Bharat
PetroResources

Annual Report 2019-20

From left to right: Shri Jitender Pershad Waghray, Director (Operations & Business Development) w.e.f. 20 August 2018 & Incharge, w.e.f. 13 April 2020; Shri Ajay Kumar V., Managing Director (upto 31 March 2020); Shri Pankaj Kumar, Director (Finance) upto 30 July 2020, CFO w.e.f. 03 August 2020.

CONTENTS

Bankers
State Bank of India
BNP Paribas

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

Secretarial Auditors
Ragini Chokshi & Co.
Company Secretaries

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

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

Management Team

Board of Directors

D. Rajkumar

Ajay Kumar V.
Managing Director
(upto 31 March 2020)

Pankaj Kumar
Director (Finance)
(upto 30 July 2020)
CFO w.e.f. 03 August 2020

J. P. Waghray
Director (Operations & Business Development)
w.e.f. 20 August 2018 &
Incharge (w.e.f. 13 April 2020)

Neelakantapillai Vijayagopal
Director

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

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

Mona Jaiswal
Director
(w.e.f. 31 October 2019)

Barnali Tokhi
President
(Technical)

U.S.N. Bhat
President
(Assets & Services)

Satheesh Kumar KV
Senior Vice-President
(Assets)

Vivek Maheshwari
Senior Vice-President
(Finance)

Thomas James
Senior Vice-President
(BD-MIS & Assets)

Rajeev Saxena
Senior Vice-President
(Assets)

Prasanna Kumar Sahoo
Vice President (Finance)

Sarita Aggarwal
Company Secretary

NOTICE TO THE MEMBERS

Notice is hereby given that the 13th Annual General Meeting of the members of Bharat PetroResources Limited will be held on Friday, 14th day of August, 2020 at 1200 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 2020, the reports of the Board of Directors and Statutory Auditors.
2. To appoint a Director in place of Shri Jitender Pershad Waghray (DIN No. 08202910) who retires by rotation. Shri Jitender Pershad Waghray, being eligible, offers himself for re-appointment.
3. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2020-21 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 2020-21, as may be deemed fit by the Board."

SPECIAL BUSINESS

4. Appointment of Smt. Mona Jaiswal as an Independent Director

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Smt. Mona Jaiswal (DIN: 08599591), who was appointed by the Board of Directors as an Additional Director with effect from 31st October 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of three years commencing from 31st October 2019 up to 30th October 2022 or until further orders from the Ministry of Petroleum & Natural Gas, whichever is earlier."

5. Approval of Remuneration of the Cost Auditors for the Financial Year 2020-21

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

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Cost Auditor M/s. ABK & Associates, Cost Accountants, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending 31 March 2021 be paid the remuneration as set out below: Name of Cost Auditor Activities Audit Fees (₹) ₹ 35,000 (Audit fees plus XBRL filing fees) plus applicable taxes and reasonable out of pocket expenses BPRL's activities where cost records are to be maintained for the financial year 2020-21.

Name of Cost Auditor	Activities	Audit Fees (Rs)
ABK & Associates	BPRL's activities where cost records are to be maintained	₹ 35,000 (Audit fees plus XBRL filing fees) plus applicable taxes and reasonable out of pocket expenses

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

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

Place : Mumbai
Date: 11.08.2020

By Order of the Board
For Bharat PetroResources Limited

Sd/-
(Sarita Aggarwal)
Company Secretary

Notes:-

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated 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 2019-20 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 2019-20 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

Conference ID: 5529944

SIP: 5529944@connectvc.bharatpetroleum.in | H.323: 202.62.246.208##5529944

Web URL : https://connectbpc.bharatpetroleum.in/xTMUWWGUh0

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 Shri Rajam Mukund M at 869123692.

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 12th August, 2020 (0930 IST) to 13th August, 2020 (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 Smt Mona Jaiswal as an Independent Director

Smt Mona Jaiswal was appointed as Additional Director on the Board and as Independent Director of the Company under the relevant provisions of the Articles of Association of the Company, effective 31st October 2019 for a period of three years up to 30th October 2022 or until further orders from the Ministry of Petroleum & Natural Gas, whichever is earlier.

Smt Mona Jaiswal, being Additional Director holds office up to the date of the ensuing Annual General Meeting. The Company has received a Notice in writing under Section 160 of the Act proposing his candidature for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Smt Mona Jaiswal has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, she fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Director and she is Independent of the management and not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Companies Act, 2013.

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

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

Her brief resume containing her age, qualifications, expertise etc. is annexed herewith. The Board accordingly recommends the passing of the proposed Ordinary Resolution as contained in the Notice by Members of the Company.

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

Item No. 5: Approval of Remuneration of the Cost Auditors for the Financial Year 2020-21

The board has approved the appointment and remuneration of M/s. ABK & Associates, Cost Accountants as the Cost Auditors on 11th August 2020 on the recommendation of the Audit Committee to conduct the audit of the Cost records for the Financial Year 2020-21. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2020-21 by way of an Ordinary Resolution is being sought from the Members as set out at the Item No. 5 of the Notice. The Board accordingly recommends the passing of the proposed Ordinary Resolution for approval by the Members.

None of the Directors or Key managerial Personnel of the Company or their relatives, in any way, concerned or interested, financially or otherwise in passing of the said Ordinary Resolution.

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Tel: 022-22713000
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CIN No U23209MH2006GOI165152

Place : Mumbai
Date: 11.08.2020

By Order of the Board
For Bharat PetroResources Limited

Sd/-
(Sarita Aggarwal)
Company Secretary

Brief Resume of Director seeking Appointment/Re-appointment at the 13th Annual General Meeting

Name	Shri Jitender Pershad Waghray	Smt Mona Jaiswal
Date of Birth	27 November 1961	19 July 1967
Date of Appointment	20 August 2018	31 October 2019
Qualifications	M.Sc., M.Tech	Bachelor of Arts
Experience in specific Functional Areas	Shri Jitender Pershad Waghray has vast experience of 37 years in exploration and production industry & know how of E&P activity in India as well as abroad both at technical as well as managerial level. He was associated in Oil Recovery (EOR) projects to improve Oil and Gas recovery, Short term/Long term perspective plans, involved in Planning of number of new initiatives, technology up gradation/reservoir management programme, studies & Planning, evaluation and establishing the strategic areas for hydrocarbon exploration & monitoring of the field performance and planning and management of steam injection performance. He has carried out detailed reservoir characterization for different fields & involved in planning and implementation of field operations and also monitored Geological Operations/ Production / Drilling / Logging operations for timely intervention to avoid potential cost and time over runs.	Social Worker
Directorships held in other Companies	**Director** Bharat PetroResources JPDA Limited BPRL International Singapore Pte. Lte. Taas India Pte. Ltd. Vankor India Pte. Ltd.	NIL
Memberships/ Chairmanships of Audit Committee	**Chairman – Audit Committee** Bharat PetroResources JPDA Limited BPRL International Singapore Pte. Lte.	NIL

DIRECTORS' REPORT

The Directors present their 13th Report of Bharat PetroResources Limited (BPRL) for the Financial Year ended 31 March 2020:-

OPERATIONS OF THE COMPANY

BPRL has participating interest (PI) in twenty seven blocks of which fifteen are located in India and twelve overseas, along with equity stake in two Russian entities holding the license to four producing blocks in Russia. Seven of the fifteen blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP), five blocks were awarded under Discovered Small Fields Bid Round I and three blocks were awarded under the Open Acreage Licensing Policy (OALP) Bid Round I. Out of twelve overseas blocks, five are in Brazil, two in United Arab Emirates and one each in Mozambique, Indonesia, Australia, Israel and Timor Leste. The blocks of BPRL are in various stages of exploration, appraisal, pre-development and production. The total acreage held by BPRL and its subsidiaries is around 32304 km^2 of which approximately 57% is offshore.

The PI in respect of Blocks in India, Israel and Australia are held directly by BPRL. BPRL has wholly owned subsidiary companies located in the Netherlands, Singapore and India. The PI in the Block-JPDA 06-103, in Timor Leste is held by BPRL's wholly owned subsidiary company in India, i.e. Bharat PetroResources JPDA Limited. The subsidiary located in the Netherlands, i.e. BPRL International BV, in turn has four wholly owned subsidiary companies viz. BPRL Ventures BV, BPRL Ventures Mozambique BV, BPRL Ventures Indonesia BV and BPRL International Ventures BV. BPRL Ventures BV has 50% stake in IBV Brasil Petroleo Limitada, which currently holds PI ranging from 20% to 40% in five blocks in offshore Brazil. BPRL Ventures Mozambique BV has PI of 10% in a block in Mozambique, and BPRL Ventures Indonesia BV holds PI of 12.5% in a block in Indonesia. BPRL, through BPRL International Ventures BV, has 30% stake in Falcon Oil and Gas BV, which holds 10% stake in the Lower Zakum concession in offshore Abu Dhabi, UAE. Further, BPRL's wholly owned subsidiary in Singapore, i.e. BPRL International Singapore Pte Ltd (BISPL) holds 33% each in two Special Purpose Vehicles (SPV) i.e. Taas India Pte Ltd (TIPL) and Vankor India Pte Ltd (VIPL) which hold 29.9% and 23.9 % in the Russian entities LLC TYNGD and JSC Vankorneft respectively. BISPL further holds 50% stake in Urja Bharat Pte Limited (UBPL) in Singapore which is the Operator of Onshore Block 1 Concession in Abu Dhabi with 100% PI.

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

During the year 2019-20, BPRL accomplished the following:

- Final Investment Decision (FID) for development of 2x6.44 MMTPA LNG Project in Mozambique was announced on 18 June 2019 and the project has entered the construction phase.
- BPRL, through it's Joint Venture Urja Bharat Pte Limited, has opened office in Abu Dhabi for the Onshore Block 1 concession and the activities towards fulfilment of Minimum Work Programme have commenced.

- Supplied Equity Crude of approx. 5.1 Million Barrels from Lower Zakum concession to BPCL Group refineries.
- Completed the assignment of PI for 2 OALP blocks (1 each in Cauvery and Assam-Arakan Basin) as non-operator with Oil and Natural Gas Corporation Limited (ONGC) and Oil India Limited (OIL) on 23.12.2019
- Commenced Extended Well Testing in BM-SEAL-11 concession which is the first to be carried out in ultra-deep waters in the Northeast Brazil offshore.

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS)notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules there under. As on 31 March 2020, BPRL has an authorised share capital of ₹ 15,000 Crores and paid up share capital of ₹ 5,000 Crores, which is entirely held by Bharat Petroleum Corporation Limited (BPCL), the holding company. BPRL has recorded consolidated income of ₹ 131.09 Crores and a consolidated loss of ₹ 301.74 Crores for the Financial Year ending 31 March 2020.

The Comptroller and Auditor General of India (C&AG) has vide letters dated 29th July, 2020 which are enclosed to the Directors' Report as Annexure E, stated that in view of the revision made in the statutory auditor's report, to give effect of some of their audit observations, no further comments to offer upon or supplement to the statutory auditors' report under section 143 (6)(b) read with section 129(4) of the Act.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure And Developments

During the year 2019-20, the industry witnessed geopolitical activity, including US-China trade tensions, US Sanctions aiming to cut Iran's crude exports, tanker attacks in the Strait of Hormuz, attacks on the Saudi Oil installation and Iranian air-strikes against US-Iraqi military bases over the killing of Iran's top General.

The crude oil prices started falling from January 2020 due to coronavirus-related fears, disagreement amongst OPEC+ members over production cuts and restraints on economic activity and fell to record low, in April 2020 which is the lowest price in almost 20 years.

The industry saw international Oil and Gas majors continuing to realign portfolios by divesting non-core assets across the globe. Final investment decisions (FIDs) were announced for liquefaction projects of 70.4 million tons per year (MMTPA) which are 40% higher than the previous all-time high reached in 2005 (50.4 MMTPA).

The novel coronavirus pandemic (COVID-19) has created an unprecedented global health and economic crisis which has severely affected the energy sector, and specifically the Oil & Gas industry with nearly all countries globally implementing quarantine and lockdown measures, promoting social distancing strategies leading to massive reduction in demand of transport as well as industrial fuels.

As per the International Energy Agency (IEA), global oil demand is expected to fall year-on-year for the first time since 2009, by approx. 7-9% and is expected to recover gradually in the second half of 2020. The international prices of crude oil have fallen considerably due to decline in demand. Additionally, a rapid build-up of oil stocks led to saturation of available storage capacity, pushing down the prices further. With the steep decline in free cash flow due to the price collapse, E&P companies have already started to declare considerable reductions in investments for 2020 which are expected to further deepen as companies continue to scrutinize their budgets and portfolios, aiming to keep costs to the bare minimum. On an overall basis, the 2020 capital budget for the industry is expected to be cut by around 20-35% as per the estimates of the IEA.

2. Strength And Weaknesses

The year was marked with two significant events in BPRL's key assets in Mozambique and Brazil. In the Offshore Area 1, Rovuma Basin, Mozambique, Final Investment Decision (FID) for a 2x6.44MMPTA LNG Project was announced on 18th June 2019 and the project has moved into development phase with the commencement of construction activities and in BM-SEAL-11, Brazil Extended Well Testing has commenced in Farfan from 22nd February 2020.

Furthermore, with existing production from the Russian assets and the Lower Zakum Concession, UAE and with a healthy pipeline of assets in the exploration, appraisal and development phase, both in India and abroad, BPRL's portfolio is well-balanced to meet the demands of the future.

While BPRL has been able to raise funds during 2019-20 without recourse to its parent company Bharat Petroleum Corporation Limited (BPCL) (a Fortune 500 company and a Maharatna Public Sector Enterprise of the Government of India), being a wholly owned subsidiary, it largely depends on BPCL / Government of India for its funding support and investment decisions.

3. Opportunities And Threats

As per the IEA's World Energy Outlook 2019 (WEO), global energy demand is expected to increase annually by 1-1.3% to 2040. The WEO further envisages that Oil will remain the primary fuel with Asia accounting for 80% of International Oil trade propelled by doubling of demand in India.

In the medium term, following the contraction in 2020, a sharp rebound is expected in 2021 however, the global oil demand growth is likely to remain weak in the following years as consumption of transport fuel increases slowly.

The spurt in the demand for natural gas as an industrial fuel and for residential consumption has led to a worldwide wave of investment in new LNG projects. As per the WEO, most of the increase in Asia's gas demand will be met through imports – largely from LNG. Developing economies in Asia are the main engines of LNG growth, with the market share of LNG in total gas demand growing from 20% in 2018 to 40% by 2040.

Another key demand center, based on the WEO, is Africa whose oil demand is expected to outstrip China's by 2040 and gas use is projected to increase substantially in view of the recent discoveries.

Therefore, while Oil & Gas face competition from renewable and other alternate sources of energy, the demand is expected to remain robust for at least the next couple of decades.

4. Outlook

BPRL currently has a diversified portfolio of discovered assets most of which are progressing to development stage. The world class discovery of Gas in Mozambique has progressed to construction phase and the first LNG cargos are expected by 2024 which will substantially contribute to the financial performance of BPRL.

In respect of Indian blocks, production has already commenced from Madanam Block in Cauvery basin in which BPRL holds 40% stake. Further, the Field Development Plan (FDP) has been approved by Director General of Hydrocarbons (DGH) for Pandanallur Block in Cauvery Basin and for BPRL's Operatorship block CB-ONN-2010/8 in the Cambay Basin, which is likely to commence production after the implementation of the FDP. Further BPRL has acquired stakes in producing assets in Russia and UAE which are generating steady dividend flows and has access to equity oil (from UAE).

All of the above will lead to steady revenue generation adequate to support a balanced portfolio of assets thereby turning BPRL into a self-sustaining / profit making company.

5. Risks And Concerns

As per the reports from various agencies, global economy is projected to contract significantly in 2020 due to the COVID-19 pandemic. The reports also project that the global economy is expected to grow at a high rate in 2021 as economic activity normalizes, helped by policy support. However, the pace of economic recovery would largely depend upon the pathway of pandemic, geopolitical developments like US-China trade tensions and situation in the Middle East and support from targeted policy reforms by the economies and central banks across the world.

Since the global economic growth is one the key drivers of the demand for oil and natural gas, the prices could fall if the impact of the pandemic is unrestrained or the OPEC+ cuts are not sufficient to support the prices.

As per the IEA, electricity demand is expected to grow faster than the overall energy by 2040 with low-carbon sources such as Solar, Wind, Nuclear and Hydropower meeting more than half of the installed capacity.

However, meeting the increasing demand for energy with universal access, while cutting emissions is a formidable task, especially for developing nations and Oil & Gas are expected to play a major role in the energy mix for the foreseeable future.

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

BPRL's internal control systems are commensurate with the nature of its business and the size & complexity of its operations and ensures the efficiency, reliability and completeness of accounting records and compliance of applicable laws and regulations. Further, all transactions adhere to the requisite procedures, policies and are in accordance with the statutory requirements. The Internal Audit of BPRL for the Financial Year ended 2019-20 was carried out by the team of Internal Audit in BPCL headed by ED (Audit)/ CGM, BPCL. Additionally, the non-operator audit for Blocks in Mozambique and select Indian Blocks has been carried out during the Financial Year. The Audit Committee of the Board periodically reviews significant findings of the Internal Auditor covering operational, financial and other areas and provides guidance on internal controls.

7. **Discussion On Financial Performance With Respect To Operational Performance**

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

8. **Material Developments In Human Resources/industrial Relations Front, Including Number Of People Employed**

BPRL comprises optimum combination of professionals from different background such as geology, engineering and finance. A separate cell exists for Human Resources, which looks after the activities relating to manpower and training of staff and administration. Most of the employees in BPRL are deputed from the parent Company i.e. BPCL. As on 31.03.2020 there are 3 staff who have been recruited directly in BPRL cadre. The activities relating to Human Resources are looked after in line with the policies of BPCL. All necessary training, programmes are conducted for Human Resources development to operate in international environment. Further, senior Geoscientists are engaged as consultants to add value to its projects and to evaluate new projects. The total manpower of BPRL is 49 as on 31.03.2020. In order to develop its own cadre, BPRL has also initiated recruitment process and placement of domain specialists. BPRL is also assessing options for recruitment and placement of domain specialists like Production engineers, Facilities engineers, Petrophysicists and Drilling engineers as it moves to become a producing company and handle more blocks as Operator.

9. **Environmental Protection And Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation**

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

In block CB-ONN-2010/8, the drill cutting solid waste and liquid effluent are being disposed at Treatment Storage Disposal Facility (TSDF) and Common Effluent Treatment Plant (CETP) sites respectively approved by Gujarat State Pollution Control Board (GPCB).

The Environmental Clearance (EC) in the operatorship block CB-ONN-2010/8 has been obtained on 30.07.2019 to carry out development activities.

Further, in block CB-ONHP-2017/9, the Environmental Impact Assessment (EIA) and Public Hearing has been completed. BPRL has applied to Government of Gujarat for grant of Environmental Clearance (EC), which is prerequisite for commencement of the drilling activities. In Onshore Block 1, Abu Dhabi, Environmental Impact Assessment (EIA) study for obtaining the Environmental permit for drilling and testing of wells has been carried out.

10. Corporate Social Responsibility

At present, the blocks of BPRL are in various stages of exploration/appraisal/pre-development/production and there are no profits recorded during the Financial Year. Accordingly, no expenditure is being incurred on the Corporate Social Responsibility (CSR) by BPRL directly. However, BPRL is a consortium member of various blocks wherein the activities related to CSR are undertaken by the Operator. BPRL has not commenced generating profits and hence provisions of Section 135 of the Companies Act are not applicable to the Company. However, the Company has constituted the Committee on voluntary basis.

CSR Committee constitutes the following members:

1. Shri Ajay Kadmawala, Chairman (Independent Director)
2. Smt Mona Jaiswal, Member, (Independent Director)
3. Smt Esha Srivastava, Member, (Government Director)

11. Exploration And Production Policy

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

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

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

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

CURRENT STATUS OF BLOCKS

BLOCKS ACQUIRED THROUGH FOREIGN SUBSIDIARY COMPANIES

RUSSIA

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

In JSC Vankorneft, Rosneft holds 50.1% shares, ONGC Videsh Ltd. (OVL) (through its subsidiary) holds 26% shares and IC (through subsidiary companies) holds the remaining 23.9%. During the year, JSC Vankorneft produced approx. 13.43 MMT of Oil and 5.8 BCM of Gas (BPRL's effective share being 1.06 MMT Oil and 0.46 BCM Gas). During the year, IC received dividend amounting to approx. USD 364 Million (with BPRL's effective share of approx.USD 120 Million).

In TYNGD, Rosneft (through subsidiary) holds 50.1% shares, BP (through a subsidiary) holds 20% shares and IC (through subsidiary companies) holds the remaining 29.9% shares. During the year, TYNGD produced approx. 4.20 MMT of Oil and 1.45 BCM of Gas (BPRL's effective share being 0.41 MMT Oil and 0.14 BCM Gas). During the year, IC received dividend amounting to approx. USD 241 Million (with BPRL's effective share of approx.USD 80 Million).

UNITED ARAB EMIRATES (UAE)

Onshore Block 1 Concession

BPRL, jointly with IOCL, has successfully won Abu Dhabi Block Licensing bid Round held in 2018 and was awarded with the Onshore Block 1 Concession on 24 March 2019.

The Concession is held through a Special Purpose Vehicle (SPV), Urja Bharat Pte Limited (UBPL) Singapore where BPRL holds 50% shares through its step down subsidiary BPRL International Singapore Pte Ltd. in Singapore. UBPL is the "Operator" of the block during the exploration phase and has 100 % Participating Interest (PI) in the block. Onshore Block 1 covers an area of 6,162 km^2 located in the Al Dhafra region around Ruwais City and the refining complex, including the coastal region to the west. There are two existing undeveloped oil and gas fields in the area, named Ruwais and Mirfa, which will be appraised by the consortium, in addition to available prospects/leads for exploration.

