mumbai
Date: 7th May, 2021

BHARAT PETRORESOURCES JPDA LIMITED

**Regd. Office : Bharat Bhavan, 4 & 6, Currimbhoy Road,
Ballard Estate, Mumbai - 400 001.**