Lower Zakum Concession

BPRL along with OVL and IOCL as a consortium acquired 10% stake in the offshore producing oil asset, Lower Zakum Concession in Abu Dhabi, UAE. The Indian Consortium's share in the Lower Zakum Concession is held through Falcon Oil & Gas B.V, a SPV incorporated in the Netherlands where BPRL holds 30% shares through its step down subsidiary BPRL International Ventures B.V in the Netherlands. The Concession has a term of 40 years effective from 9 March 2018.

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

The Lower Zakum field, located in Abu Dhabi Offshore shallow water, has been producing crude oil since 1967. The Indian Consortium's entitled crude oil from the concession has been approx. 15.23 million barrels during the year 2019-20.

During the year, BPCL Group Refineries have lifted approx. 5.1 million barrels of Das Blend Crude Oil as its equity oil from the Lower Zakum Concession.

MOZAMBIQUE

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

Following the discovery of vast quantities of natural gas in the Rovuma Offshore Area 1 off the coast of northern Mozambique, Area 1 consortium partners announced Final Investment Decision (FID) on 18 June 2019 to develop a 2-Train (2 x~6.44 MMTPA) onshore initial LNG Project for monetization of gas discovered from offshore Golfinho-Atum discovery area. With the announcement of the FID, the Golfinho-Atum Field Development Plan has become effective and Development and Production Period of 30 years has commenced. First cargo will commence after construction concludes, which is estimated to be approximately five years after FID (June 2019).

All major construction contracts such as onshore Engineering, Procurement, Construction (EPC); offshore Engineering, Procurement, Construction and Installation (EPCI) / Company Provided Items (CPI) have been executed and Full Notices To Proceed (FNTP) have been issued to the respective contractors. Contractors have mobilized at site and construction for early works is underway. At the same time, detailed engineering/design works are progressing and purchase orders for the long-lead items have been placed by the respective contractors.

Relocation of the households under the Phase 1 Resettlement program has been completed. In terms of setting up of the logistic infrastructures to facilitate construction of LNG plant at Afungi project site, Palma-Afungi road (approach road to the project site), Phase 1 of the Airstrip, and Early Beach Landing (E-EBL, part of the marine Material Offloading Facility structure) have been completed and made operational during the year.

Area 1 partnership on 15th July 2020, has finalized senior debt financing of US$ 14.9 Billion to advance the 2-Train LNG project. The senior debt comprises of a mix of Export Credit Agencies (ECA) Direct Loans, ECA Covered Facilities, Commercial Bank facilities, and a loan facility with one multilateral development institution.

Pursuant to transactions involving Anadarko Petroleum Corporation & Occidental Petroleum Corporation, and Occidental Petroleum Corporation & Total S.A., Total has acquired Anadarko's 26.5% PI in the Area 1 block in Sept 2019. Entry of Total in Area 1 as Operator, considering its experience in LNG as the world's second largest LNG player and presence in Mozambique for nearly three decades in the downstream sector, is expected to help develop the project in safe and efficient manner.

BRAZIL

IBV Brasil Petroleo Limitada (incorporated in Brazil) a joint venture company of BPRL Ventures BV, and Videocon Energy Brazil Ltd, step down subsidiaries of BPRL & Videocon Industries Limited respectively, holds PI in 5 blocks in 3 concessions in Brazil.

Sergipe Alagoas (BM-SEAL-11) concession

The concession currently consists of two blocks and Petrobras is the Operator with 60% PI and IBV holds the remaining 40% PI. During the exploration periods, four discoveries of oil and gas i.e. 'Barra', 'Farfan', 'Cumbe' and 'Barra#1' have been made in this concession. Presently, the consortium is carrying out appraisal activities in two appraisal plans namely "Barra" and "Farfan" in blocks SEAL-M 426 and SEAL-M 349. The Operator i.e., Petrobras concluded extended well testing in Farfan field and the EWT data is being analyzed/evaluated for assessing reservoir extent and based on the results further development activities would be commenced.

Potiguar (BM-POT-16) concession

The concession is operated by Petrobras with 30% PI and the other partners are IBV (20% PI), Petrogal (20% PI) and BP (30% PI). The minimum commitment activities have been completed, including drilling of one exploration well called "Ararauna" in POT-M-760. Based on the oil and gas shows observed in Ararauna well, ANP has approved Ararauna appraisal plan, covering both the blocks in BM-POT-16 concession, consisting of firm commitment of drilling one well and G&G studies.

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

Campos (BM-C-30) concession

The concession is operated by BP with 35.7% PI and other partners are IBV Brasil (35.7% PI) and TOTAL (28.6% PI). During the exploration period in the concession, Wahoo discovery was announced. After the completion of the exploratory period in November 2010, the consortium decided to move on to Appraisal phase. Under the Appraisal plan, drilling of two firm Appraisal wells, screening of Development concepts and Pre-FEED engineering studies on identified facility options were completed.

Main activity envisaged are study of tie-back engagement with nearby developed field operators, reservoir uncertainty analysis, wells concept selection and various technical studies to facilitate a commercially viable field development option.

INDONESIA

Bharat PetroResources Limited (BPRL), a wholly owned subsidiary of Bharat Petroleum Corporation Limited, farmed in to Nunukan Block Production Sharing Contract (PSC) in September 2009 and has a Participating Interest (PI) of 12.5%, held through its step-down subsidiary BPRL Ventures Indonesia BV, in the block. The Production Sharing Contract (PSC) was signed on 12th December 2004 and is valid for a period of 30 years, i.e. till 2034. The block is located in shallow waters offshore of Bunyu Island in Tarakan basin of North Kalimantan province.

PT Pertamina Hulu Energi Nunukan Company (PHENC), a wholly owned subsidiary of Pertamina, the National Oil Company of Indonesia, has 64.5 % PI in the consortium and is the Operator for the block activities. Videocon Indonesia Nunukan Inc. (VINI) with a PI of 23.0 % was the other consortium partner of the block.

The minimum work programme committed as per the PSC under the exploration phase has been achieved. The exploratory / appraisal wells drilled in the block proved to be successful and indicated presence of oil and gas. The Drill Stem Tests (DST) conducted also confirmed producible hydrocarbons from these wells and has led to Oil & Gas discoveries in Badik, West Badik and Parang fields of the block.

As part of further exploratory/appraisal activities, drilling campaign in Parang / Keris fields is being planned by the operator. The drilling of appraisal wells in Parang field is currently in progress.

BLOCKS ACQUIRED THROUGH INDIAN SUBSIDIARY BPR JPDA IN TIMOR LESTE

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

The Company holds a Participating Interest (PI) of 20% in the block JPDA 06-103 Block in Timor Leste. The other Joint Venture (JV) partners of the block are Videocon JPDA 06-103 Limited (20% PI); GSPC JPDA Limited(20% PI) ; Pan Pacific Petroleum (JPDA 06-103) Pty Ltd. (15% PI); Japan Energy E&P JPDA Pty Ltd. (15% PI), and Oilex (JPDA 06-103) Ltd. (10% PI) as the operator of the block.

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

This being a significant development and considering the commercial uncertainties, the Joint Venture (JV) submitted its request to the ANPM for termination of PSC without claim or penalty. ANPM, however rejected Joint Venture's claim and terminated the PSC with a demand of payment towards termination cost & damages. The JV, while accepting the termination, requested for negotiation for amicable settlement of contractor's liabilities upon termination. Various negotiations were held, however no consensus was obtained.

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

BLOCKS IN INDIA

A. Operated Blocks:

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

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

During the initial exploration period, two discoveries were made in Pasunia#01 (PA#01) and Pasunia#02 (PA#02) wells. The approval of Petroleum Mining Lease (PML) from Govt. of Gujarat has been received on 26.02.2019 for a period of 15 years. Environmental Clearance (EC) for starting production and development activities has been granted by Ministry of Forest Environment & Climate Control (MoEF&CC) on 30.07.2019. Presently, various tendering activit ies are in progress for implementation of approved Field Development Plan (FDP). In View of Government order regarding Lockdown of India for combating COVID - 19 pandemic, prospective bidders/ suppliers have requested for extension of due dates of various tenders/ delivery schedule. Due to the above, there may be delay in implementation of Field Development Plan (FDP).

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

The block CB-ONHP-2017/9 in Cambay basin, Gujarat was awarded to BPRL under Open Acreage Licensing Policy (OALP) Bid Round- I and the Revenue Sharing Contract (RSC) of the block was signed with Govt. of India on 01.10.2018. BPRL is the Operator in the block with Participating Interest (PI) of 100%. Initial Exploration phase consists of three years (extendable for one more year) to complete Minimum Work Program (MWP). Govt. of India has approved the assignment of 40% Participating Interest to ONGC in December 2019.

Further, pre-drilling Environmental Impact Assessment (EIA) study and conducting Public hearing have been completed, which is required for Environmental Clearance (EC) for drilling of exploratory wells. Expert Appraisal Committee (EAC) meeting for grant of Environmental Clearance (EC) was held by MoEF&CC in Delhi on 25.02.2020. Expert Appraisal Committee (EAC) has recommended to apply fresh EC application to the Govt. of Gujarat as per new notification and accordingly EC application to Govt. of Gujarat was submitted on 28.03.2020. At present processing of the existing raw 3D data has been completed and interpretation is in progress for identification of drillable prospects.

iii) Discovered Small Field Blocks

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

B. Non-Operated Blocks

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

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

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

The block currently has 6 producing wells with a combined daily average oil production of 1750 BBLs. During the current financial year, 659,530 barrels (104,857 m^3) of oil and associated gas of 30,741,107m^3 has been produced from the block.

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

Government of India, during year 2004, awarded this on-land block to the consortium of BPRL and ONGC. BPRL has a PI of 20% in this block and ONGC with a PI of 80% is the Operator of the block.

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

The first two development wells drilled as per the development plan did not yield the desired results due to which additional studies like Critically Stressed Fracture (CSF) and Geo-Mechanical studies are currently being undertaken by the operator to firm up the way forward.

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

BPRL has a PI of 33.33% in RJ-ONN-2005/1, an On-land block in Rajasthan in consortium with Hindustan Oil Exploration Corporation (HOEC, 33.34% PI), and IMC Limited (33.33% PI). HOEC is the Lead Operator and BPRL is the Joint Operator of this block. The Petroleum Exploration License (PEL) for the block was granted by the Government of Rajasthan on 13 July 2009.

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

iv) NELP IX Blocks

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

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

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

The Declaration of Commerciality for the discovery Galiyana#1 was approved by Management Committee on 10 April 2019.

The Management Committee (MC) has approved the Field Development Plan of Galiyana 1 on 10 February 2020 and has also granted an additional area of 13.43 km^2 falling beyond the block area for development activities.

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

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

Though drilling of one well of 3500 m was mentioned in the MWP, based on the G&G studies, the operator recommended to drill ultra-deep well of 6450 m which was approved by the MC. Presently the tendering and pre drilling activities are in progress.

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

MB-OSN-2010/2, a shallow water offshore block in Mumbai Offshore basin was awarded by GOI to a consortium consisting of OIL (operator, 50% PI), HPCL (30% PI) and BPRL (20% PI). The proposal for relinquishment of the block MB-OSN-2010/2 has been approved by DGH and relinquishment is in progress.

v) ***OALP BLOCKS***

a) ***AA-ONHP-2017/12***

Government of India under the Hydrocarbon Exploration and Licensing Policy (HELP) through International Competitive Bidding awarded the block AA-ONHP-2017/12 to OIL under OALP I Bid Round. BPRL farmed into the block with PI of 10% in December 2019. The other consortium partners of the block are OIL (60% PI) as operator, IOC (20% PI) and NRL (10% PI). The total block is 489 km^2 in area of which 488.50 km^2 is located in Assam, 0.5 km^2 is located in Arunachal Pradesh.

Petroleum Exploration License (PEL) for the respective block areas were granted by Govt. of Assam on 03 July 2019 and Govt. of Arunachal Pradesh on 18 December 2019.

b) ***CY-ONHP-2017/1***

Government of India under the Hydrocarbon Exploration and Licensing Policy (HELP) through International Competitive Bidding awarded the block CY-ONHP-2017/1 to ONGC under OALP 1 Bid Round. BPRL farmed into the blocks with PI of 40% in December 2019. Out of the total block area of 731 km^2, 579 km^2 is onshore area and the remaining 152 km^2 is offshore area. PEL has been granted for the offshore area and the Operator is awaiting PEL grant for the onshore area.

OTHER FOREIGN BLOCKS

ISRAEL

The Consortium of BPRL, along with Indian Oil Corporation Limited (IOC), Oil India Limited (OIL) & ONGC Videsh Limited (OVL) was awarded with the Offshore Block-32 – with each partner holding 25% PI – Israel by the Ministry of National Infrastructure, Energy and Water Resources, Israel. The Petroleum license granted to the consortium is valid up to 26th March, 2021. The Indus East Mediterranean Exploration Ltd. (IEMEL), a subsidiary of OVL, is the Operator for the block.

The seismic (2D & 3D) data collection, prospectivity assessment and the report on data evaluation, re-processing requirements, prospective assessment etc. was carried out and the reports were submitted to Israeli Petroleum Commissioner on 28th March, 2019. The report along with prospectivity analysis of the block has been submitted to the regulator and the submission of final report on "Drill or drop decision" is expected by December 2020.

AUSTRALIA

BPRL farmed into EP - 413 Shale Gas Block, in December 2010 acquiring a 27.803% Participating Interest (PI).

AWE Perth Pty Ltd, a subsidiary of Australia Worldwide Exploration, with a PI of 44.252% and Norwest Energy with a PI of 27.945% are the other consortium partners of the block. With Norwest Energy holding the Operatorship. All requisite minimum work program has been completed by the consortium.

The long term suspension of the discovery well (Arrowsmith-2) has been carried out as advised by the Operator. Pending revised regulations on hydraulic fracture stimulation, the regulator granted the extension of the permit till 22nd February 2023. The activities related to the five year monitoring programme under the Environmental Management Plan (EMP 2015) and the maintenance / care of the suspended well are being taken up now.

Relinquished Foreign Block

UNITED KINGDOM

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

The commitment well (Cobra 48/2c- 5) was drilled in the year 2008. Following the drilling & testing, the well was left suspended since the development plan was deemed commercially unviable. Subsequently, the consortium has withdrawn from the License and the Plug and Abandonment activities of the well have been completed during the year.

DISCLOSURE REQUIREMENTS

As per DPE Guidelines, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis are attached, which forms part of this report. The Company has devised proper systems 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 31March 2020.

FIXED DEPOSITS

BPRL has not accepted any Fixed Deposits during the Financial Year 2019-20.

CORPORATE GOVERNANCE REPORT

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

NUMBER OF MEETINGS OF THE BOARD

There were 14 (Fourteen) meetings of the Board held during the Financial Year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 is given in Annexure A in the prescribed Form No. MGT-9, which is a part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details regarding Loans, guarantees or investments in terms of Section 186 of the Companies Act, 2013 are covered suitably, in the notes 6, 7 and 13 to the Standalone Financial Statements provided in the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY2020 were in the ordinary course of business and at arms' length basis.

IMPLEMENTATION OF RISK MANAGEMENT

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

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

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

HUMAN RESOURCES

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

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

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

The Central Public Information Officer (CPIO) and Appellate Authority are the concerned Officers for handling Right to Information (RTI) matters. During the year 2019-20, BPRL had received 14 RTI Queries and 1 Appeal, which were replied on time. In the Company's corporate website, BPRL has a separate section on RTI for better understanding of the public at large.

MICRO & SMALL ENTERPRISES

In line with "Public Procurement Policy for MSEs, Order 2012", BPRL had procured 51.48% of its Goods and Services, through MSEs as against a target of 25%annually. BPRL has also been fully abiding by the other mandates of the Policy. All the high value tenders at BPRL are through press tender route. The General Conditions of Contract (GCC) and General Purchase Conditions (GPC) of open tenders have the Purchase Preference Clause for MSEs.

BPRL organized one vendor meet / workshop to promote the Public Procurement Policy for MSEs. Annual procurement plan for 2019-20 was put up in the BPRL website. It can be viewed at http://bharatpetroresources.com/Tenders/Tenders.aspx.As per the mandate of MSE Purchase Preference Policy, nodal officer in BPRL is already appointed and the contact details and name is communicated regularly to the Ministry.

For the year 2019-20, the total procurement value for BPRL for Goods and Services, Rs 2300.63 Lakhs and the actual procurement value from MSEs was Rs 1184.43 Lakhs, i.e. an achievement of 51.48% as against the target of 25%. The MSE procurement details were also uploaded in MSME Sambandh portal. BPRL is registered in Government eMarketplace (GeM) portal as well as Trade Receivable Discounting System (TReDS) platform with Receivables Exchange of India Limited (RXIL).

MEMORANDUM OF UNDERSTANDING WITH BPCL

BPRL has achieved Excellent Rating for the Financial Year 2018-19. The MOU for Financial Year 2019-20 is under evaluation.

VIGILANCE

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

VIGILANCE

Summary of Vigilance Cases pertaining to BPRL handled during the Financial Year 2019-20 is given below:

Opening Balance (as on 01 April 2019)	Received during the year	Total	Disposed during the Year	Closing Balance (as on 31 March 2020)
0	0	0	0	0

Vigilance Awareness Week, an annual outreach program instituted by Central Vigilance Commission for the staff of the organizations / departments and general public to rededicate their commitments towards Honesty, Probity and Ethical values every year.

During the year, following activities were conducted at BPRL during the "Vigilance Awareness Week" 28th October – 2nd November 2019.

The Integrity pledge was administered to all the staff of BPRL on 31st October, 2019.

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

Standees and Banners on the theme "Integrity- A Way of Life" were displayed at prominent places in the office premises.

INFORMATION OF SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

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

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 2020, 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 2020 and of the profit and loss of the Company for the year ended on that date.

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

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

BOARD EVALUATION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Pankaj kumar ceased to be the Director (Finance) and CFO of the Company on completion of tenure w.e.f. closing of Business Hours of 30th July, 2020. The Board places on record its appreciation for his invaluable contribution and guidance.

Shri Ajay Kumar V. ceased to be the Managing Director of the Company on Superannuation w.e.f. closing of Business Hours of 31st March, 2020. The Board places on record its appreciation for his invaluable contribution and guidance.

Shri Jitender Pershad Waghray, Director (Operations & Business Development), BPRL was authorized to head and coordinate the management and administrative activities of BPRL and exercise all the authorities as available to the Managing Director, in addition to his existing authorities as Director (Operations & Business Developments) in relation to the affairs of the Company till further orders from MoP&NG.

Board of Directors of the Company in its meeting held on 11th August 2020 approved appointment of Shri Pankaj Kumar as CFO of the Company w.e.f. 3rd August 2020 on basis of nomination received from Bharat Petroleum Corporation Limited (Holding Company of BPRL).

Shri Jitender Pershad Waghray retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Smt Mona Jaiswal was appointed as additional Director from 31st October 2019. As she has been appointed as Additional Director, she will hold office till the ensuing AGM. Notice under Section 160 of the Act has been received proposing her name for appointment as Director at the ensuing AGM.

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

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and DPE Guidelines. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company. Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are Shri Ajay Kumar V, Managing Director, Shri Pankaj Kumar, Whole time Director and CFO, Shri Jitender Pershad Waghray, Whole Time Director and Smt. Sarita Aggarwal, Company Secretary.

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 P.G. Joshi & Co, Chartered Accountants were appointed as Statutory Auditors of BPRL for the Financial Year ended 31 March 2020, by the C&AG under the provisions of Section139 of the Companies Act, 2013. They will hold office till the ensuing Annual General Meeting. The Auditors' Report does not contain any qualification, reservation or adverse remark. The C&AG has been approached for the appointment of Statutory Auditors for the Financial Year ending 31 March 2021.

SECRETARIAL AUDITOR

The Board has appointed M/s Ragini Chokshi & Co., Company Secretaries to conduct the Secretarial Audit of the company for the Financial Year ended 31 March 2020, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Auditor's report for the Financial Year 2019-20 is enclosed as Annexure C.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGNEXCHANGE EARNINGS & OUTGO

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

In block CB-ONN-2010/8, the drill cutting solid waste and liquid effluent are being disposed at Treatment Storage Disposal Facility (TSDF) and Common Effluent Treatment Plant (CETP) sites respectively approved by Gujarat State Pollution Control Board (GPCB).The Environmental Clearance (EC) in the operatorship block CB-ONN-2010/8 has been obtained on 30.07.2019 to carry out development activities.

Further, in block CB-ONHP-2017/9, the Environmental Impact Assessment (EIA) and Public Hearing has been completed. BPRL has applied to Government of Gujarat for grant of Environmental Clearance (EC), which is prerequisite for commencement of the drilling activities.

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

Foreign Exchange Inflow : ₹ 348.34 Lakhs

Foreign Exchange Outgo : ₹ 470.78 Lakhs

COST RECORDS

BPRL is maintaining Cost Records of the Company as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

INTERNAL COMPLAINT COMMITTEE

The company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder. During FY 2020, the company has received NIL complaints on sexual harassment, out of which NIL complaints have been resolved with appropriate action taken and NIL complaints remain pending as on March 31, 2020. There have been no complaints in other areas.

ACKNOWLEDGEMENTS

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

For and on Behalf of the Board of Directors

sd/-

Date : 11.08.2020
Place : Mumbai

(D. Rajkumar)
Chairman

Annexure A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

BPRL has participating interest (PI) in twenty seven blocks of which fifteen are located in India and twelve overseas, along with equity stake in two Russian entities holding the licence to four producing blocks in Russia. Seven of the fifteen blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP), five blocks were awarded under Discovered Small Fields Bid Round 2016 and three blocks were awarded under the Open Acreage Licensing Policy Bid Round I. Out of twelve overseas blocks, five are in Brazil, two in United Arab Emirates and one each in Mozambique, Indonesia, Australia, Israel and Timor Leste. The blocks of BPRL are in various stages of exploration, appraisal, pre-development and production.

I. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATECOMPANIES

Sl. No	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Bharat Petroleum Corporation Limited, Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai 400001	L23220MH1952GOI008931	Holding Company	100%	Section 2(46)
2	Bharat PetroResources JPDA Limited, Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001	U23209MH2006GOI165279	Subsidiary Company	100%	Section 2(87)
3	BPRL International BV., Strawinskylaan 937, 1077 XX Amsterdam The Netherlands	Not applicable	Subsidiary Company	100%	Section 2(87)
4	BPRL Ventures BV. Strawinskylaan 937, 1077 XX Amsterdam The Netherlands	Not applicable	Subsidiary Company	100%	Section 2(87)
5	BPRL Ventures Mozambique BV Strawinskylaan 937, 1077 XX Amsterdam The Netherlands	Not applicable	Subsidiary Company	100%	Section 2(87)
6	BPRL Ventures Indonesia BV Strawinskylaan 937, 1077 XX Amsterdam The Netherlands	Not applicable	Subsidiary Company	100%	Section 2(87)
7	BPRL International Ventures BV Strawinskylaan 937, 1077 XX Amsterdam The Netherlands	Not applicable	Subsidiary Company	100%	Section 2(87)
8	BPRL International Singapore Pte. Ltd., 8 Cross Street, #24-03/04, Manulife Tower, Singapore 048424	Not applicable	Subsidiary Company	100%	Section 2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1 April 2019)				No. of Shares held at the end of the year (31 March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	4999999940	4999999940	100%	0	4999999940	4999999940	100%	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	60	60	0	0	60	60	0	0
Sub-total (A) (1):-	0	5000000000	5000000000	100%	0	5000000000	5000000000	100%	0
(2) **Foreign**									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total share holding of Promoter (A) = (A) (1) + (A) (2)	0	5000000000	5000000000	100%	0	5000000000	5000000000	100%	0

Category of Shareholders	No. of Shares held at the beginning of the year (1 April 2019)				No. of Shares held at the end of the year (31 March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	5000000000	5000000000	100%	0	5000000000	5000000000	100%	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 April 2019)			Shareholding at the end of the year (as on 31.3.2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Bharat Petroleum Corporation Limited (BPCL)	4999999940	100	0	4999999940	100	0	0
2	Shri D. Rajkumar jointly with BPCL	10	0	0	0	0	0	0
3	Shri. J. P. Waghray Jointly with BPCL	0	0	0	10	0	0	0
4	Shri S.K. Agrawal jointly with BPCL	10	0	0	0	0	0	0
5	Shri Ajay Kumar V. jointly with BPCL	10	0	0	10	0	0	0
6	Shri Pankaj kumar jointly with BPCL	10	0	0	10	0	0	0
7	Shri U.S.N. Bhat Jointly with BPCL	10	0	0	10	0	0	0
8	Shri Sundharavadhanan Jointly with BPCL	10	0	0	10	0	0	0
9	Smt. Sujata Chogle Jointly with BPCL	0	0	0	10	0	0	0
	Total	5000000000	100	0	5000000000	100	0	0

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (as on 1April 2019)				
2	Shri D. Rajkumar jointly with BPCL	10	0	0	0
3	Shri S.K. Agrawal jointly with BPCL	10	0	0	0
4	Shri J. P. Waghray Jointly with BPCL	0	0	10	0
5	Smt. Sujata Chogle Jointly with BPCL	0	0	10	0

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying there reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	Shri D. Rajkumar jointly with BPCL	10	0	0	0
	Shri S.K. Agrawal jointly with BPCL	10	0	0	0
	Shri. J.P. Waghray jointly with BPCL (transferred on 02.01.2020	0	0	10	0
	Smt. Sujata Chogle jointly with BPCL (transferred on 02.01.2020	0	0	10	0
3	At the end of the year (as on 31.3.2020)				
	Shri. J.P. Waghray jointly with BPCL (transferred on 14.05.2019	0	0	10	0
	Smt. Sujata Chogle jointly with BPCL (transferred on 14.05.2019	0	0	10	0

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year as on (1.4.2019)	0	0	0	0
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
3	At the end of the year (as on 31.3.2020)	0	0	0	0

(iii) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (as on 1.4.2019)					
1	Shri D. Rajkumar, Chairman	10	0	0	0
2	Shri Vijayagopal, Director	0	0	0	0
3	Shri Ajay Kumar V., Managing Director	10	0	10	0
4	Shri Pankaj Kumar, Director (Finance)	10	0	10	0
5	Shri Jitender Pershad Waghray, Director (Ops & BD)	0	0	10	0
6	Smt Swapna Sawant, Company Secretary	0	0	0	0
7	Smt Indrani Kaushal*	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Date of increase / decrease	Reasons		
	Shri D. Rajkumar, jointly with BPCL (decrease) (transferred on 14.5.2019)	0	0	10	0
	Shri S. K. Aggarwal jointly with BPCL (decrease) (transferred on 02.01.2020)	0	0	0	0
	Shri J. P. Waghray jointly with BPCL (increase) (transferred on 14.05.2019)	0	0	10	0
	Smt. Sujata Chogle jointly with BPCL (increase) (transferred on 02.01.2020)	0	0	0	0

At the end of the year (i.e. 31.3.2020)					
1	Shri D. Rajkumar, Chairman	0	0	0	0
2	Shri N. Vijayagopal, Director	0	0	0	0
3	Shri Ajay Kumar V., Managing Director	10	0	10	0
4	Shri Pankaj Kumar, Director (Finance)	10	0	10	0
5	Shri Jitender Pershad Waghray, Director (Ops &BD)	10	0	10	0
6	Shri Ajay Kadmawala #	0	0	0	0
7	Smt Mona Jaiswal@	0	0	0	0
8	Smt Esha Srivastava **	0	0	0	0
9	Smt Sarita Aggarwal, Company Secretary	0	0	0	0

*Smt Indrani Kaushal was appointed as Women Nominee Director w.e.f. 01.04.2019 and relinquished the office of Director on 27.05.2019

#Shri Ajay Kadmawala was appointed as an Additional director on 18.07.2019 and appointed as Independent Director in the Annual General Meeting held on 21.08.2019.

@Smt Mona Jaiswal was appointed as Additional Director on 31.10.2019

**Smt Esha Srivastava was appointed as Additional director on 09.07.2019 and thereafter appointed as Government Nominee Director in the Annual General Meeting of the Company held on 21.08.2019.

III. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1.4.2019)				
i) Principal Amount	0	68,849.03*	0	68,849.03*
ii) Interest Due but not paid	0	0	0	0
iii) Interest accrued but not due	0	3,419.70	0	3,419.70
Total (i+ii+iii)		7,268.73		7,268.73
Change in Indebtedness during the financial year				
• Addition	0	193,192.63	0	193192.63
• Reduction	0	0	0	0
Net Change	0	----	0	----
Indebtedness at the end of the financial year (as on 31.3.2020)				
i) Principal Amount	0	256,240.27*	0	256,240.27*
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	9,222.09	0	9,222.09
Total (i+ii+iii)	0	265,461.36	0	265,461.36

*Under previous GAAP, interest free borrowings were measured at transaction value. Under Ind AS, interest free borrowing being financial liability, is required to be initially recognized at fair value. Accordingly, cash flows have been discounted using market rate of interest and differential is accounted as equity component of financial instrument. Accordingly, as on 31st March, 2020, borrowing was fair valued at ₹ 256,240.27 Lakhs and as on 31st March, 2019 at ₹ 68,849.03 lakhs in the Financial Statement.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(Amount in ₹)**

Sl. no.	Particulars of Remuneration	Name of Managing Director and Whole Time Directors			Total
		Shri Ajay Kumar V.	Shri Pankaj Kumar*	Shri Jitender Pershad Waghray	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,029,464	3,505,969	3,784,161	13,319,594
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,039,520	582,052	629,508	2,251,080
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961				
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission				
	- as % of profit	--	--	--	--
	- others, specify…	--	--	--	--
5.	Others: Allowance / Contribution	--	--	--	--
	Total (A)	**7,068,984**	**4,088,021**	**4,413,669**	**15,570,674**
	Ceiling as per the Act	NA	NA	NA	NA

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

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

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
1.	Independent Directors	Shri Ajay Kadmawala (₹)	Smt Mona Jaiswal (₹)		
	• Fee for attending each board meetings	20000/-	20000/-		
	• Fee for attending other board committee meetings	10000/-	10000/-		
	• Commission				
	• Others, please specify	----	----		
	Total (1)	N.A.			
2.	Other Non-Executive Directors	**Shri D Rajkumar (₹)**	**Shri N Vijayagopal (₹)**	**Smt Esha Srivastava (₹)**	
	• Fee for attending board committee meetings • Commission • Others, please specify	Nil	Nil	Nil	
	Total (2)	Nil	Nil	Nil	
	Total Managerial Remuneration	Nil	Nil	Nil	
	Overall Ceiling as per the Act	Nil	Nil	Nil	

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Sarita Aggarwal Company Secretary* (₹)	**Swapna Sawant Company Secretary # (₹)**	**Total (₹)**
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,497,215	1,148,615	2,645,830
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	336	152,067	152,403
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	Nil		Nil
3.	Sweat Equity	Nil		Nil
4.	Commission - as % of profit - others, specify…	Nil	Nil	Nil
5.	Others: Allowance / Contribution	--	--	--
	Total	**1,497,551**	**1,300,682**	**2,797,873**

* Smt. Sarita Aggarwal was appointed as Company Secretary w.e.f. 14th May, 2019
# Smt. Swapna Sawant has resigned from post of Company Secretary w.e.f. 14th May, 2019

IV. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - B

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

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

Part "A" : Subsidiaries

₹In Lakhs
USD in Millions

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period of the Subsidiary concerned, if different from the holding company 's reporting period	Reporting currency	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Invest-ments	Turnover (#)	Profit/(Loss) before taxation (#)	Provision for taxation (#)	Profit/(Loss) after taxation (#)	Proposed Dividend (#)	% of share holding -
1	Bharat PetroResources JPDA Ltd.	28-Oct-2006	NA	INR	6,000.00	(12,844.45)	91.38	6,935.83	-	-	(410.16)	-	(410.16)	-	100%##
2	BPRL International B.V.	26-Mar-2008	NA	INR	5,29,118.55	(6,07,994.82)	11,64,297.53	12,43,173.80	2,85,192.40	-	(21,560.71)	-	(21,560.71)	-	
				USD	701.88*	(806.51)	1,544.45	1,649.08	378.31	-	-29.93**	-	-29.83**	-	100%
3	BPRL Ventures B.V.@	26-Mar-2008	NA	INR	2,27,198.03	(5,15,013.85)	2,86,293.03	5,74,108.86	76,765.46	-	(37,274.07)	-	(37,274.07)	-	
				USD	301.38	(683.17)	379.77	761.56	101.83	-	(51.57)	-	(51.57)	-	100%
4	BPRL Ventures Mozambique B.V.@	23-Jul-2008	NA	INR	2,20,631.91	(1,10,402.65)	5,92,849.79	4,82,620.53	218.62	-	(780.61)	-	(780.61)	-	
				USD	292.67	(146.45)	786.42	640.20	0.29	-	(1.08)	-	(1.08)	-	100%
5	BPRL Ventures Indonesia B.V.@	21-Aug-2009	NA	INR	15,544.57	(6,882.73)	40,919.47	32,257.63	-	-	(318.03)	-	(318.03)	-	
				USD	20.62	(9.13)	54.28	42.79	-	-	(0.44)	-	(0.44)	-	100%
6	BPRL International Singapore Pte. Ltd.^	12-May-2016	NA	INR	2,39,901.16	1,38,827.50	9,29,783.58	5,51,054.93	8,90,105.35	-	48,181.19	7.05	48,174.14	-	
				USD	336.59	194.78	1,304.52	773.15	1,248.85	-	68.31	0.01	68.30	-	100%
7	BPRL International Ventures B.V.@	29-Jan-2018	NA	INR	1,38,785.44	27,508.31	1,66,301.30	7.54	1,66,218.37	-	12,222,31	-	12,222.31	-	
				USD	184.1*	36.49	220.60	0.01	220.49	-	16.91	-	16.91	-	100%

Exchange rate:

As on 31 March 2019 - 1US$ = INR	79.3859
As on 31 December 2019 - 1US$ = INR	71.274
As on 31 March 2019 - 1US$ = INR	69.1713
As on 31 December, 2018 - 1US$ = INR	69.7923

The above figures are as per respective Financial Statements prepared as per GAAP applicable to Subsidiaries.

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

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

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

@ 100% subsidiary of BPRL International B.V.

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

^ The financial year end of BPRL International Singapore Pte. Ltd. is 31 December. Accordingly, the figures are converted from USD to Indian currency

Note: 1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

Part "B" : Associates and Joint Ventures

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

Sr. No.	Name of Associates/Joint Ventures	IBV Brasil Petroleo Limitada	Taas India Pte Ltd	Vankor India Pte Ltd	Falcon Oil & Gas B.V.	Mozambique LNG1 Pte. Ltd.	Urja Bharat Pte. Ltd.
1	**Latest Audited Balance Sheet**	31 December 2019	31 December 2019	31 December 2019	31 March 2020		31 December 2019
2	Date on which the Associate or Joint Venture was associated or acquired	18 September 2008	23 May 2016	20 May 2016	6 February 2018	17 March 2019	12 February 2019
3	**Shares of Associate/Joint Ventures held by the company on the year end:**						
	No.	2115587508 shares of BRL 1 each	401853048 shares of USD 1 each	560476520 shares of USD 1 each	30 shares of USD 1 each	250000 shares of USD 1 each	6,100,100 shares of USD 1 each
	Amount of Investment in Associates/Joint Venture (₹ In Lacs)	3,75,265.03	2,86,416.74	3,99,474.03	145,442.27	188.46	4,347.79
	Extend of Holding %	50%	33%	33%	30%	10%	50%
4	**Description of how there is significant influence**	50% of Share Capital is held by BPRL Ventures B.V. (Step Down Subsidiary)	33% of Share Capital is held by BPRL International Singapore Pte. Ltd.	33% of Share Capital is held by BPRL International Singapore Pte. Ltd.	30% of Share Capital is held by BPRL International Ventures B.V.	10% of Share Capital is held by BPRL Ventures Mozambique BV	50% of Share Capital is held by BPRL International Singapore Pte. Ltd.
5	**Reason why the associate/joint venture is not consolidated**	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	**Networth attributable to Shareholding as per latest audited Balance Sheet** (₹ In Lacs)	3,59,463.26	3,54,089.61	5,36,016.27	1,66,221.95	221.72	4,315.13
7	**Profit / (Loss) for the year**						
	i Considered in Consolidation (₹ In Lacs)	(2,621.13)	45,521.47	38,565.65	12,244.26	-	(32.31)
	ii Not Considered in Consolidation	-			- -		

^ BPRL Ventures Mozambique BV's 10% stake in Mozambique LNG-1 Co. Pte Ltd. has been exchanged with shareholding in Moz LNG1 Holding Company Ltd.

* The Networth is as per the audited Consolidated Financials of BPRL

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

As per our attached report of even date

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

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

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
Jitender Pershad Waghray
Director (Ops & BD) & In-charge
DIN No. 08202910

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

Sd/-
Sarita Aggrawal
Company Secretary

Place: Mumbai
Dated: 26th May, 2020

Annexure - C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2019 TO 31-03-2020

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat PetroResources Limited (CIN:U23209MH2006GOI165152)** (hereinafter called the "Company") for the financial year ended 31st March, 2020. 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.

Owing to lockdown situation prevailing in the country due to Covid 19 epidemic , the Company has made available documents and records for our verification to the extent possible , based on verification of said books, papers, minute books, and other records maintained by the Company and also representation and 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, 2019 to 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period 1st April, 2019 to 31st March, 2020 according to the provisions of:

(I) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines), as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ; **Not Applicable**

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

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

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

e. The Securities and Exchange Board of India (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 and explanations received from the Officers of the Company, we are of the opinion that the Company has generally complied with the laws, regulations, rules and guidelines specifically applicable to the Company with respect to oil exploration and discovery of natural gas.

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

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

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

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

Adequate notice is given to all directors to schedule the Board Meetings, and the same was sent at least seven days in advance, agenda and detailed notes on agenda were sent at least 7 days before the date of Meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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, 2020 . However the Company has reported following changes in the composition of Board during the financial year ended March 31,2020;

1) Appointment of Ms.Esha Srivastva as Non Executive Independent Director of the Company.

2) Appointment of Mr.Ajay Kadmawala as Non Executive Independent Director of the Company.

3) Appointment of Ms. Sarita Aggarwal as Company Secretary in the designation of Key Managerial Personnel of the Company.

4) Cessation of Ms Indrani Kaushal as Director of the Company owing to resignation

5) Cessation of Dr. Praphullachandra Sharma as Director of the Company owing to resignation.

6) Cessation of Ms Swapna Sawant as Company Secretary in the designation of Key Managerial Personnel.

FOR RAGINI CHOKSHI & CO.

Sd/-
Umashankar K Hegde
(partner)
M.No- A22133 #C.P.No- 11161
ICSI UDIN :- A022133B000327735

Place : Mumbai
Date : 09/06/2020

Annexure – A to Secretarial Audit Report

To,

The Members,

Bharat PetroResources Limited

Bharat Bhavan, 4 & 6 Currimbhoy Road,

Ballard Estate, Mumbai - 400001

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

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

For Ragini Chokshi & Co.

Sd/-
Umashankar K Hegde
(Partner)
M.No - A22133 #C.P.No- 11161
ICSI UDIN :- A022133b000327735

Place : Mumbai
Date : 09/06/2020

Annexure D

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

As per the Articles of Association of the Company, the number of Directors shall not be less than three and not more than fifteen. As on 31st March 2020, BPRL Board comprised of three Executive Directors i.e. Managing Director, Director (Finance) &Director (Operations & Business Development in charge), two Non Executive Directors from BPCL, one Director nominated by Govt. of India and Two Independent Directors. The composition of the Board is in conformity with Section 149 of the Act.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other.

Independent Directors are non-executive directors as defined under provisions of Section 149(6) of the Act along with rules framed thereunder. In terms of the provisions as mentioned in the Companies Act, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned in the Companies Act and that they are independent of the management.

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

3. Board Meetings

14 (Fourteen) Board Meetings were held during the financial year on the following dates:

04th April 2019	14th May 2019	17th May 2019	30th May 2019
03rd July 2019	11th July 2019	07th August 2019	27th August 2019
25th September 2019	24th October 2019	05th November 2019	02nd January 2020
23rd January 2020	06th February 2020		

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

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

Particulars of Directors including their attendance at the Board / Shareholders Meetings during the financial year 2019-2020

Names of the Directors	Academic Qualifications	Attendance out of 14 Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Public Limited Companies	Memberships held in Committees
Non-Executive Directors		No. of Meetings Attended	% *			
Shri D. Rajkumar	B.Tech (Elect) from IIT Madras, PGDM from I.I.M., Bangalore	14/14	100	Attended	Chairman & Managing Director Bharat Petroleum Corporation Ltd. Chairman 1) Numaligarh Refinery Ltd 2) Bharat Oman Refineries Ltd Director-Petronet LNG Ltd	--
Shri N.Vijayagopal	A.C.A., L.L.B.	14/14	100	Attended	Director (Finance) Bharat Petroleum Corporation Ltd. Director – 1) Bharat Oman Refineries Ltd	Member - Stakeholders' Relationship Committee Bharat Petroleum Corporation Ltd.
Shri Ajay Kadmawala (w.e.f. 18.07.2019)	Chartered Accountant	7/7	100	Attended	Director 1) Bharat PetroResources Ltd. 2) Kadmawala Insolvency Professional Private Ltd.	Chairman - Audit Committee Bharat PetroResources Ltd Chairman - Remuneration Committee Bharat PetroResources Ltd Chairman-CSR Committee Bharat PetroResources Ltd
Smt Mona Jaiswal (w.e.f. 31.10.2019)	B.A.	4/4	100	#	Director 1) Bharat PetroResources Ltd	Member-Audit Committee Bharat PetroResources Ltd Member - Remuneration Committee Bharat PetroResources Ltd Member - CSR Committee Bharat PetroResources Ltd
Smt. Esha Srivastava (w.e.f. 09.07.2019)	B.A. (H), M.A (Pol Sc.), M. Phil	6/8	75	Not Attended	Government Director 1) Bharat PetroResources Ltd.	Member - Audit Committee Bharat PetroResources Ltd Member - Remuneration Committee Bharat PetroResources Ltd Member - CSR Committee Bharat PetroResources Ltd
Executive Director						
Shri Ajay Kumar V. Managing director	M.Sc (Geology) 1st rank from University of Kerela	14/14	100	Attended	Director Bharat PetroResources JPDA Ltd	Chairman - Audit Committee Bharat PetroResources JPDA Ltd
Shri Pankaj Kumar Director (Finance)	F.C.A, A.I.C.W.A	14/14	100	Attended	Director Bharat PetroResources JPDA Ltd	Member - Audit Committee Bharat PetroResources JPDA Ltd Member
Shri J.P. Waghray Director (Operations & Business Development)	M.SC, M.Tech.	13/14	92.86	Attended	Director 1) BPRL International Singapore Pte. Lte 2) Taas India Pte. Ltd. 3) Vankor India Pte. Ltd.	--

*percentage computed by considering the meetings attended with the total meetings held during the tenure
Smt. Mona Jaiswal was appointed on 31st October, 2019, hence she didn't attend the Annual General Meeting.

4. **Audit Committee:**

In terms of Companies Act, 1956 the Board at the meeting held on 02nd April, 2008 has constituted the Audit Committee comprising of all the Non-executive Directors. The Board of directors has approved the terms of reference of audit Committee. The quorum for the meetings of the Committee is two members.

Further, as per Companies Act, 2013, Ministry of Corporate Affairs wide its notification dated 05th July, 2017 has exempted wholly owned subsidiaries to constitute an Audit Committee.

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

Majority of the members possess the requisite knowledge of Finance & Accounting for effective functioning of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee. The other Key Managerial Personals also attend the said meetings as invitees. The Executive Director (Audit)/Chief General Manager (Audit), BPCL is a permanent invitee for all the meetings of the Audit Committee. Further, the Statutory Auditors and other Senior Management members also attend and participate at the meetings on invitation.

There were 12 (Twelve) meetings of the Audit Committee held during the financial year on the following dates:-

04th April 2019	14th May 2019	03rd July 2019	11th July 2019
07th August 2019	27th August 2019	25th September 2019	24th October 2019
05th November 2019	02nd January 2020	23rd January 2020	06th February 2020

The attendance of the members is given below:-

Name of Member	No of meetings attended
Shri D. Rajkumar	4/4*
Shri N. Vijayagopal	8/8*
Shri Ajay Kadmawala	8/8*
Smt Esha Srivastava	7/9*
Smt Mona Jaiswal	4/4*

*out of total meetings held during their tenure.

Audit Committee reviewed the annual financial statements during the year 2019-20 at the meeting held on 26.05.2020

5. **Remuneration to Directors**

BPRL is a wholly owned subsidiary of BPCL, a Government Company. Two Part-Time Directors of BPRL are the nominees of BPCL and one Part Time Director nominated by Govt. of India and two Independent Directors. The Part-time Directors do not receive any remuneration from the Company. The Independent Directors do not receive remuneration from the Company except the sitting fees for attending meetings of the Board or Committee or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings. The details of remuneration paid to whole time Directors during the financial year 2019-20 is given below:-

Name	All elements of remuneration packages of the Directors i.e. Salary, benefits, bonus, pension etc. (Rs)	Details of fixed component and performance linked incentive (Rs)	Other benefits
Shri Ajay Kumar V. Managing Director	7,068,984	5,994,433	1,074,551
Shri Pankaj Kumar Director (Finance)	4,088,021	3,184,667	903,354
Shri J.P. Waghray Director (Operations & Business Development)	4,413,669	3,711,193	702,476

BPRL has not introduced any Stock Option Scheme. No other Non-Executive Directors hold any share in BPRL.

6. Management Discussion and Analysis

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

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

Date and Time of the meeting	Venue
4th September 2017 at 11.30 a.m. (AGM)	Registered office at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001
10th January 2018 at 11.30 a.m. (EGM)	
4th September 2018 at 11.30 a.m. (AGM)	
21st August 2019 at 11.30 a.m. (AGM)	

8. **Disclosures**

There were no transactions of material nature that may have potential conflict with the interest of the Company at large. BPRL has been adhering to the provisions of all the laws and guidelines of regulatory authorities. BPRL has complied with all the applicable provisions of these guidelines. BPRL has its own Whistle Blower Policy for its employees. There are no items of expenditure in the books of accounts, which are not for the purpose of business. Further, no expenses were incurred which were personal in nature and incurred for the Board of Directors and top management. All the blocks of the Company (other than Madanam Block) are in various stages of exploration/appraisal and capital expenditure is considered as capital work in progress. Hence, revenue expenditure mainly consists of Administrative & other office expenses.

9. General Shareholders' Information

<table>
<tr><td>Annual General Meeting : Date, Time and Venue</td><td colspan="2">14th August, 2020 at 1200 hrs through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")</td></tr>
<tr><td>Financial Calendar</td><td colspan="2">BPRL follows the Financial year from April to March.
The Unaudited / Audited Statements for the three quarters/ year were taken on record by the Board on the following dates :-
Quarter Ended — Date of Board Meeting
Jan-Mar' 2019 — 15th May, 2019
Apr-June'2019 — 07th Aug, 2019
July-Sept' 2019 — 05th Nov 2019
Oct-Dec' 2019 — 06th Feb 2020
Audited Statements For the year 2019-20 — 26th May, 2020</td></tr>
<tr><td>Shareholding Pattern</td><td colspan="2">BPCL alongwith its nominees is holding entire paid up equity share capital of 500,00,00,000 equity shares of ₹10 each in the Company.</td></tr>
<tr><td>Location</td><td>Registered Office</td><td>Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001
Tel 022-22714000 Fax 022-22713874</td></tr>
<tr><td></td><td>Corporate Office</td><td>9th Floor, E Wing, Maker Towers, Cuffe Parade, Mumbai 400005
Tel 022-22175600 Fax 022-22154364</td></tr>
<tr><td></td><td>Area Office</td><td>1,Ranganathan Garden, 11th Main Road, Anna Nagar, Chennai 600040
Tel 044-26216869 Fax 044-26142175
1st Floor, Golden Triangle Bldg. Near Sardar Patel Stadium, Navarangpura, Ahmedabad -380014, Gujarat
Tel 079-26420706 Fax 079-26460703</td></tr>
<tr><td>CIN No.</td><td colspan="2">U23209MH2006GOI165152</td></tr>
</table>

Certificate on Corporate Governance

To,
The Members ,
Bharat PetroResources Limited

We have examined the compliance of the conditions of Corporate Governance by Bharat PetroResources Limited, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India, for the financial year ended 31st March, 2020.

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.

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

For RAGINI CHOKSHI & CO.
(Company Secretaries)

sd/-
UMASHANKAR K HEGDE
(Partner)
M.No- A22133
#C.P. No- 11161
ICSI UDIN : A022133B000491613

Place : Mumbai
Date: 23 July 2020

Annexure - E-1

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT PETRORESOURCES LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Bharat Petroresources Limited for the year ended 31 March 2020 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 Revised Audit Report dated 22 July 2020 which supersedes their earlier Audit Report dated 26 May 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bharat Petroresources Limited for the year ended 31 March 2020 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.

In view of the revisions made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report section 143(6)(b) of the Act.

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

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit, Mumbai.

Place: Mumbai
Date: 29 July 2020

Annexure - E-2

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT PETRORESOURCES LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of consolidated financial statements of Bharat PetroResources Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 22 July 2020 which supersedes their earlier Audit Report date 26 May 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Bharat PetroResources Limited for the year ended 31 March 2020 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Bharat PetroResources JPDA Limited, for the year ended on that date. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (as per Annexure) being private entity incorporated in foreign country under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143 (6) (b) read with section 1249(4) of the Act.

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

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit, Mumbai

Place: Mumbai
Date: 29 July 2020

REVISED INDEPENDENT AUDITOR'S REPORT

To
The Members,
Bharat PetroResources Limited,
Mumbai

Revised Report on the Audit of the Standalone Financial Statements

Opinion

1. Being a government company, the office of the Comptroller and Auditor General of India has carried out supplementary audit of the company pursuant to the provisions of section 143(6) of the Companies Act 2013. The office of the Comptroller and Auditor General of India has issued provisional comments on the Independent Auditor's Report on the standalone financial statements considering which we hereby revise our original report dated 26th May 2020.

2. We have audited the accompanying Standalone Financial Statements of M/s. Bharat PetroResources Limited ("the Company"), which comprise of the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

3. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, including Ind AS, of the state of affairs of the Company as at 31st March 2020, and its loss, other comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis of Opinion

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

Emphasis of Matter

5. We draw attention to Note No. 40 on "Interest in Joint Operations" regarding incorporation of details about the Company's share in assets, liabilities, income and expense in the unincorporated joint operations based on the audited/unaudited statements received from the respective Operators. In these regards, it has been observed that:

   a. Out of fifteen Indian Blocks, audited statements of six blocks have not been received by the Company; hence, operator management certified figures have been considered. The total Assets & Liabilities as on 31st March 2020 and Income & Expenses for FY 2019-20 in respect of the said blocks amount to ₹ 33,037.65 Lakhs, ₹ 1,964.89 Lakhs, ₹ 10,646.60 Lakhs and ₹ 2,099.37 Lakhs respectively.

b. In case of two foreign block (EP413) and Block 32 (Israel), Block audited statements have not been received by the Company. The total Assets & Liabilities as on 31st March 2020 and Income & Expenses for FY 2019-20 in respect of the said block amount to ₹ 10,206.40 Lakhs, ₹ 163.49 Lakhs, ₹ Nil and ₹ Nil respectively. However, Block 32 has been fully provided for during the year.

c. The audited statements referred above are prepared, as stated there in, to meet requirements of Production Sharing Contracts/Revenue Sharing Contracts and are special purpose statement.

d. None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act, as provisions of the Companies Act 2013 are not applicable to unincorporated joint operations.

e. Some of the Operators use accounting policies other than those adopted by the Company for like transactions. The Company has made appropriate adjustments while incorporating relevant data; and

f. The Company's proportionate share in jointly controlled assets, liabilities for which the Company is jointly responsible, Company's proportionate share of income and expenses for the year, the elements making up the Cash Flow Statements and related disclosures contained in the enclosed financial statements and our observations thereon are based on such audit reports and statements from the Operators to the extent available with the Company.

6. We draw attention to Note No. 5 on "Intangible Assets Under Development" where the management has recognized an impairment loss of ₹ 22,791.57 Lakhs during the year on blocks.

7. We draw attention to Note No. 6 on "Investment in Subsidiaries" where the management has recognized a loss of ₹ 57,196.34 Lakhs during the year towards impairment of investment in BPRL International BV.

8. We draw attention to Note No. 39(e) on "Disclosure as per Ind AS 116 - Leases" regarding adoption of Ind AS 116 during the current year and its "NIL" impact on the Profit and Loss Account.

9. We draw attention to Note No. 46 "Estimation uncertainty relating to the global health pandemic on COVID-19" regarding disclosure that after due consideration of pandemic conditions, the company expects to recover the assets at their carrying value

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

Other Matters

11. We have placed reliance on technical/ commercial evaluation by the management in respect of categorization of wells as exploratory, development, producing & dry wells, allocation of costs incurred on them, proved (developed and undeveloped)/ probable hydrocarbon reserves & depletion thereof on Oil and Gas Assets, impairment and liability for decommissioning costs, liability for NELP and nominated blocks under performance against agreed Minimum Work Program

Other Information

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

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

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

Responsibilities of Management for the Financial Statements

15. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

16. 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

21. 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.

22. 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.

Report on Other Legal and Regulatory Requirements

23. The Company being unlisted wholly owned company is exempted from the requirement of section 149(4) of the Companies Act 2013 regarding minimum number of independent directors on the Board. However, the Company has appointed 2 (two) Independent Directors on its Board.

24. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub section (11) of section 143 of the Act (hereinafter referred to as “Order”), we give in the Annexure A, statement of the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

c. Due to limitations caused by the COVID pandemic, the control-sheet based closing adjustment entries which are considered in the preparation of financial statements for FY 2019-20 were recorded in books after the Balance Sheet date. Other than this, the Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts of the Company,

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. As per the notification no. G.S.R. 463(E) dated June 05, 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.

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

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information & explanations given to us:

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

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

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31^{st} March 2020.

26. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 'C', as per the directions issued by the Office of the Comptroller and Auditor General of India.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W
Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193
UDIN: 20038193AAAABQ8026

Place : Nagpur
Date : 22 July 2020

ANNEXURE – A TO REVISED INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 24 of the Independent Auditors' Report of even date on the financial statements as of and for the year ended 31st March 2020)

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

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

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

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

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

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

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

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

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

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

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

(b) According to the information & explanations given to us no undisputed amounts, payable in respect of Tax, Goods & Service Tax, Value Added Tax, Cess and Other Material Statutory dues, were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

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

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

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

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

(xi) As per the Notification No. G.S.R. 463 (E) dated June 05, 2015 the provision of section 197 r.w. Schedule V of the Act is not applicable to the Company. Accordingly, para 3(xi) of the order is not applicable.

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

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

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

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

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

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W
Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193
UDIN: 20038193AAAABQ8026

Place : Nagpur
Date : 22 July 2020

ANNEXURE - B TO REVISED INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 23(f) of the Independent Auditors' Report of even date on the financial statements as of and for the year ended 31st March, 2020.)

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

1. We have audited the internal financial controls over financial reporting of Bharat PetroResources Limited ("the Company") as of March 31st, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan & perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established & maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

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

   b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

   c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W
Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193
UDIN: 20038193AAAABQ8026

Place : Nagpur
Date : 22 July 2020

ANNEXURE - C TO REVISED INDEPENDENT AUDITORS' REPORT TO STANDALONE FINANCIAL STATEMENTS

(Referred to in Paragraph 26 of the Independent Auditors' Report of even date on the financial statements as of and for the year ended 31st March, 2020.)

Directions under Section 143(5) of the Companies Act, 2013 applicable for the accounts of FY 2019-20

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

   Yes, the Company is using SAP ERP System to process all the accounting transactions.

   i. **Financial Accounting:** All transactions are processed in the ERP solution. Due to limitations caused by the COVID pandemic, the control-sheet based closing adjustment entries which are considered in the preparation of financial statements for FY 2019-20 were recorded in books after the Balance Sheet date. Other than this, the Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts of the Company,

   ii. **Sales Accounting:** The Company is operator in two blocks as on 31st March 2020. However, neither of these two blocks are producing and hence, sales accounting is not done by the Company. Only Company's share in revenue from non-operatorship blocks is recognized on the basis of block statements.

   iii. **Personnel Information & Payroll:** The Company has only 3 employees and 3 directors on its payroll as on 31st March 2020. The personnel information is maintained by the HR department outside the ERP software. The payroll is computed by an external consultant and entries are processed in the ERP system. The same has been verified and was found to be in order.

   iv. **Inventory:** The inventory is held at the block level. The block shares details of quantity held by it at every reporting date. The Company's share (quantity) of inventory as on 31st March 2020 has been taken as per the inventory details shared by the operator. However, the inventory is valued by the Company at the time of recognition.

2. **Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the load? If yes, the financial impact may be stated.**

   No

3. **Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for utilized as per its term and conditions? List The cases of deviation.**

   No such funds have been received or are receivable from Central/State Agencies.

For P. G. Joshi & Co.
Chartered Accountants
FRN No. 104416W
Sd/-
CA Ashutosh P. Joshi
Partner
Membership No: 038193
UDIN: 20038193AAAABQ8026

Place : Nagpur
Date : 22 July 2020

BALANCE SHEET AS AT 31 MARCH 2020

(₹ in Lakhs)

	Particulars	Note no.	As at 31 March 2020	As at 31 March 2019
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	136.35	163.70
	(b) Right-of-Use Assets	3a	-	-
	(c) Other Intangible assets	4	10,488.90	10,938.43
	(d) Intangible assets under development	5	13,834.58	31,151.10
	(e) Financial Assets			
	(i) Investment in Subsidiaries	6	573,667.35	454,836.68
	(ii) Loans	7	37.32	19.58
	(iii) Other non-current financial assets	8	1,894.40	3,941.22
	Total non-current assets		**600,058.90**	**501,050.71**
(2)	**Current Assets**			
	(a) Inventories	9	175.74	177.54
	(b) Financial Assets			
	(i) Trade Receivables	10	199.76	854.78
	(ii) Cash and cash equivalents	11	3,305.10	1,519.79
	(iii) Bank Balances other than (ii) above	12	4,581.10	2,245.93
	(iv) Loans	13	9.74	5.01
	(v) Others	14	1,036.13	1,470.79
	(c) Current Tax Assets (Net)	15	104.52	64.63
	(d) Other current assets	16	1,515.02	1,745.87
	Total current assets		**10,927.11**	**8,084.34**
	TOTAL ASSETS		**610,986.01**	**509,135.05**

	Particulars	Note no.	As at 31 March 2020	As at 31 March 2019
II.	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital	17	500,000.00	500,000.00
	(b) Other equity	18	(179,060.53)	(87,558.28)
	Total equity		**320,939.47**	**412,441.72**
(2)	**Non current liabilities**			
	(a) Financial liabilities			
	- Borrowings	19	256,240.47	68,849.03
	(b) Provisions	20	1,007.07	1,972.18
	(c) Deferred tax liabilities (Net)	35	10,386.60	11,271.52
	Total non-current liabilities		**267,634.14**	**82,092.73**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade Payables	21		
	(A) total outstanding dues of micro enterprises and small enterprises;		110.74	28.86
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,189.59	1,119.44
	(ii) Other financial liabilities	22	11,982.88	4,982.62
	(b) Lease Liabilities	3b	-	-
	(c) Other current liabilities	23	134.18	253.15
	(d) Provisions	24	8,995.01	8,216.53
	Total Current liabilities		**22,412.40**	**14,600.60**
	Total liabilities		**290,046.54**	**96,693.33**
	TOTAL EQUITY AND LIABILITIES		**610,986.01**	**509,135.05**

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

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

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 20038193AAAAAT8522

Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In Charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 31 MARCH 2020

(₹ in Lakhs)

	Particulars	Note no.	For the year 2019-20	For the year 2018-19
I.	Revenue from Operations	25	10,646.60	13,054.93
II.	Other income	26	342.03	248.33
III.	**Total Income (I+II)**		**10,988.63**	**13,303.26**
IV.	**Expenses**			
	Production expenditure	27	2,064.17	2,647.48
	Changes in Inventories of Finished Goods	28	13.19	(23.30)
	Employee Benefits Expenses	29	1,394.82	1,473.02
	Finance costs	30	12,493.10	6,591.24
	Depreciation, Depletion, Amortisation	2,3&4	4,700.78	3,443.73
	Other Expenses	31	82,710.53	4,155.82
	Total Expenses (IV)		**103,376.59**	**18,287.99**
V.	**Profit/(loss) before Exceptional Items and Tax**		**(92,387.96)**	**(4,984.73)**
VI.	**Exceptional Items**		-	-
VII.	**Profit/(loss) before Tax**		**(92,387.96)**	**(4,984.73)**
VIII.	**Tax expense:**			
	1. Current Tax		-	-
	2. Deferred Tax	35	(884.92)	(407.28)
IX.	**Profit/(Loss) for the period (VII-VIII)**		**(91,503.04)**	**(4,577.45)**
X.	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans		0.79	2.60
	(ii) Income tax related to items that will not be reclassified to profit or loss		-	-
			0.79	2.60
XI.	**Total comprehensive income for the period**		**(91,502.25)**	**(4,574.85)**
XII.	**Earnings per equity share**			
	1. Basic		(1.83)	(0.10)
	2. Diluted		(1.83)	(0.10)

Notes forming part of the financial statements 2-47

As per our attached report of even date

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

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 20038193AAAAAT8522

Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In-charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	(92,387.96)	(4,984.73)
	Adjustments for:		
	Depreciation, Depletion, Amortisation	4,700.77	3,443.73
	Impairment for investment in subsidiaries	57,196.34	-
	Impairment for Intangible assets under development	22,568.36	10.51
	Interest income	(333.27)	(217.22)
	Net (gain) / loss on sale/ disposal of asset	2.94	0.05
	Finance costs	12,493.10	6,591.24
	Provision for bad and doubtful loans & advances	54.40	1,178.60
	Unrealised foreign exchange (gain) / loss	686.56	303.59
	Operating Profit / (Loss) before Working Capital changes	**4,981.24**	**6,325.77**
	Working capital adjustments:		
	(Increase) / Decrease in Inventories	1.80	58.11
	(Increase) / Decrease in Trade Receivables	655.02	(191.88)
	(Increase) / Decrease in Other current financial assets	380.26	738.53
	(Increase) / Decrease in Other current assets	230.85	(796.10)
	(Increase) / Decrease in Other non-current financial assets	(233.16)	–
	Increase / (Decrease) in Trade Payables	152.03	(2,433.94)
	Increase / (Decrease) in Other current financial liabilities	1,198.87	(400.42)
	Increase / (Decrease) in Provisions	(872.40)	157.12
	Increase / (Decrease) in Other current liabilities	(118.97)	110.58
	Cash generated / (used) from operations	**6,375.54**	**3,567.77**
	Income tax (paid) / refunds (net)	(39.89)	(21.72)
	Net cash flow from / (used in) operating activities	**6,335.65**	**3,546.05**
B	**Cash Flow from Investing Activities**		
	Addition to Property, Plant and Equipment	(7.02)	(32.00)
	Proceeds from sale of Property, Plant and Equipment	0.93	0.35
	Investment in share capital of Subsidiary company	(176,027.01)	(13,411.54)
	Deposit with banks	(55.19)	(5,876.43)
	Interest Income	333.27	217.22
	Additions to Intangible assets under development	(2,420.24)	(1,850.07)
	Additions to Intangible assets	(3,805.01)	(8,265.10)
	Loan / Deposit given	(22.47)	(113.72)
	Net Cash Flow from/(used) in Investing Activities	**(182,002.74)**	**(29,331.29)**
C	**Cash Flow from Financial Activities**		
	Proceeds from long-term borrowings from parent company	185,000.00	37,500.00
	Repayment of long-term borrowings from parent company	-	(55,000.00)
	Proceeds from issue of shares	-	55,199.73
	Repayment of lease liabilities	(435.00)	-
	Finance costs	(7,112.60)	(11,459.94)
	Net Cash Flow from/(used) in Financing Activities	**177,452.40**	**26,239.79**
D	**Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)**	**1,785.31**	**454.55**
	Cash and cash equivalents at the beginning of the year		
	Bank Balance	1,519.79	1,065.24
	Cash and cash equivalents at the end of the year		
	Bank Balance	3,305.10	1,519.79
	Net increase in Cash and Cash equivalents	**1,785.31**	**454.55**

As per our attached report of even date

For and on behalf of
P.G. Joshi & Co.
Chartered Accountants
FRN 104416W
Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 20038193AAAAAT8522

Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In-charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

STATEMENT OF CHANGES IN EQUITY (SOCIE)
FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

(a) Equity share capital	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	5,000,000,000	5,00,000.00	4,448,002,670	444,800.27
Changes in equity share capital during the year	-	-	551,997,330	55,199.73
Balance at the end of the year	**5,000,000,000**	**500,000.00**	**5,000,000,000**	**500,000.00**

(b) Other equity

Particulars	Capital Reserve	Retained Earnings	Total Equity
As at 1 April, 2018	**44,918.44**	**(127,901.87)**	**(82,983.43)**
Profit/(Loss) for the year	-	(4,577.45)	(4,577.45)
Other comprehensive income for the year	-	2.60	2.60
Total comprehensive income for the year	**-**	**(4,574.85)**	**(4,574.85)**
Transfer to retained earnings from Capital Reserves	(1,628.84)	1,628.84	-
Balance as at 31 March, 2019	**43,289.60**	**(130,847.88)**	**(87,558.28)**
Profit/(Loss) for the yearended	-	(91,503.04)	(91,503.04)
Other comprehensive income for the year ended	-	0.79	0.79
Total comprehensive income for the year ended	**-**	**(91,502.25)**	**(91,502.25)**
Transfer to retained earnings from Capital Reserves	(3,410.21)	3,410.21	-
Balance as at 31 March, 2020	**39,879.39**	**(218,939.92)**	**(179,060.53)**

Nature and purpose of components of other equity

(a) Retained earnings

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

(b) Capital reserve

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

As per our attached report of even date

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

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 20038193AAAAAT8522

Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In-charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Company Overview

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

1. Statement of Significant Accounting Policies

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

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

The Company has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The Company's Presentation & Functional Currency is Indian Rupees (Rs.). All figures appearing in the financial statements are rounded to the nearest lakhs (Rs. Lakhs), except where otherwise indicated.

Authorisation of Financial Statements: The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 26th May, 2020.

1.1. Use of Judgement and Estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In Particular, the areas which require use of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency;
- Measurement of Financial instruments;
- Estimation of the Useful Lives and the Residual Value of the Property, Plant and Equipment and Intangible Assets;
- Valuation of Inventories
- Measurement of recoverable amounts of cash-generating units;

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

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

1.2. Property, Plant and Equipment

1.2.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.2.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

1.2.3. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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

1.2.5. Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventoried on procurement and charged to Statement of Profit and Loss on consumption.

1.2.6. An item of Property, Plant and Equipment or any significant part, initially recognised separately as part of Property, Plant and Equipment, is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

1.2.7. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year-end and changes, if any, are accounted in line with the revisions to the accounting estimates.

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

1.3. Depreciation

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

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

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

1.3.3. Workstations are depreciated over a period of 5 years. The useful lives are estimated based on the internal assessment.

1.3.4. Depreciation is charged on additions/deletions on pro-rata monthly basis including the month of addition/deletion.

1.4. Intangible Assets

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

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

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

1.5. Oil and natural gas producing activities

The Company follows the accounting policy as explained below for its oil and natural gas exploration and production activities.

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

ii. All costs which are directly attributable to the exploration and evaluation activities of oil and gas are capitalised as Exploratory Wells-in-Progress under "intangible assets under development". General and administrative costs are included in the exploration and evaluation cost only to the extent that those costs can be directly attributable to the related exploration and evaluation assets. In all other cases, these costs are expensed as incurred.

iii. The Company classifies the acquisition costs, exploration and evaluation assets as a tangible asset or intangible asset according to the nature of assets acquired.

iv. Once the technical feasibility and commercial viability of extracting oil and gas are determinable, exploration and evaluation assets are classified as Development Wells-in-Progress under "intangible assets under development". Exploration and evaluation asset is assessed for impairment, and impairment loss if any is recognized, before such reclassification. Subsequent development costs including costs incurred for production facilities are capitalised as and when incurred as intangible assets under development or intangible assets as the case may be.

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

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

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

viii. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The impairment test is performed in accordance with the procedures given in para 1.9 for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

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

1.6. Depletion

Depletion charge is calculated on the capitalised cost according to the Unit Of Production Method. The Depletion Charge or The Unit of Production (UOP) charge for all costs within a cost centre is calculated by multiplying the UOP rate with the production for the period. The UOP rate for computing depreciation charge for the acquisition cost within a field is arrived at by dividing the acquisition cost of the field by the Proved Oil and Gas Reserves and for all other capitalised costs, by dividing the depreciation base of the cost centre by the Proved Developed Oil and Gas Reserves. The depreciation base of a cost centre includes the gross block of the cost centre and estimated site restoration expenditure and is reduced by the accumulated depreciation and accumulated impairment charge of the cost centre. The estimates of proved reserves used are based on the latest technical assessment available with the Company.

1.7. Borrowing costs

1.7.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.7.2. Borrowing costs that are specifically attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are capitalised at the capitalisation rate in respect of qualifying assets and balance borrowing cost after capitalisation are charged to the Statement of Profit and Loss.

1.7.3. Investment income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1.8. Leases

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 if the terms and conditions of the contract are changed.

1.8.1. 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 through 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 an operating expense. Lease of items such as IT Assets (tablets, personal computers, mobiles, POS machines etc.), small items of office furniture 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.

1.8.2. As a Lessor

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

1.8.2.1Finance Lease

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.

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1.8.2.2Operating Lease

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..

1.9. Impairment of Non-financial Assets

1.9.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or the Cash-Generating Unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

1.10. Inventories

1.10.1 Finished goods of Crude Oil are valued at Cost or Net realisable value, whichever is lower. Cost of finished goods is determined based on direct cost and directly attributable services cost including depreciation and depletion. The value of such inventories includes royalty (wherever applicable). Cost of inventories, other than finished goods, includes expenditure incurred in the normal course of business in bringing inventories to their present location.

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

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

1.11. Revenue Recognition

1.11.1. Sale of goods and/ or services

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

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

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

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

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

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

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

1.11.4. Dividend income is recognised when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.11.5. Income from the sale of scrap is accounted for on realisation.

1.12.Classification of Income/Expenses

1.12.1.Income/expenditure (net) in aggregate pertaining to the prior year(s) above the threshold limit is corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and/or restating the opening Balance Sheet for the earliest prior period presented.

1.12.2.Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

1.12.3.Deposits placed with Government agencies/ local authorities which are perpetual in nature are charged to revenue in the year of payment.

1.13.Employee Benefits

1.13.1.Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.13.2.Post-employment benefits

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

Defined Contribution Plans:

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

Defined Benefit Plans:

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

1.13.3.Other long-term employee benefits

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

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

1.14.Foreign Currency Transactions

1.14.1.Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction.

1.14.2. Non – Monetary items:

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

1.15. Investment in Subsidiaries, Joint Ventures and Associates

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

1.16. Provisions, Contingent Liabilities and Capital Commitments

1.16.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

1.16.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.16.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

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

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

1.17. Fair Value Measurement

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

1.17.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

1.17.3. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

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

1.17.6. The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

1.18.Financial Assets

1.18.1 Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.18.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- Collecting contractual cash flows and selling financial assets and
- Contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains & losses and impairment are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Debt instruments at Fair value through profit and loss (FVTPL)

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

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

1.18.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
  - The Company has transferred substantially all the risks and rewards of the asset, or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit and loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit and loss on de-recognition.

1.18.4 Impairment of financial assets

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

In respect of financial assets measured at amortised cost, the loss allowance is measured at 12 months ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.19 Financial Liabilities

1.19.1 Initial recognition and measurement

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

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

1.19.2 Subsequent measurement

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

Financial Liabilities at fair value through profit and loss (FVTPL)

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

Financial Liabilities at amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

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

1.19.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.20 Financial guarantees

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

1.21 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

1.22 Taxes on Income

1.22.1 Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of the reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.22.2 Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.23 Joint operations

The Company has Joint arrangement in the nature of Production Sharing Contracts (PSC) with the Government of respective countries and/or various bodies corporate for exploration, development and production activities.

The income, expenditure, assets and liabilities of the Joint operations are merged on a line-by-line basis according to the participating interest with the similar items in the financial statements of the Company.

1.24 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

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

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

1.26 Cash and Cash Equivalents

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

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

1.27 Cash Flows

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

1.21 Threshold Limit:

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

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.2.4	₹	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.2.5	₹ Lakhs	10
Depreciation at 100 percent in the year of acquisition	1.3.1	₹	5,000
Expenditure incurred for creating/acquiring other intangible assets in each case	1.4.2	₹ Lakhs	50
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.12.1	₹ Crores	150
Prepaid expenses in each case	1.12.2	₹ Lakhs	5
Disclosure of Contingent Liabilities and Capital Commitments in each case	1.16.6	₹ Lakhs	5

Notes forming part of the Financial Statements

Note 2 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2020.

(₹ in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at 1 April 2019	187.67	52.38	39.52	279.57
Additions	-	3.40	3.62	7.02
Deletions	-	11.17	11.15	22.32
Cost as at 31 March 2020 (A)	187.67	44.61	31.99	264.27
Accumulated depreciation as at 1 April 2019	74.21	30.04	11.62	115.87
Depreciation for the year	14.34	7.77	8.39	30.50
Deletions	-	9.13	9.32	18.45
Accumulated depreciation as at 31 March 2020 (B)	88.55	28.68	10.69	127.92
Net carrying amount as at 31 March 2020 (A) - (B)	99.12	15.93	21.30	136.35

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

(₹ in Lakhs)

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

Notes forming part of the Financial Statements

Note 3a Right-of-Use Assets

Following are the changes in the carrying value of Right-of-Use Assets for the year ended 31st March, 2020:

(₹ in Lakhs)

Description	Amount
Cost as at 1st April, 2019	-
Additions	415.73
Deletions	-
Cost as at 31st March, 2020 (A)	415.73
Accumulated amortization as at April 1, 2019	-
Amortization	415.73
Deletions	-
Accumulated amortization as at 31st March, 2020 (B)	415.73
Net carrying amount as at 31st March, 2020 (A) - (B)	-

Note 3b Lease liabilities

Following are the changes in the carrying value of lease liabilities for the year ended 31st March, 2020:

(Rs. in Lakhs)

Description	Amount
Opening balance as at 1st April, 2019	-
Additions	415.73
Add : Interest of lease liabilities	19.27
Less : Payments / Reduction	(435.00)
Carrying Value as at 31st March, 2020	-

Notes forming part of the Financial Statements

Note 4 Other Intangible assets

Following are the changes in the carrying value of other intangible assets for the year ended 31 March 2020:

(₹ in Lakhs)

Description	Oil and Gas assets*	Computer Software	Total
Cost as at 1 April 2019	24,160.36	17.07	24,177.43
Additions	3,688.37	116.64	3,805.01
Deletions	-	-	-
Cost as at 31 March 2020 (A)	27,848.73	133.71	27,982.44
Accumulated amortization as at 1 April 2019	13,221.93	17.07	13,239.00
Amortization	4,252.75	1.79	4,254.54
Deletions	-	-	-
Accumulated amortization as at 31 March 2020 (B)	17,474.68	18.86	17,493.54
Net carrying amount as at 31 March 2020 (A) - (B)	10,374.05	114.85	10,488.90

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

(₹ in Lakhs)

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

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

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 5 Intangible assets under development	**As at 31 March 2020**	**As at 31 March 2019**
Exploratory Wells-in-Progress:		
Acquisition Cost	3,277.22	2,902.34
Exploration Cost		
- Geological & Geophysical Cost	6,515.15	7,039.29
- Drilling Cost	5,525.24	9,651.03
- General & Administrative Cost	2,072.35	1,557.03
Exploratory Wells-in-Progress	**17,389.96**	**21,149.69**
Less: Provision for Exploratory Wells-in progress	(4,080.23)	(3,930.33)
Exploratory Wells-in-Progress (Total) (A)	**13,309.73**	**17,219.36**
Development Wells-in-Progress:		
- Opening balance	13,966.78	7,391.65
- Transfer from Exploratory wells	7,286.09	4,415.41
- Expenditure during the year	1,959.13	2,159.72
Development Wells-in-Progress	**23,212.00**	**13,966.78**
Less: Provision for Development Wells-in progress	(22,687.15)	(35.04)
Development Wells-in-Progress (Total) (B)	**524.85**	**13,931.74**
Intangible assets under development (Total) (A+B)	**13,834.58**	**31,151.10**

Capital Expenditure

During the year ended 31st March, 2020, the capital expenditure in respect of Indian Blocks and Foreign blocks are ₹ 2487.2 Lakhs and ₹ 166.69 Lakhs respectively. (31st March, 2019: Indian blocks ₹ 11,766.49 Lakhs and Foreign blocks ₹ 783.19 Lakhs).

Borrowing cost capitalised

During the year ended 31st March, 2020, the Company has capitalised interest cost of ₹ 2831.6 Lakhs (March 31, 2019: ₹ 2,403 Lakhs) at the capitalization rate of 8.72% (31st March, 2019: 8.63%).

Development wells in progress

In respect of CB-ONN-2010/11, the block entered into Development Phase in F.Y. 2019-20 subsequent to the approval of Field Development Plan (FDP) for 7.67 km^2 by Management Committee in their meeting held on 10th February, 2020 and an application for Mining Licence was made to Government of Gujarat which is under consideration. Accordingly, the cost of ₹ 7,293.16 Lakhs incurred in respect of this block is shown under Development well-in-progress as on 31st March, 2020.

In respect of CB-ONN-2010/8, the block entered into Development Phase in F.Y. 2018-19 subsequent to the approval of Field Development Plan (FDP) for 42 km^2 of block area by Management Committee in their meeting held on 11th June 2018 and Mining Licence was granted by Government of Gujarat in the month of February 2019. Accordingly, the cost of ₹ 5,954.29 Lakhs (31st March 2019 :4,883.32 Lakhs) incurred in respect of this block is shown under Development well-in-progress as on March 31, 2020.

Impairment

The provision for impairment as at 31st March, 2020 is ₹ 26,767.38 Lakhs (as at 31st March, 2019 Rs.3,965.37 lakhs) for Blocks CY-ONN/2004/02, CB-ONN-2010/11, CB-ONN/2010/08, RJ/ONN/2005/1, MB/OSN/2010/02, MB/OSDSF/B127E/2016, MB/OSDSF/B15/2016, RJ/ONDSF/SADEWALA/2016 , RJ/ONDSF/BAKHRITIBBA/2016, and Block 32 (Israel).

Out of the above an amount of ₹ Rs. 22,791.57 Lakhs (Previous year: ₹ 10.51 Lakhs) has been recognised in the statement of profit and loss under the head 'other expenses' in respect of the company for FY 2019-20 towards impairment of four blocks i.e. block CB-ONN-2010/11, CB-ONN-2010/8, CY/ONN/2004/2 & Block 32 (Israel).

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 6 Investment in Subsidiaries	As at 31 March 2020	As at 31 March 2019
Unquoted equity instruments		
BPRL International B.V	151,686.88	151,686.88
235,417,394 (31 March 2019: 235,417,394) shares of face value Euro 1 each fully paid up		
Bharat Petroresources JPDA Ltd	6,000.00	6,000.00
60,000,000 (31 March 2019: 60,000,000) shares of face value ₹10 each fully paid up		
BPRL International Singapore Pte Limited	225,654.49	199,742.06
336,585,630 (31 March 2019: 299,585,630) shares of face value of USD 1 each fully paid up		
Less: Provision for impairment for investment in subsidiary		
Bharat Petroresources JPDA Ltd	(6,000.00)	(6,000.00)
BPRL International B.V.	(57,196.34)	-
	320,145.03	**351,428.94**
Others		
Share Application Money with BPRL International B.V.	253,522.32	102,030.70
Share Application Money with BPRL International Singapore Pte Limited	-	1,377.04
	253,522.32	**103,407.74**
Total	**573,667.35**	**454,836.68**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	636,863.69	460,836.68
Aggregate amount of impairment in the value of investments	63,196.34	6,000.00

Impairment of investment in subsidiary

During the year, Net Loss aggregating ₹ 57,196.34 Lakhs (Previous year: Nil) has been recognised in the statement of profit and loss under the head 'other expenses' in respect of the company for FY 2019-20 towards impairment of investment in BPRL International BV.

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 7 Loans	**As at 31 March 2020**	**As at 31 March 2019**
(Unsecured unless otherwise stated)		
Security deposits		
Considered good	14.77	12.93
Loan to employees (secured)*	22.55	6.65
Loans to subsidiary		
Credit impaired	-	-
Loan to Bharat Petroresources JPDA Ltd	4,057.20	4,007.20
Less : Provision for impairment towards loan	(4,057.20)	(4,007.20)
Total	**37.32**	**19.58**

Refer note 36(ii) for impairment of investment in subsidiary

* Dues from Directors is ₹ 17.30 Lakhs (31st March, 2019: ₹ Nil) and Dues from Officer is ₹ 5.24 Lakhs (31st March, 2019: ₹ 6.65 Lakhs). It is a financial asset whose carrying value approximates fair value.

(₹ in Lakhs)

Note 8 Other non-current financial assets	**As at 31 March 2020**	**As at 31 March 2019**
Claims - Considered good		
Service Tax/ GST on Royalty/Others	815.40	582.24
Fixed deposits with banks with more than twelve months maturity*	1,079.00	3,358.98
Total	**1,894.40**	**3,941.22**

* It includes margin money with bank towards bank guarantee given to government authorities in respect of Oil & Gas blocks of ₹ 1,034.60 Lakhs (31st March, 2019: ₹ 3,247.45 Lakhs), deposits pledged with government authorities ₹ 16 Lakhs (31st March, 2019: ₹16 Lakhs) and accrued interest thereon (net of TDS) of ₹ 28.40 lakhs (31st March, 2019: ₹ 95.53 Lakhs).

(₹ in Lakhs)

Note 9 Inventories *	**As at 31 March 2020**	**As at 31 March 2019**
Finished Goods **	103.57	116.76
Stores & Spares	72.17	60.78
	175.74	**177.54**

* (Refer Note No. 1.10)

** BPRL's share of inventory quantity is based on the certified statement provided by ONGC (operator of the block CY-ONN-2002/02)

(₹ in Lakhs)

Note 10 Trade Receivables	**As at 31 March 2020**	**As at 31 March 2019**
Considered Good - Unsecured	199.76	854.78
Total	**199.76**	**854.78**

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 11 Cash and cash equivalents	**As at 31 March 2020**	**As at 31 March 2019**
Balances with Banks:		
On Current Account	3,305.10	1,519.79
Total	**3,305.10**	**1,519.79**

(₹ in Lakhs)

Note 12 Other Bank balances	**As at 31 March 2020**	**As at 31 March 2019**
Fixed deposits with banks maturing in next twelve months*	4,581.10	2,245.93
Total	**4,581.10**	**2,245.93**

* It includes bid bonds with government authorities in respect of bidding of DSF blocks of ₹ 11.96 Lakhs (31st March, 2019: ₹ 31.26 Lakhs), margin money with bank against bank guarantee given to government authorities towards bidding/ MWP in respect of Oil & Gas blocks of ₹ 4,473.53 Lakhs (31st March, 2019: ₹ 2,139.02 Lakhs) and accrued interest thereon (net of TDS) of ₹ 95.61 lakhs (31st March, 2019: ₹ 75.65 Lakhs).

(₹ in Lakhs)

Note 13 Loans	**As at 31 March 2020**	**As at 31 March 2019**
Loan to employees (secured)*	9.74	5.01
Total	**9.74**	**5.01**

* Dues from Directors is ₹ 8.34 Lakhs (31st March 2019: ₹ 3.61 Lakhs) and Dues from Officers is ₹ 1.40 Lakhs (31st March 2019: ₹ 1.40 Lakhs)

(₹ in Lakhs)

Note 14 Other current financial assets	**As at 31 March 2020**	**As at 31 March 2019**
Receivables from Subsidiaries	157.09	200.58
Receivable from consortium partners	1,771.09	2,162.04
Less: Provision	(1,066.98)	(1,069.60)
Other receivables	174.93	177.77
Total	**1,036.13**	**1,470.79**

(₹ in Lakhs)

Note 15 Current Tax assets (net)	**As at 31 March 2020**	**As at 31 March 2019**
TDS Receivable	40.16	22.02
Income Tax Refund receivable	64.36	42.61
Total	**104.52**	**64.63**

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 16 Other current assets	As at 31 March 2020	As at 31 March 2019
Prepaid Expense	89.55	86.60
Cenvat/GST Credit	533.71	1,233.48
Advance paid to operators	891.76	425.79
Total	**1,515.02**	**1,745.87**

(₹ in Lakhs)

Note 17 Equity Share Capital	As at 31 March 2020	As at 31 March 2019
Authorised		
15,000,000,000 (31 March 2019: 5,000,000,000) equity shares	15,00,000.00	5,00,000.00
Issued, subscribed and paid-up		
5,000,000,000 (31 March 2019: 5,000,000,000) equity shares fully paid-up	5,00,000.00	5,00,000.00
Total	**5,00,000.00**	**5,00,000.00**

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

Reconciliation of No. of Equity Shares

	As at 31 March 2020	As at 31 March 2019
A. Opening Balance	5,000,000,000	4,448,002,670
B. Shares Issued	-	55,19,97,330
C. Closing Balance	5,000,000,000	5,000,000,000

Details of shareholders holding more than 5% shares

Name of shareholder	As at 31 March 2020	As at 31 March 2019
	No. of shares	No. of shares
Bharat Petroleum Corporation Ltd	4,999,999,940	4,999,999,940
Percentage of holding	100% #	100% #

60 shares held by others

(₹ in Lakhs)

Note 18 Other Equity	As at 31 March 2020	As at 31 March 2019
(a) Retained earnings		
Opening balance	(1,30,847.88)	(127,901.87)
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	(91,503.04)	(4,577.45)
Add : Remeasurements of Defined Benefit Plans (net of tax)	0.79	2.60
Add : Transfer from equity component of loan	3,410.21	1,628.84
Closing balance	**(2,18,939.92)**	**(130,847.88)**
(b) Capital reserve		
Opening balance	43,289.60	44,918.44
Less : Transfer made during the year to retained earnings	(3,410.21)	(1,628.84)
Closing balance	**39,879.39**	**43,289.60**
Total Other Equity	**(1,79,060.53)**	**(87,558.28)**

Notes forming part of the Financial Statements

Note 18 Other Equity *(Contd.)*

Nature and purpose of components of other equity

(a) Retained earnings

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

(b) Capital reserve

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

(₹ in Lakhs)

Note 19 Borrowings	As at 31 March 2020	As at 31 March 2019
Unsecured		
Term loan from parent company	2,56,240.47	68,849.03
Total	**2,56,240.47**	**68,849.03**

Terms of Repayment Schedule of Long-term borrowings as on 31 March 2020:

Non current	₹ in Lakhs	Maturity in F.Y.	Rate of Interest
Loan from Parent Company	30,000.00	2029-30	Interest free
Loan from Parent Company	35,000.00	2028-29	Interest free
Loan from Parent Company*	2,30,000.00	2026-27	SBI MCLR + 0.20%

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

(₹ in Lakhs)

Note 20 Provisions	As at 31 March 2020	As at 31 March 2019
Non current		
Provision for Employee Benefits	74.95	69.42
Provision for Abandonment	932.12	1,902.76
Total	**1,007.07**	**1,972.18**

(₹ in Lakhs)

Note 21 Trade Payables		As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises*	(A)	110.74	28.86
Total outstanding dues of creditors other than micro enterprises and small enterprises			
- Due to Parent Company		424.23	436.14
- Others		765.36	683.30
	(B)	1,189.59	1,119.44
Total		**1,300.33**	**1,148.30**

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

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 22 Current - Other financial liabilities	As at 31 March 2020	As at 31 March 2019
Due to Operators	2,076.63	1,072.63
Interest accrued but not due	9,221.09	3,419.70
Security/Earnest Money deposits	182.17	96.19
Employee benefits obligation	502.99	394.10
Total	**11,982.88**	**4,982.62**

(₹ in Lakhs)

Note 23 Other current liabilities	As at 31 March 2020	As at 31 March 2019
Statutory Dues Payable	134.18	253.15
Total	**134.18**	**253.15**

(₹ in Lakhs)

Note 24 Provisions	As at 31 March 2020	As at 31 March 2019
Current		
Provision for Liquidated Damages	8,556.03	7,850.70
Provision for Abandonment	436.16	321.22
Provision for Employee Benefits	2.82	44.61
Total	**8,995.01**	**8,216.53**

Movements in provisions - includes Non-Current and Current	Liquidated Damages	Abandonment	Total
Balance as at 1 April 2018	7,577.41	2,093.26	9,670.67
Provisions made during the year	-	165.89	165.89
Provisions utilised/ reversed during the year	(191.78)	(5.00)	(196.78)
Foreign exchange fluctuation	465.07	(30.17)	434.90
Balance as at 31 March 2019	7,850.70	2,223.98	10,074.68
Balance as at 1 April 2019	7,850.70	2,223.98	10,074.68
Provisions made during the year	-	302.14	302.14
Provisions utilised/ reversed during the year	-	(1,195.47)	(1,195.47)
Foreign exchange fluctuation	705.33	37.63	742.96
Balance as at 31 March 2020	8,556.03	1,368.28	9,924.31

Liquidated Damages

In respect of blocks held in India, as per the Production Sharing Contracts (PSC) signed by the Company with the Government of India (GoI), the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrender the block without completing the MWP, an amount as agreed in PSC is required to be paid to the GoI for incomplete portion of the MWP. Accordingly, Company has provided ₹ 8,556.03 Lakhs towards liquidated damages as on 31st March, 2020 (31st March, 2019 ₹ 7,850.70 Lakhs) in respect to various blocks. A provision of ₹ Nil has been made in FY 2019-20 (FY 2018-19: Nil).

Notes forming part of the Financial Statements

Note 24 Provisions *(Contd.)*

Abandonment

'BPRL has Participating Interest in various oil and gas blocks along with other consortium partners. The Company provides for its obligation for removal and restoration that arise as a consequence of having undertaken the exploration for and evaluation of mineral resources. The Company has made a provision of ₹ 1,368.28 Lakhs as on 31st March, 2020 (31st March, 2019 ₹ 2,223.98 Lakhs) in respect of Company's share of the abandonment obligation.

(₹ in Lakhs)

Note 25 Revenue from Operations	**For the year 2019-20**	**For the year 2018-19**
Sales of products	10,646.60	13,054.93
Total	**10,646.60**	**13,054.93**

Note 25(a) Quantitative Details of Sales Revenue		**For the year 2019-20**	**For the year 2018-19**
Product			
Crude Oil*	Unit (in MT)	34,488.99	36,534.86
	Value (₹ In Lakhs)	10,646.60	13,054.93

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

(₹ in Lakhs)

Note 26 Other Income	**For the year 2019-20**	**For the year 2018-19**
Interest income on instruments measured at amortised cost	333.27	217.22
Miscellaneous Income	8.76	31.11
Foreign Exchange Fluctuations	-	-
Total	**342.03**	**248.33**

(₹ in Lakhs)

Note 27 Production Expenditure	**For the year 2019-20**	**For the year 2018-19**
Operating expenditure	887.60	1,134.24
Royalty	1,176.57	1,513.24
Total	**2,064.17**	**2,647.48**

(₹ in Lakhs)

Note 28 Changes in Inventories of Finished Goods	**For the year 2019-20**	**For the year 2018-19**
Value of Opening Stock of:		
Finished Goods	116.76	93.46
Less: Value of Closing Stock of:		
Finished Goods	103.57	116.76
Net (increase) / decrease in inventories of Finished Goods	**13.19**	**(23.30)**

Notes forming part of the Financial Statements

(₹ in Lakhs)

Note 29 Employee Benefit Expense	**For the year 2019-20**	**For the year 2018-19**
Salaries and Wages	951.89	1,041.24
Payment towards PF and other Funds	220.36	228.36
Welfare Expenses	222.57	203.42
	1,394.82	**1,473.02**

(₹ in Lakhs)

Note 30 Finance Costs	**For the year 2019-20**	**For the year 2018-19**
Interest Expense	12,493.10	6,591.24
	12,493.10	**6,591.24**

(₹ in Lakhs)

Note 31 Other Expenses	**For the year 2019-20**	**For the year 2018-19**
Irrecoverable Taxes	685.66	695.52
Impairment for Investment in subsidiaries	57,196.34	-
Impairment for Intangible assets under development	22,568.36	10.51
Provision for bad and doubtful loans & advances	54.40	1,178.60
Repairs and maintenance :		
Machinery	1.97	2.19
Others	174.48	197.64
Insurance	3.96	1.28
Rent Rates and taxes	(38.60)	437.67
Legal and Professional Fees	452.64	359.21
Liquidated Damages	-	164.20
Travelling and Conveyance	386.08	404.91
Advertisement	20.81	12.18
Bank Charges	44.06	46.08
Printing & Stationery	7.54	18.51
Software Expenses	101.37	75.78
Postage, Telephone etc	16.74	15.88
Electricity Charges	-	1.63
Security Expenses	7.27	6.63
Payment to Auditors		
For Audit Fees	10.17	7.10
For Certification	3.70	1.90
Loss on disposal / sale of asset	2.94	0.05
Foreign Exchange fluctuations (net)	686.56	303.59
Bid Data Purchase Expenses	226.89	172.58
Other Expenses	97.19	42.18
	82,710.53	**4,155.82**

Notes forming part of the Financial Statements

Note 32 Segment Reporting

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

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

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

(₹ in Lakhs)

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
A. Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues		
Revenue from the Country of Domicile- India	10,646.60	13,054.93
Revenue from foreign countries	-	-
	10,646.60	**13,054.93**
B. Details of non current asset		
Non Current asset in the Country of Domicile - India	14,449.79	33,068.19
Non Current asset in foreign country - Australia	10,010.03	9,185.04
Total	**24,459.83**	**42,253.23**
C. Information about major customers		
Revenue from one major customer of the Company is ₹ 10,646.6 Lakhs for the year ended on 31 March 2020 (for year ended 31 March 2019: ₹ 13,054.93 Lakhs)		

Note 33 Earnings per share (EPS)

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

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

Particulars	**31 March 2020**	**31 March 2019**
Profit/(Loss) after tax	**(91,503.04)**	**(4,577.45)**

ii. Weighted average number of ordinary shares

Particulars		**31 March 2020**	**31 March 2019**
Issued ordinary shares at the beginning of the year	(a)	5,000,000,000	4,448,002,670
Shares issued and allotted during the year	(b)	-	551,997,330
Weighted average number of shares issued during the year	(c)	-	34,783,393.40
Weighted average number of shares	**(a+c)**	**5,000,000,000**	**4,482,786,063**
Basic and Diluted earnings per share		**(1.83)**	**(0.10)**

Notes forming part of the Financial Statements

Note 34 Employee benefits

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

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

(₹ in Lakhs)

Sr No	Particulars	For the year 2019-20	For the year 2018-19
1	Provident Fund	94.89	88.87
2	Gratuity	38.89	35.94
3	Leave encashment	75.13	63.25
4	Superannuation (NPS)	93.04	87.19
	Total	**301.95**	**275.25**

(B) Defined Contribution Plan

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

(C) Defined Benefit Plan

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

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

(₹ in Lakhs)

Sr No.	Particulars	For the year 2019-20	For the year 2018-19
1	Provident Fund	14.36	10.20
2	Superannuation (including gratuity)	21.45	15.25
	Total	**35.81**	**25.45**

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

Movement in net defined benefit (Asset)/ Liability

(₹ in Lakhs)

Particulars		Gratuity - Unfunded	
		2019-20	2018-19
a)	**Reconciliation of balances of Defined Benefit Obligations**		
	Defined Benefit Obligation at the beginning of the Period	41.72	21.49
	Interest Cost	3.21	1.62
	Current Service Cost	2.23	1.21
	Past Service Cost	-	-
	Liability Transferred In/ Acquisitions	-	20.00
	Benefit paid directly by employer	(20.00)	-
	Actuarial (Gains)/ Losses on obligation		
	- Changes in financial Assumptions	1.09	(0.15)
	- Experience adjustments	(1.88)	(2.45)
	Defined Benefit Obligation at the end of the Period	**26.37**	**41.72**

Notes forming part of the Financial Statements

Note 34 Employee benefits *(Contd.)*

Particulars		Gratuity - Unfunded	
		2019-20	2018-19
b)	**Amount recognised in Balance sheet**	**26.37**	**41.72**
c)	**Amount recognised in Statement of Profit and Loss**		
	Current Service Cost	2.23	1.21
	Interest Cost	3.21	1.62
	Past Service Cost	-	-
	Expenses for the year	**5.44**	**2.84**
d)	**Amount recognised in Other Comprehensive Income**		
	Remeasurements:		
	Actuarial (Gains)/ Losses		
	- Changes in financial Assumptions	1.09	(0.15)
	- Experience adjustments	(1.88)	(2.45)
	Total	**(0.79)**	**(2.60)**
e)	**Major Actuarial Assumptions**		
	Rate of Discounting	6.83%	7.59%
	Rate of Salary Increase	8.00%	8.00%
	Rate of Employee Turnover	2.00%	2.00%
	Mortality Rate during Employment	Indian Assured Lives Mortality (2006-08)	
f)	**Sensitivity Analysis**		
	Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/ decrease of 1% is as below:		
	Projected Benefit Obligation on Current Assumptions	26.37	41.72
	Delta Effect of +1% Change in Rate of Discounting	(1.25)	(1.03)
	Delta Effect of -1% Change in Rate of Discounting	1.46	1.18
	Delta Effect of +1% Change in Rate of Salary Increase	0.46	0.27
	Delta Effect of -1% Change in Rate of Salary Increase	(0.45)	(0.46)
	Delta Effect of +1% Change in Rate of Employee Turnover	0.07	0.05
	Delta Effect of -1% Change in Rate of Employee Turnover	(0.10)	(0.06)
g)	**Maturity Analysis of the Benefit Payments**		
	Projected Benefits payable in future years from date of reporting are as follows:		
	1st following year	0.73	
	2nd following year	0.81	
	3rd following year	19.03	
	4th following year	0.24	
	5th following year	0.27	
	Years 6 to 10	5.28	
	Sum of 11 years and above	18.05	

(D) Other long-term employee benefits:

The charge towards leave encashment for the year ended 31 March 2020 is ₹ 4.02 Lakhs (31 March 2019: ₹ 10.27 Lakhs).

Notes forming part of the Financial Statements

Note 35 Tax reconciliation

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

	For the year ended	
	31 March 2020	31 March 2019
Current income tax		
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(884.92)	(407.28)
Deferred tax expense	(884.92)	(407.28)
Tax expense/(income) for the year	**(884.92)**	**(407.28)**

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	(92,387.96)	(4,984.73)
Tax using the Company's domestic tax rate (Current year and Previous Year 26%)	(24,020.87)	(1,296.03)
Tax effect of:		
Tax losses for which no deferred income tax is recognised	16,569.05	239.96
Expenses not deductible for tax purposes	195.30	112.64
Deductible expenses on which no deferred income tax is recognised	6,371.60	518.67
Changes in Deferred Tax rate	-	-
Others	-	17.48
Tax expense/(income) for the year	**(884.92)**	**(407.28)**

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

	31 March 2020				
	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Assets / (Liabilities)					
Borrowings	(10,699.25)	621.77	-	-	(10,077.48)
Intangible asset under development	(522.81)	255.22	-	-	(267.59)
Property Plant & Equipment	(16.23)	3.87	-	-	(12.36)
Oil & Gas Assets	(33.23)	9.66	-	-	(23.57)
Other Intangible assets	-	(5.60)	-	-	(5.60)
	(11,271.52)	**884.92**	**-**	**-**	**(10,386.60)**

Notes forming part of the Financial Statements

Note 35 Tax reconciliation *(Contd.)*

(₹ in Lakhs)

	31 March 2019				
	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Assets / (Liabilities)					
Borrowings	(11,262.96)	563.71	-	-	(10,699.25)
Intangible asset under development	(415.84)	(106.97)	-	-	(522.81)
Property Plant & Equipment	(18.54)	2.31	-	-	(16.23)
Oil & Gas Assets	(18.54)	(51.77)	-	-	(33.23)
	(11,678.00)	**407.28**	**-**	**-**	**(11,271.52)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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

In respect of deductible temporary differences of ₹42,508.46 lakhs deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Tax losses carried forward

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

(₹ in Lakhs)

	31 March 2020		31 March 2019	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	-	-	5,740.21	2019-20
Business loss	39,263.60	2020-21	39,263.60	2020-21
Business loss	6,328.18	2021-22	6,328.18	2021-22
Business loss	2,958.60	2022-23	2,958.60	2022-23
Business loss	349.71	2023-24	349.71	2023-24
Business loss	10,575.35	2024-25	10,575.35	2024-25
Business loss	14,769.00	2025-26	14,769.00	2025-26
Business loss	2,557.66	2026-27		
Unabsorbed depreciation	781.58	No expiry date	753.01	No expiry date

Notes forming part of the Financial Statements

Note 36 Financial Instruments

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

(₹ in Lakhs)

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	3,305.10	3,305.10	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	4,581.10	4,581.10	-	-	-	-
Loans & Security deposits	-	-	47.06	47.06	-	-	-	-
Trade Receivables	-	-	199.76	199.76	-	-	-	-
Other non-current financial asset	-	-	1,894.40	1,894.40	-	-	-	-
Other current financial asset	-	-	1,036.13	1,036.13	-	-	-	-
	-	**-**	**11,063.55**	**11,063.55**	**-**	**-**	**-**	**-**
Financial liabilities								
Long term loans	-	-	256,240.47	256,240.47	-	259,622.10	-	259,622.10
Trade Payables	-	-	1,300.33	1,300.33	-	-	-	-
Other current financial liabilities	-	-	11,982.88	11,982.88	-	-	-	-
	-	**-**	**269,523.68**	**269,523.68**	**-**	**259,622.10**	**-**	**259,622.10**

(₹ in Lakhs)

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

Notes forming part of the Financial Statements

Note 36 Financial Instruments - Fair values and risk management *(Contd.)*

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

Transfers between Levels

There are no transfers between the levels.

C. Financial risk management

i. Risk management framework

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

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

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

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

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

ii. Credit risk

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

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

Notes forming part of the Financial Statements

Note 36 Financial Instruments - Fair values and risk management *(Contd.)*

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

BPR JPDA has a participating interest of 20% in JPDA 06-103 blocks. The Company has invested ₹ 6,000 Lakhs as equity and has given interest free loan of ₹ 4,057.20 Lakhs to BPR JPDA. The consortium submitted formal request to ANPM (Regulator) towards termination of PSC for consent, without claim or penalty, citing expenditure in excess of commitment. ANPM rejected the JV's offer to terminate without claim and penalty. The regulator terminated the PSC on 15th July 2015 and demanded the payment of the "liability upon termination". Negotiations are on-going by the consortium with the regulator to reach at final decision. The arbitration proceedings in the matter have been initiated in October 2018 and is still pending.

In view of the uncertainties regarding the continuation of activities in the block, the management had provided for the entire amount of ₹ 4,057.20 Lakhs towards impairment loss of loans by way of charge to Statement of Profit and Loss account till FY 2019-20. During the year, additional ₹ 50 Lakhs has been provided (F.Y. 2018-19: ₹ 109 Lakhs). Pending write off, no separate fair valuation has been done.

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

(₹ in Lakhs)

Particulars	
Balance as at 1 April 2018	3,898.20
Impairment loss recognised	109.00
Balance as at 31 March 2019	4,007.20
Impairment loss recognised	50.00
Balance as at 31 March 2020	4,057.20

Cash and cash equivalents

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

Other Bank balance - Fixed Deposits with Bank

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

Receivables from subsidiaries - Other Current Financial Assets

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

Other receivables

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

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

iii. Liquidity risk

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

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

Notes forming part of the Financial Statements

Note 36 Financial Instruments - Fair values and risk management *(Contd.)*

Exposure to liquidity risk

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

(₹ in Lakhs)

31 March 2020	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings and interest thereon	2,56,240.47	4,23,597.10	19,780.00	39,560.00	39,560.00	3,24,697.10
Trade Payables	1,300.33	1,300.33	1,300.33	-	-	-
Other financial liabilities	11,982.88	11,982.88	11,982.88	-	-	-

(₹ in Lakhs)

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

iv. Market risk

Currency risk

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

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

(₹ in Lakhs)

	31 March 2020		
	Total	USD	AUD
Financial assets			
Other Current financial asset	155.78	155.78	-
Financial liabilities			
Trade Payables	108.04	107.39	0.65
Other Current financial liabilities	97.59	60.73	36.86
Net exposure (Assets - Liabilities)	**(49.85)**	**(12.34)**	**(37.51)**

Notes forming part of the Financial Statements

Note 36 Financial Instruments - Fair values and risk management *(Contd.)*

(₹ in Lakhs)

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

Sensitivity analysis

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

(₹ in Lakhs)

Effect in INR (before tax)	Strengthening / Weakening %	Profit/ (loss)	
		Strengthening	Weakening
31 March 2020			
USD	3%	(0.37)	0.37
AUD	5%	(1.88)	1.88
		(2.25)	**2.25**

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

Interest rate risk

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

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

For details of the Company's long term loans and borrowings, including interest rate profiles, refer to Note 19 of these financial statements.

Notes forming part of the Financial Statements

Note 36 Financial Instruments - Fair values and risk management *(Contd.)*

(₹ in Lakhs)

Carrying Amount	31 March 2020	31 March 2019
Fixed-rate instruments		
Financial Assets - measured at amortised cost		
Other non-current financial asset	1,101.55	3,365.63
Bank Balances other than Cash and cash equivalents	4,581.10	2,245.93
Total	**5,682.65**	**5,611.56**
Financial liabilities - measured at amortised cost		
Borrowings	26,240.47	23,849.03
Total	**26,240.47**	**23,849.03**
Variable-rate instruments		
Financial liabilities - measured at amortised cost		
Borrowings	2,30,000.00	45,000.00
Total	**2,30,000.00**	**45,000.00**

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

(₹ in Lakhs)

	Profit/ (loss)	
	100 bps increase	100 bps decrease
For the year ended 31 March 2020		
Variable-rate instruments	(2,300.00)	2,300.00
Cash flow sensitivity (net)	**(2,300.00)**	**2,300.00**
For the year ended 31 March 2019		
Variable-rate instruments	(450.00)	450.00
Cash flow sensitivity (net)	**(450.00)**	**450.00**

Note 37 Capital Management

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

Notes forming part of the Financial Statements

Note 38 Exchange Rate

Exchange rate as at 31 March 2020 - 1 USD = INR 75.3859, 1 GBP = INR 93.076 & 1 AUD = INR 46.28
Exchange rate as at 31 March 2019 - 1 USD = INR 69.1713, 1 GBP = INR 90.4756 & 1 AUD = INR 48.95

Note 39 Disclosures as per Ind AS 116 Leases

A. Leases as a Lessee

a) The following is the detailed breakup of Right-of-use assets (by class of underlying assets) included in Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01-04-19	Ind AS 116 Transition Impact	Additions	Reclassifications / Deductions On Account Of Conclusion	As at 31-03-20	Up to 31-03-19	For the Year	Reclassifications / Deductions On Account Of Conclusion	Up to 31-03-20	As at 31-03-20	As at 31-03-19
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1 Land	-			-	-	-		-	-	-	-
2 Buildings including Roads	-			-	-	-		-	-	-	-
3 Plant and Equipments	-			-	-	-		-	-	-	-
4 Tanks and Pipelines	-			-	-	-		-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-	

b. The following expenses have been charged to Statement of Profit and Loss during FY 19-20

(₹ in Lakhs)

Interest on Lease Liabilities	19.27
Expenses relating to short term leases	13.42
Expenses relating to leases of low value items	-
Expenses relating to variable lease payments (not included in measurement of lease liabilities)	-

c. Total Cash outflow for leases during FY 19-20 is ₹ 415.73 Lakhs

d. Income from Sub leasing of Right-of-use assets recognised in statement of profit and loss during FY 19-20 is Nil

e. Application of this standard has resulted in an impact of Rs.Nil Lakhs on profit before tax of FY 2019-20

f. Maturity Analysis of Lease Liabilities as per Ind AS 116 Leases

(₹ in Lakhs)

As at 31/03/20	Contractual Cash Flows				
	Upto 1 year	1-3 years	3-5 years	More then 5 years	Total
Cash outflows*					

* As lease term of all the leases have expired on 31st March, 2020. the Company does not have any contractual cash flows towards payment of lease liabilities as 31st March, 20

TRANSITION IMPACT

Reconciliation between Operating lease commitments pertaining to non cancellable leases disclosed as per Ind AS 17 Leases for FY 18-19 discounted using incremental borrowing rate at the date of transition and Lease Liabilities recognized in books of accounts shall be on account of short term leases, leases of low value assets, estimated growth rate of CPI/WPI considered while disclosing minimum lease payments of certain leases in FY 18-19.

Notes forming part of the Financial Statements

(₹ in Lakhs)

a	Operating lease commitments pertaining to non cancellable leases	448.42
	(As per Ind AS 17 as at 31st March 2019)	-
b	Short term leases (as per Ind AS 116)	(13.42)
c	Low value items (as per Ind AS 116)	-
d	Variable Lease payments (as per Ind AS 116)	-
e	Other adjustments	-
f	Discounting impact	(19.27)
g	Lease Liability as on 1st April 2019	415.73

Note 40 Interest in Joint operation

The Company has participating interest in the nature of Production Sharing Contracts (PSC) with the Government of India and/or various bodies corporate in the oil and gas blocks for exploration, development and production activities. The arrangements require consent from consortium partners for all relevant activities and hence it is classified as joint operations. The partners to the agreement have direct right to the assets and are jointly liable for the liabilities incurred by the un-incorporated joint operation. In accordance with Ind AS 111 on "Joint Arrangements", the financial statements of the Company includes the Company's share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the respective operators. As per the PSC, the operator has to submit audited financial statements within 60 days from the end of the year. The income, expenditure, assets and liabilities of the joint operations are merged on line by line basis according to the participating interest with the similar items in the Financial Statements of the Company as given below:

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

ii) Out of the remaining eight Indian Blocks (previous year six), two blocks RJ/ONN/2005/1 and MB/OSN/2010/2 have been proposed for relinquishment for which approval is pending from Director General of Hydrocarbons (DGH). Out of the remaining six Indian Blocks (previous year four), the Company has received Nil (previous year one) audited financial statements as at March 31, 2020 and this has been considered in the financial statements of the Company. The Company has received unaudited financial statements for three (previous year two) blocks and billing statement (Statement of Expenses) for remaining three blocks from the operator for the period upto 31st March 2020. In case of five blocks out of the above, assets, liabitilities, income & expenses are accounted. In case of remaining one block, in absence of the details of assets & liabilities, only income and expenses are accounted.

iii) In respect of both (previous year one) the Joint Venture blocks, EP413 and Block 32 (blocks outside India) the assets, liabilities, income and expenditure have been incorporated on the basis of unaudited financial statements as at 31st March 2020.

Notes forming part of the Financial Statements

Note 40 Interest in Joint operation *Contd.)*

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

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
1	Property, plant and equipment	80.46	88.01
2	Other Intangible assets	10,374.05	10,938.43
3	Intangible asset under development *	40,601.96	35,116.47
4	Other Non-Current Assets	733.90	498.91
5	Current Assets including financial assets **	3,071.60	3,622.52
6	Cash and Bank Balances	237.99	377.54
7	Current & Non Current Liabilities/Provisions including financial liabilities	12,066.78	11,391.70
8	Expenses	2,099.37	2,624.18
9	Income	10,646.60	13,081.20

* Includes ₹ 26,767.38 Lakhs (previous year 3,965.37 Lakhs) which has been provided for by the Company.

* *Includes ₹ 1,066.98 Lakhs (previous year 1,069.60 Lakhs) which has been provided for by the Company.

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

Name	Country	31 March 2020	31 March 2019
NELP – IV			
CY/ONN/2002/2	India	40.00%	40.00%
NELP – VI			
CY/ONN/2004/2	India	20.00%	20.00%
NELP – VII			
RJ/ONN/2005/1	India	33.33%	33.33%
NELP – IX			
CB/ONN/2010/11 *	India	25.00%	25.00%
AA/ONN/2010/3	India	20.00%	20.00%
CB/ONN/2010/8 #	India	25.00%	25.00%
MB/OSN/2010/2	India	20.00%	20.00%
Discovered Small Fields (DSF)			
CY/ONDSF/KARAIKAL/2016	India	100.00%	100.00%
RJ/ONDSF/BAKHRI TIBBA/2016	India	100.00%	100.00%
RJ/ONDSF/SADEWALA/2016	India	100.00%	100.00%
MB/OSDF/B15/2016	India	100.00%	100.00%
MB/OSDF/B127E/2016	India	100.00%	100.00%
OALP			
CB-ONHP-2017/9	India	60.00%	100.00%
AA-ONHP-2017/12	India	10.00%	0.00%
CY-ONHP-2017/1	India	40.00%	0.00%
Blocks outside India			
EP-413	Australia	27.80%	27.80%
Block 32	Israel	25.00%	0.00%

*BPRL Share 29.41% in development phase.

#BPRL Share 50% in development phase.

Notes forming part of the Financial Statements

Note 41 Related party transactions

A. Related Party Relationships

(i). Parent entity

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest as on	
			31 March 2020	31 March 2019
Bharat Petroleum Corporation Limited (BPCL)	Immediate and Ultimate parent entity	India	100%	100%

ii. Subsidiaries, joint ventures and associates

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

Name	Type	Place of incorporation	Ownership interest as on	
			31 March 2020	31 March 2019
Bharat PetroResources JPDA Ltd. (BPR JPDA)	Subsidiary	India	100%	100%
BPRL International BV	Subsidiary	Netherlands	100%	100%
BPRL International Singapore Pte Ltd.	Subsidiary	Singapore	100%	100%
BPRL Ventures BV *	Subsidiary	Netherlands	100%	100%
BPRL Ventures Mozambique BV *	Subsidiary	Netherlands	100%	100%
BPRL Ventures Indonesia BV *	Subsidiary	Netherlands	100%	100%
BPRL International Ventures BV *	Subsidiary	Netherlands	100%	100%
IBV (Brasil) Petroleo Ltda. #	Joint Venture	Brazil	50%	50%
Taas India Pte Ltd @	Joint Venture	Singapore	33%	33%
Vankor India Pte Ltd @	Joint Venture	Singapore	33%	33%
Falcon Oil & Gas BV @@	Joint Venture	Netherlands	30%	30%
Mozambique LNG 1 Pte Ltd @@@	Associate	Singapore	10%	10%
Moz LNG1 Holding Company Ltd @@@	Associate	UAE	10%	-
Moz LNG1 Financing Company Ltd @@@	Associate	UAE	10%	-
LLC TYNGD ##	Joint Venture	Russia	9.9%	9.9%
JSC Vankorneft ###	Associate	Russia	7.9%	7.9%
Urja Bharat Pte Ltd. ####	Joint Venture	Singapore	50%	50%

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

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

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

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

@@@ BPRL Ventures Mozambique BV's 10% stake in Mozambique LNG-1 Co. Pte Ltd. has been exchanged with shareholding in Moz LNG1 Holding Company Ltd. Further, Mozambique LNG1 Pte. Ltd. and Moz LNG1 Financing Company Ltd. are the Wholly owned Subsidiaries of Moz LNG1 Holding Company Ltd. thus resulting in BPRL Ventures Mozambique BV's effective stake being 10% in these companies

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

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

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

C) Key management personnel

Shri D. Rajkumar, Director

Shri Ajay Kumar V., Managing Director w.e.f. October 23, 2017 upto 31st March, 2020 and held additional charge as Director (Operations & Business Development) w.e.f. October 23, 2017 upto August 19, 2018. Director (Operations & Business Development) upto October 22, 2017 and held additional charge as Managing Director (I/c) w.e.f. October 1, 2016 upto October 22, 2017.

Shri Pankaj Kumar, Director (Finance)

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

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

Dr. Praphullachandra Sharma, Director upto March 27, 2019

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

Smt Sarita Aggarwal, Company Secretary w.e.f. May 2019

Smt. Swapna Sawant, Company Secretary w.e.f. June 29, 2017 upto May, 2019

Smt Indrani Kaushal, w.e.f. 01.04.2019 upto 27.05.2019

Smt Esha Srivastava, Government Director, w.e.f. 09.07.2019

The Company is a Public Sector Undertaking under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors & Woman Director) vests with the Government of India. As per the MCA notification dated July 5, 2017, the Company is exempt from appointment of Independent Director under the Companies Act, 2013. As per MoP&NG approval, Shri Ajay Kadmawala and Smt Mona Jaiswal have been appointed as Independent Directors on the Company's Board w.e.f 18th July,.2019 and w.e.f. 21st October, 2019 respectively.

D. Transactions with related parties

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

	31 March 2020	31 March 2019
Short-term employee benefits	127.25	70.47
Post-retirement benefits	17.88	13.70
Other long-term benefits	27.58	18.61

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

Nature of Transactions	Joint venture		Key Management Personnel	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Money remitted towards investment in share capital	118,830.67	13,411.54	-	-
Recovery of SBLC commission	-	2,688.89	-	-
Recovery of deputed employee cost	215.72	164.76	-	-
Reimbursement of expenses	83.92	1.93	-	-
Loan given during the year	50.00	109.00	-	-
Loan recovered during the year	-	-	(28.69)	0.51
Provision for bad and doubtful loans	50.00	109.00	-	-
Refundable deposit given during the year	1.00	-		

Notes forming part of the Financial Statements

Note 41 Related party transactions *(Contd.)*

c) Outstanding Balances

(₹ in Lakhs)

	As at	
	31 March 2020	**31 March 2019**
Subsidiaries		
Investments in subsidiaries	320,145.03	351,428.94
Share Application Money with subsidiaries	253,522.32	103,407.74
Other receivables	157.09	200.58
Loan given	4,057.20	4,007.20
Provision for bad and doubtful loans	4,057.20	4,007.20
Deposit given	1.00	-
Key Management Personnel		
Loan given	32.30	3.61

The loan given to BPR JPDA is interest free. Refer note 36 (ii) on impairment of outstanding balance of loan and investment in equity shares of BPR JPDA.

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

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

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

Note 42 Capital Commitments & Contingent Liabilities:

a) Capital Commitments:

Based on the estimation by the Management, BPRL's share of Minimum Work Programme (MWP) commitments as on the reporting date amounted to ₹ 11,585.91.Lakhs. (Previous year ₹ 11,093.54 Lakhs). Company has provided Bank Guarantees to Director General of Hydrocarbon (DGH) to the extent of ₹ 3,274.46 Lakhs (₹ 3,554.77 Lakhs) towards MWP.

b) Contingent Liabilities:

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

BPRL is engaged in the business of Exploration and Production (E&P) of oil & gas and has participating interest in several blocks held directly or through group companies. BPRL has issued performance guarantees/counter-indemnities in favour of Operators/other partners towards performance of obligations of its group companies under the Concession Agreement/Joint Operating Agreements/Production Sharing Contracts relating to various such E&P oil & gas blocks acquired by them.

The outflow that may arise under these performance guarantees, is not quantifiable except in case of performance guarantee given to Timor Sea Designated Authority on behalf of BPR JPDA. Timor Sea Designated Authority has asserted claims to pay an amount in the range of Rs.Nil(USD Nil) to ₹ 20,416.76 Lakhs(USD 27.08 million) (depending on the outcome of arbitration proceeding) in addition to interest and legal cost against a consortium of contractors and each member of the Consortium, including BPR JPDA in an arbitration proceeding relating to non-fulfilment of minimum work program and the termination of PSC. The members of the consortium are jointly and severally liable. BPR JPDA's share in the Consortium is 20%. The Consortium and its members are defending themselves against the claim. Matter is still under arbitration and outcome of proceedings is not yet known. The Company also has right to recover amount from other members

Notes forming part of the Financial Statements

Note 42 Related party transactions *(Contd.)*

of consortium through joint operating agreement if the claim is fully demanded against BPR JPDA. The Company has already provided USD 3.5 million in the financial statements as a provision towards its own share based on the initial claim of designated authority.

Accordingly the Company has disclosed net contingent liability of ₹ Nil(USD Nil) to ₹ 4,168.84 Lakhs(USD 5.53 million) (depending on the outcome of arbitration proceeding) after adjusting the probable recovery from each consortium member.

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

(₹ in Lakhs)

	As at 31 March 2020	**As at 31 March 2019**
Amount Due and Payable at the year end		
- Principal	110.74	28.86
- Interest on above Principal	-	-
Payment made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for Principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

Note 44 Details of Reserves

BPRL's share of Estimated Ultimate Recovery (EUR) as submitted to DGH for the block CY-ONN-2002/2 as at 31 March 2020 is given below:

Project	**Details**	**Crude Oil (MMm3)**	**Gas (MMm3)**
CY-ONN-2002/2	Opening	0.2393	1,062.35
	Production	0.0419	12.30
	Closing	0.1974	1,050.05

MMm3 = Million Cubic Meters

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

	Interest accrued but not due on borrowings	**Non-current borrowings**	**Total**
As at 31st March 2019	**3,419.70**	**68,849.03**	**72,268.73**
Cash Flows	(7,112.60)	185,000.00	177,887.40
Non Cash Changes	12,913.99	2,391.44	15,305.43
As at 31 March, 2020	**9,221.09**	**256,240.47**	**265,461.56**

Notes forming part of the Financial Statements

Note 46: Estimation uncertainty relating to the global health pandemic on COVID-19:

Considering the outbreak of COVID-19 globally and the resultant lockdown in many countries including India from 25th March 2020, the Company has considered the internal and external information up to the date of approval of the Financial Results in assessing the recoverability of Company's asset i.e. investments, trade receivables, inventories etc. During 2019-20, BPRL's revenue are entirely in respect of its stake in one block in India in which the operations are continuing and the inventories in respect thereof have been valued at cost or net realisable value, i.e at cost.

The lock down is continuing in the current fiscal also and the Management expects the economic condition to improve in due course. Management has assessed the potential impact of COVID-19 based on current circumstances and expects no significant impact on the continuity of the business on long term basis / on useful life of assets / on financial position etc though there may be some impact mainly in respect of lower revenue in near term. The impact of COVID-19 may be different from that estimated and the Company will closely monitor any material changes to the future economic conditions.

Note 47: Figures of 31st March, 2019 have been regrouped wherever necessary, to conform to current year presentation.

As per our attached report of even date

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

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 20038193AAAAAT8522

Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In-charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT PETRORESOURCES LIMITED

REVISED INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Bharat PetroResources Limited,
Mumbai

Revised Report on the Audit of the Consolidated Financial Statements

Opinion

1. Being a government company, the office of the Comptroller and Auditor General of India has carried out supplementary audit of the company pursuant to the provisions of section 143(6) of the Companies Act 2013. The office of the Comptroller and Auditor General of India has issued provisional comments on the Independent Auditor's Report on the consolidated financial statements considering which we hereby revise our original report dated 26th May 2020.

2. We have audited the accompanying Consolidated Financial Statements of Bharat PetroResources Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries and their Joint Ventures / Associates (Holding Company and its subsidiaries and their Joint Ventures / Associates together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

3. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs as at 31st March 2020, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis of Opinion

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

Emphasis of Matter

5. We draw attention to the observation in our audit report of the Holding Company regarding incorporation of details about the Holding Company's share in assets, liabilities, income and expense in the unincorporated joint operations based on the audited/unaudited statements received from the respective Operators. In these regards, it has been observed that:

a. Out of fifteen Indian Blocks, audited statements of six blocks have not been received by the Company; hence, operator management certified figures have been considered. The total Assets & Liabilities as on 31st March 2020 and Income & Expenses for FY 2019-20 in respect of the said blocks amount to ₹ 33,037.65 Lakhs, ₹ 1,964.89 Lakhs, ₹ 10,646.60 Lakhs and ₹ 2,099.37 Lakhs respectively.

b. In case of two foreign block (EP413) and Block 32 (Israel), Block audited statements have not been received by the Company. The total Assets & Liabilities as on 31st March 2020 and Income & Expenses for FY 2019-20 in respect of the said block amount to ₹ 10,206.40 Lakhs, ₹ 163.49 Lakhs, ₹ Nil and ₹ Nil respectively. However, Block 32 has been fully provided for during the year.

c. The audited/unaudited statements referred above are prepared, as stated there in, to meet requirements of production sharing contracts/revenue sharing agreements and are special purpose statement;

d. None of the statements, audited as well as unaudited, are drawn up in the format prescribed under Schedule III to the Act, as provisions of the Companies Act 2013 are not applicable to unincorporated joint operations.

e. Some of the Operators use accounting policies other than those adopted by the Company for like transactions. The Company has made appropriate adjustments while incorporating relevant data; and

f. The Company's proportionate share in jointly controlled assets, liabilities for which the Company is jointly responsible, Company's proportionate share of income and expenses for the year, the elements making up the Cash Flow Statements and related disclosures contained in the enclosed financial statements and our observations thereon are based on such audit reports and statements from the Operators to the extent available with the Company.

6. We draw attention to Note No. 5 on "Intangible Assets Under Development" where the group has recognized an impairment loss of ₹ 59,400 Lakhs during the year on blocks.

7. We draw attention to Note No. 36 on "Disclosure as per Ind AS 116 leases" regarding adoption of Ind AS 116 during the current year and its "NIL" impact on the Profit and Loss Account.

8. We draw attention to Note No. 50 "Estimation uncertainty relating to the global health pandemic on COVID-19" regarding disclosure that after due consideration of pandemic conditions, the company expects to recover the assets at their carrying value

9. We draw attention to Note No. 6 on "Equity accounted Investees" regarding proportion of holding interest, pursuant to exercise of its right to cure partners default in IBV Brasil Petroleo Ltda, BPRL Ventures BV has infused an amount of USD 53.98 Mn up to 31st March 2020 in IBV resulting in a temporary increase in its paid-up capital in IBV to 55.13%. Given the temporary nature of increase in paid-up capital, IBV has been consolidated as Joint Venture by BPRL Ventures BV as on 31st March 2020.

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

Other Information

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

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

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

Responsibilities of Management for the Financial Statements

14. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

20. 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.

Other Matter

21. We have placed reliance on technical/ commercial evaluation by the management in respect of categorization of wells as exploratory, development, producing & dry wells, allocation of costs incurred on them, proved (developed and undeveloped)/ probable hydrocarbon reserves & depletion thereof on Oil and Gas Assets, impairment and liability for decommissioning costs, liability for NELP and nominated blocks under performance against agreed Minimum Work Program

22. We did not audit the financial statements / financial information of three (3) subsidiaries whose financial statements / financial information reflect total assets of ₹ 24,19,643.29 Lakhs as at 31st March 2020, total revenues of Rs. NIL and net cash flows amounting to ₹ 23,848.82 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 93,677.94 Lakhs and Other Comprehensive Income (expense) of ₹ 77,075.44 Lakhs for the year ended 31st March 2020, as considered in the Consolidated Financial Statements, in respect of 5 (Five) Equity Accounted Investees, whose financial statements / financial information have not been audited by us.

23. The financial statements / financial information of the 3 subsidiaries namely, BPRL International B.V., BISPL & BPR JPDA Ltd., have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

24. The financial statements of 1 subsidiary namely, BPR JPDA Ltd., having total assets (net of provision) of ₹ 91.38 Lakhs has been prepared on a basis other than that of a going concern.

25. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

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

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

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

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. As per the notification no. G.S.R. 463(E) dated June 05, 2015, the Government companies are exempted from provisions of section 164(2) of the Act. Accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.

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

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

   i. The Company has disclosed impact of pending litigations on the group's financial position in Note 42(b) to its Consolidated Financial Statements.

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

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

27. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 'B', as per the directions issued by the Office of the Comptroller and Auditor General of India.

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

CA Ashutosh P. Joshi
Partner
Membership No: 038193
UDIN: 20038193AAAABR6562

Place : Nagpur
Date : 22 July, 2020

ANNEXURE - A TO REVISED INDEPENDENT AUDITORS' REPORT
(Referred to in Paragraph 26(f) of the Independent Auditors' Report of even date on the financial statement as of and for the year ended March 31st, 2020.)

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

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Bharat PetroResources Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 (one) subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

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

CA Ashutosh P. Joshi
Partner
Membership No: 038193
UDIN: 20038193AAAABR6562

Place : Nagpur
Date : 22 July 2020

ANNEXURE - B TO REVISED INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in Paragraph 27 of the Independent Auditors' Report of even date on the financial statements as of and for the year ended 31st March, 2020.)

Directions under Section 143(5) of the Companies Act, 2013 applicable for the accounts of FY 2019-20

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

   i. Yes, BPRL is using SAP ERP System to process its accounting transactions. As far as CFS are concerned, the financial statements are audited SFS and the audited CFS of subsidiaries. There is no concept of recording transactions in CFS. The process of consolidating the accounts for subsidiaries, Joint Ventures and Associates is carried out externally. However, we have not come across any instance having significant implications on the integrity of accounts

   ii. CAG Directions are not applicable to the two foreign subsidiaries. In case of BPR JPDA Limited, the auditors have commented the following:

   "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 load? If yes, the financial impact may be stated.**

   i. No; 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 or its Indian subsidiary due to inability to repay the loan.

   ii. CAG Directions are not applicable to the two foreign subsidiaries.

3. **Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for utilized as per its term and conditions? List The cases of deviation.**

   i. No such funds have been received or are receivable by the company or its Indian subsidiary from Central/State Agencies.

   ii. CAG Directions are not applicable to the two foreign subsidiaries.

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

CA Ashutosh P. Joshi
Partner
Membership No: 038193
UDIN: 20038193AAAABR6562

Place : Nagpur
Date : 22 July 2020

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(₹ in Lakhs)

	Particulars	Note no.	As at 31 March 2020	As at 31 March 2019
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	2	136.35	163.70
	(b) Right-of-Use Assets	3a	-	-
	(c) Other Intangible assets	4	10,488.90	10,938.43
	(d) Intangible assets under development	5	749,602.60	606,883.73
	(e) Equity accounted investees	6	1,420,327.94	1,120,887.23
	(f) Financial Assets			
	(i) Loans	7	205,529.50	195,223.56
	(ii) Other non-current financial assets	8	1,894.40	5,318.26
	Total non-current assets		**2,387,979.69**	**1,939,414.91**
(2)	**Current Assets**			
	(a) Inventories	9	175.74	177.54
	(b) Financial Assets			
	(i) Trade Receivables	10	199.76	854.78
	(ii) Cash and cash equivalents	11	43,723.98	18,089.85
	(iii) Bank Balances other than (ii) above	12	10,671.76	12,747.05
	(iv) Loans	13	9,436.07	4,331.20
	(v) Others	14	889.34	1,638.72
	(c) Current Tax assets (Net)	15	105.03	64.63
	(d) Other current assets	16	3,632.63	2,951.71
	Total current assets		**68,834.31**	**40,855.48**
	TOTAL ASSETS		**2,456,814.00**	**1,980,270.39**

	Particulars	Note no.	As at 31 March 2020	As at 31 March 2019
II.	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital	17	500,000.00	500,000.00
	(b) Other equity	18	(128,459.28)	(210,215.48)
	Total equity		**371,540.72**	**289,784.52**
(2)	**Non current liabilities**			
	(a) Financial liabilities			
	- Borrowings	19	2,012,446.33	1,137,550.03
	(b) Provisions	20	1,007.07	1,972.18
	(c) Deferred tax liabilities (Net)	34	10,386.60	11,271.52
	Total non-current liabilities		**2,023,840.00**	**1,150,793.73**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade Payables	21		
	(A) total outstanding dues of micro enterprises and small enterprises;		110.74	28.86
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,708.97	1,481.69
	(ii) Borrowings	22	-	501,491.93
	(iii) Other financial liabilities	23	47,811.46	25,795.16
	(b) Lease Liabilities	3b	-	-
	(c) Other current liabilities	24	163.71	253.74
	(d) Provisions	25	11,633.52	10,637.53
	(e) Current tax liabilities (net)	26	4.88	3.23
	Total Current liabilities		**61,433.28**	**539,692.14**
	Total liabilities		**2,085,273.28**	**1,690,485.87**
	TOTAL EQUITY AND LIABILITIES		**2,456,814.00**	**1,980,270.39**

Significant accounting policies 1
Notes to the financial statements 2-51

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

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 2003819AAAAAU9775

Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In Charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2020

(₹ in Lakhs)

	Particulars	Note no.	For the year 2019-20	For the year 2018-19
I.	Revenue from Operations	27	10,646.60	13,054.93
II.	Other income	28	2,462.16	5,008.10
III.	**Total Income (I+II)**		**13,108.76**	**18,063.03**
IV.	**Expenses**			
	Production expenditure	29	2,064.17	2,647.48
	Changes in Inventories of Finished Goods	30	13.19	(23.30)
	Employee Benefits Expenses	31	1,572.40	1,595.36
	Finance costs	32	57,741.96	49,586.85
	Depreciation, Depletion, Amortisation	2,3&4	4,700.78	3,443.73
	Other Expenses	33	71,747.88	5,188.92
	Total Expenses (IV)		**137,840.38**	**62,439.04**
V.	**Profit/(loss) before share of profit of equity accounted investees and income tax**		**(124,731.62)**	**(44,376.01)**
VI.	**Share of profit /(loss) from equity accounted investees (net of tax)**		93,677.94	34,406.15
VII.	**Profit/(loss) before Tax**		**(31,053.68)**	**(9,969.86)**
VIII.	**Tax expense:**			
	1. Current Tax		4.83	6.09
	2. Deferred Tax	34	(884.92)	(407.28)
IX.	**Profit/(Loss) for the year**		**(30,173.59)**	**(9,568.67)**
X.	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans		0.79	2.60
	(ii) Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		34,853.56	30,391.77
	(b) Share of Other comprehensive income of equity accounted investee		77,075.44	(127,789.36)
			111,929.79	(97,394.99)
XI.	**Total comprehensive income for the year**		**81,756.20**	**106,963.66**
XII.	**Earnings per equity share**			
	1. Basic		(0.60)	(0.21)
	2. Diluted		(0.60)	(0.21)

Significant accounting policies 1
Notes to the financial statements 2-51

As per our attached report of even date

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

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 2003819AAAAAU9775
Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In Charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

	Particulars	For the year 2019-20	For the year 2018-19
A	**Cash Flow from Operating Activities**		
	Profit Before Tax from Continuing Operations	(31,053.68)	(9,969.86)
	Adjustments for:		
	Share of (profit) / loss from equity accounted investees	(93,677.94)	(34,406.15)
	Depreciation, Depletion, Amortisation	4,700.77	3,443.73
	(Gain) / Loss on fair valuation of loan	6,912.53	(3,892.39)
	Impairment for Intangible assets under development	61,212.67	82.18
	Interest income	(1,863.28)	(845.12)
	Provision for bad and doubtful loans & advances	1,443.40	1,069.60
	Net (gain) / loss on sale or disposal of asset	2.94	0.05
	Finance costs	57,741.96	49,586.85
	Unrealised foreign exchange (gain) / loss	895.70	457.95
	Operating Profit / (Loss) before Working Capital changes	**6,315.07**	**35,921.21**
	Working capital adjustments:		
	(Increase) / Decrease in Inventories	1.80	58.11
	(Increase) / Decrease in Trade Receivables	655.02	(191.88)
	(Increase) / Decrease in Other current financial assets	(694.02)	53.80
	(Increase) / Decrease in Other current assets	(680.92)	1,765.20
	Increase / (Decrease) in Trade Payables	309.16	(2,391.70)
	Increase / (Decrease) in Other current financial liabilities	16,989.91	6,843.12
	Increase / (Decrease) in Provisions	(864.03)	147.22
	Increase / (Decrease) in Other current liabilities	(90.03)	111.14
	Increase / (Decrease) in Other non-current financial assets	1,143.88	-
	Cash generated / (used) from operations	**23,085.84**	**42,316.22**
	Income tax (paid) / refunds (net)	(43.58)	(24.07)
	Net cash flow from / (used in) operating activities	**23,042.26**	**42,292.15**
B	**Cash Flow from Investing Activities**		
	Addition to Property, Plant & Equipment	(7.02)	(32.00)
	Proceeds from Sale of Property, Plant & Equipment	0.93	0.35
	Investment in equity accounted investees	(99,652.76)	(106,575.56)
	Investment in subsidiary unadjusted	-	-
	Dividend from Associates	5,818.99	6,225.42
	Loans/ Deposits given	(32,099.29)	(13,432.74)
	Loan repaid by equity accounted investee	9,775.95	15,661.39
	(Placement)/ Maturity of Deposit with banks	4,355.27	(17,583.41)
	Interest Income	1,863.28	208.85
	Additions to Intangible assets under development	(203,931.54)	(100,131.20)
	Additions to Intangible assets	(3,805.01)	(8,265.10)
	Net Cash Flow from/(used) in Investing Activities	**(317,681.21)**	**(223,924.00)**

(Contd.)

(₹ in Lakhs)

	Particulars	For the year 2019-20	For the year 2018-19
C	**Cash Flow from Financial Activities**		
	Proceeds from issue of shares	-	55,199.73
	Proceeds from long term borrowings from bank	687,504.86	-
	Repayment of Short term borrowings to Bank	(501,491.93)	-
	Repayment of borrowings to parent company	–	(326,569.03)
	Proceeds of borrowings from parent company	185,000.00	(17,500.00)
	Proceeds from short term borrowings	-	501,491.93
	Finance Cost	(50,304.86)	(47,805.13)
	Repayment of lease liability	(435.00)	-
	Net Cash Flow from/(used) in Financing Activities	**320,273.07**	**164,817.50**
D	**Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)**	**25,634.13**	**(16,814.35)**
	Cash and cash equivalents at the beginning of the year (01-4-2019)		
	Bank Balance	13,538.09	18,643.17
	Demand deposits with Banks with original maturity of less than three months	4,551.76	16,261.03
	Add/(Less:) Exchange difference on Cash and Cash equivalents	-	-
	Cash and cash equivalents at the end of the year (31-03-2020)		
	Bank Balance	22,689.37	13,538.09
	Demand deposits with Banks with original maturity of less than three months	21,034.61	4,551.76
	Add/(Less:) Exchange difference on Cash and Cash equivalents	-	-
	Net Increase/ (Decrease) in Cash and Cash equivalents	**25,634.13**	**(16,814.35)**

Significant accounting policies 1

Notes to the financial statements 2-51

As per our attached report of even date

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

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 2003819AAAAAU9775
Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In Charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

(₹ in Lakhs)

(a) Equity share capital	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the period	5,000,000,000	5,000,000,000	4,448,002,670	444,800.27
Shares issued during the period	-	-	551,997,330	55,199.73
Balance at the end of the period	**5,000,000,000**	**5,000,000,000**	**5,000,000,000**	**500,000.00**

(b) Other equity

Particulars	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
Balance at April 1, 2018	**44,918.44**	**(282,048.06)**	**133,877.80**	**(103,251.82)**
Profit/ (Loss) for the year	-	(9,568.67)	-	(9,568.67)
Other comprehensive income for the year	-	2.60	(97,397.59)	(97,394.99)
Total comprehensive income for the year	-	**(9,566.07)**	**(97,397.59)**	**(106,963.66)**
Transfer to retained earnings from Capital Reserves	(1,628.84)	(1,628.84)	-	-
Balance at March 31, 2019	**43,289.60**	**(289,985.29)**	**36,480.21**	**(210,215.48)**
Profit/ (Loss) for the year	-	(30,173.59)	-	(30,173.59)
Other comprehensive income for the year	-	0.79	111,929.00	111,929.79
Total comprehensive income for the year	-	**(30,172.80)**	**111,929.00**	**81,756.20**
Transfer to retained earnings from capital Reserves	(3,410.21)	3,410.21	-	-
Balance at March 31, 2020	**39,879,39**	**(316,747.88)**	**148,409.21**	**(128,459.28)**

Nature and purpose of components of other equity

(a) Retained earnings

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

(b) Capital reserve

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

(c) Foreign currency translation reserve

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

For and on behalf of

P.G. Joshi & Co.
Chartered Accountants
FRN 104416W

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 2003819AAAAAU9775
Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In Charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Company Overview

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

1. **Statement of Significant Accounting Policies**

The Consolidated Financial Statements relate to BPRL, its Subsidiary Companies and interest in Joint Venture and Associates. The Company and its Subsidiaries are together referred to as "Group".

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

The Financial Statements of the Subsidiary Companies, Joint Venture Companies (JVCs) and the Associates used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of BPRL i.e. 31st March 2020, except for BPRL International Singapore Pte. Ltd., Taas India Pte. Ltd., Vankor India Pte. Ltd. and IBV Brasil Petroleo Ltda whose accounts are drawn for the year ended 31st December 2019, where there are no significant transactions or other events that have occurred between 1st January 2020 and 31st March 2020.The Consolidated Financial Statements have been prepared under the historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Group has adopted all the Ind AS and the adoption was carried out during Financial Year 2016-17 in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The functional currency of the Company and its Indian Subsidiary is Indian Rupees (₹), whereas the functional currency of foreign subsidiaries is USD ($). The presentation currency of the group is Indian Rupees (₹). All figures appearing in the consolidated financial statements are rounded to the nearest Lakhs (₹ Lakhs), except where otherwise indicated.

Authorisation of Consolidated Financial Statements: The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 26th May 2020.

1.1. Basis of Consolidation:

1.1.1. Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases. For the purpose of preparing these consolidated financial statements, the financial statements of subsidiaries have been adjusted wherever necessary to align them with the Accounting Policies adopted by the Company.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Company. Non-controlling interests ("NCI") which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Company's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.1.2. Joint Ventures and Associates

A joint venture is an arrangement in which the Corporation has joint control and has rights to the net assets of the arrangement, rather than the rights to its assets and obligation for its liabilities. An associate is an entity in which the Company has significant influence, but no control or joint control over the financial and operating policies.

Interest in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost which includes transaction cost. Subsequent to initial recognition the consolidated financial statements include the JVCs and associates share of profit or loss and Other Comprehensive Income ("OCI") of such entities until the date on which significant influence or joint control ceases.

For the purpose of preparing these consolidated financial statements, the financial statement of associates/joint ventures have been adjusted wherever necessary to align them with the Accounting Policies adopted by the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains/losses arising from transactions with such entities are eliminated against the investment to the extent of the Company's interest in the investee.

1.2. Use of Judgement and Estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information.

In Particular, the areas which require use of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as below:

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

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

1.3. Property, Plant and Equipment

1.3.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.3.2. The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

1.3.3. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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

1.3.5. Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Consolidated Statement of Profit and Loss on consumption.

1.3.6. An item of Property, Plant and Equipment or any significant part, initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

1.3.7. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in line with the revisions to the accounting estimates.

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

1.4. Depreciation

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

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

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

1.4.3. Workstations are depreciated over a period of 5 years. The useful lives are estimated based on the internal assessment.

1.4.4. Depreciation is charged on additions/deletions on pro-rata monthly basis including the month of addition/deletion.

1.5. Intangible Assets

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

1.5.2. Expenditure incurred above the threshold limit for creating/acquiring intangible assets other than hydrocarbon producing intangible assets from which future economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is lower, on a straight line basis, from the time the intangible asset starts providing the economic benefit. In other cases, the expenditure is reflected in the Consolidated Statement of Profit and Loss in the year in which the expenditure is incurred. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at each year end. The amortisation expense on an intangible asset with finite useful lives and impairment loss in case there is an indication that the intangible asset may be impaired, is recognised in the Consolidated Statement of Profit and Loss.

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

1.6. Oil and natural gas producing activities

1.6.1 The Group follows the accounting policy as explained below for its oil and natural gas exploration and production activities.

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

ii. All costs which are directly attributable to the exploration and evaluation activities of oil and gas are capitalised as Exploratory Wells-in-Progress under "intangible assets under development". General and administrative costs are included in the exploration and evaluation cost only to the extent that those costs can be directly attributable to the related exploration and evaluation assets. In all other cases, these costs are expensed as incurred.

iii. The Group classifies the acquisition costs, exploration and evaluation assets as tangible asset or intangible asset according to the nature of assets acquired.

iv. Once the technical feasibility and commercial viability of extracting oil and gas are determinable, exploration and evaluation assets are classified as Development Wells-in-Progress under "intangible assets under development". Exploration and evaluation asset is assessed for impairment, and impairment loss if any, is recognized, before such reclassification. Subsequent development costs including costs incurred for production facilities are capitalised as and when incurred as intangible assets under development or intangible assets as the case may be.

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

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

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

viii. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The Impairment test is performed in accordance with the procedures given in para 1.10 for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

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

1.7. Depletion

Depletion charge is calculated on the capitalised cost according to the Unit Of Production Method. The Depletion Charge or The Unit of Production (UOP) charge for all costs within a cost centre is calculated by multiplying the UOP rate with the production for the period. The UOP rate for computing depreciation charge for the acquisition cost within a field is arrived at by dividing the acquisition cost of the field by the Proved Oil and Gas Reserves and for all other capitalised costs, by dividing the depreciation base of the cost centre by the Proved Developed Oil and Gas Reserves. The depreciation base of a cost centre includes the gross block of the cost centre and estimated site restoration expenditure and is reduced by the accumulated depreciation and accumulated impairment charge of the cost centre. The estimates of proved reserves used are based on the latest technical assessment available with the Group.

1.8. Borrowing costs

1.8.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.8.2. Borrowing costs that are specifically attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are capitalised at the capitalisation rate in respect of qualifying assets and balance borrowing cost after capitalisation are charged to the Consolidated Statement of Profit and Loss.

1.8.3. Investment income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1.9. Leases

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.

1.9.1. 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 through 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 an operating expense. Lease of items such as IT Assets (tablets, personal computers, mobiles, POS machines etc.), small items of office furniture 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.

1.9.2. As a Lessor

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

1.9.2.1. Finance Lease

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.

1.9.2.2. Operating Lease

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

1.10. Impairment of Non-financial Assets

1.10.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or the Cash-Generating Unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

1.11. Inventories

1.11.1. Finished goods of Crude Oil are valued at Cost or Net realisable value, whichever is lower. Cost of finished goods is determined based on direct cost and directly attributable services cost including depreciation and depletion. The value of such inventories includes royalty (wherever applicable). Cost of inventories other than finished goods, includes expenditure incurred in the normal course of business in bringing inventories to their present location.

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

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

1.12. Revenue Recognition

1.12.1. Sale of goods and/or services

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

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

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

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

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

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

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

1.12.4. Dividend income is recognised when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.12.5. Income from the sale of scrap is accounted for on realisation.

1.13. Classification of Income/ Expenses

1.13.1. Income/expenditure (net) in aggregate pertaining to the prior year(s) above the threshold limit is corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.

1.13.2. Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

1.13.3. Deposits placed with Government agencies/ local authorities which are perpetual in nature are charged to revenue in the year of payment.

1.14. Employee Benefits

1.14.1. Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the related services are rendered.

1.14.2. Post-employment benefits

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

Defined Contribution Plans:

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

Defined Benefit Plans:

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

1.14.3. Other long-term employee benefits

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

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

1.15. Foreign Currency Transactions

1.15.1. Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31st March 2016) are recognized in Consolidated Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

The Group has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of the liability.

1.15.2. Non – Monetary items:

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

1.15.3. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at the closing rate at the date of that balance sheet.

Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

All resulting exchange differences are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.16. Provisions, Contingent Liabilities and Capital Commitments

1.16.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

1.16.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.16.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

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

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

1.17. Fair Value Measurement

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

1.17.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

1.17.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

1.17.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Consolidated Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.17.5. While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

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

1.17.8. The Group regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

1.18. Financial Assets

1.18.1. Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.18.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss .

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is:

- To hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

- Collecting contractual cash flows and selling financial assets
- Contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains & losses and impairment are recognised in the Consolidated Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

Debt instruments at Fair value through profit and loss (FVTPL)

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

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

1.18.3. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when.

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Consolidated Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit and loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit and loss on de-recognition.

1.18.4. Impairment of financial assets

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

In respect of financial assets measured at amortised cost, the loss allowance is measured at 12 months ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.19. Financial Liabilities

1.19.1. Initial recognition and measurement

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

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

1.19.2. Subsequent measurement

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

Financial Liabilities at fair value through profit and loss (FVTPL)

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

Financial Liabilities at amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

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

1.19.3. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

1.20. Financial guarantees

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

1.21. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.22. Taxes on Income

1.22.1. Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of the reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

1.22.2. Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.23. Joint operations

The Group has Joint arrangement in the nature of Production Sharing Contracts (PSC) with the Government of respective countries and/or various bodies corporate for exploration, development and production activities.

The income, expenditure, assets and liabilities of the Joint operations are merged on a line-by-line basis according to the participating interest with the similar items in the financial statements of the Group.

1.24. Earnings per share

1.24.1. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

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

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

1.26. Cash and Cash Equivalents

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

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

1.27. Cash Flows

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

1.28. Threshold Limit:

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

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.3.4	₹	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.3.5	₹ Lakhs	10
Depreciation at 100 percent in the year of acquisition	1.4.1	₹	5,000
Expenditure incurred for creating/acquiring other intangible assets in each case	1.5.2	₹ Lakhs	50
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.13.1	₹ Crores	150
Prepaid expenses in each case	1.13.2	₹ Lakhs	5
Disclosure of Contingent Liabilities and Capital Commitments in each case	1.16.6	₹ Lakhs	5

Notes forming part of Consolidated Financial Statements

Note 2 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020.

(₹ in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at April 1, 2019	187.67	52.38	39.52	279.57
Additions	-	3.40	3.62	7.02
Deletions	-	11.17	11.15	22.32
Cost as at March 31, 2020 (A)	187.67	44.61	31.99	264.27
Accumulated depreciation as at April 1, 2019	74.21	30.04	11.62	115.87
Depreciation	14.34	7.77	8.39	30.50
Deletions	-	9.13	9.32	18.45
Accumulated depreciation as at March 31, 2020 (B)	88.55	28.68	10.69	127.92
Net carrying amount as at March 31, 2020 (A) - (B)	99.12	15.93	21.30	136.35

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

(₹ in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at April 1, 2018	187.48	41.72	22.62	251.82
Additions	0.19	12.33	19.48	32.00
Deletions	-	1.86	2.39	4.25
Cost as at March 31, 2019 (A)	187.67	52.19	39.71	279.57
Accumulated depreciation as at 1 April 2018	59.67	25.19	7.23	92.29
Depreciation	14.34	6.37	6.72	27.43
Deletions	-	1.52	2.33	3.85
Accumulated depreciation as at March 31, 2019 (B)	74.21	30.04	11.62	115.87
Net carrying amount as at March 31, 2019 (A) - (B)	113.46	22.15	28.09	163.70

Notes forming part of Consolidated Financial Statements

Note 3a Right-of-Use Assets

Following are the changes in the carrying value of Right-of-Use Assets for the year ended March 31, 2020:

(₹ in Lakhs)

Description	Amount
Cost as at April 1, 2019	-
Additions	415.73
Deletions	-
Cost as at March 31, 2020 (A)	415.73
Accumulated Amortization as at April 1, 2019	-
Amortization	415.73
Deletions	-
Accumulated amortization as at March 31, 2020 (B)	415.73
Net carrying amount as at March 31, 2020 (A) - (B)	-

Note 3b Lease liabilities

Following are the changes in the carrying value of Lease liability for the year ended March 31, 2020:

(₹ in Lakhs)

Description	Amount
Cost as at April 1, 2019	-
Additions	415.73
Add : Interest of lease liabilities	19.27
Less : Payments / Reduction	**(435.00)**
Carrying value as at March 31, 2020 (A)	-

Notes forming part of Consolidated Financial Statements

Note 4 Other Intangible Assets

Following are the changes in the carrying value of other intangible assets for the year ended March 31, 2020

(₹ in Lakhs)

Description	Computer Software	Oil and Gas assets*	Total
Cost as at April 1, 2019	17.07	24,160.36	24,117.43
Additions	116.64	3,688.37	3,805.01
Cost as at March 31, 2020 (A)	133.71	27,848.73	27,982.44
Accumulated amortization as at April 1, 2019	17.07	13,221.93	13,239.00
Amortization	1.79	4,252.75	4,254.54
Accumulated amortization as at March 31, 2020 (B)	18.86	17,474.68	17,493.54
Net carrying amount as at March 31, 2020 (A) - (B)	114.85	10,374.05	10,488.90

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

(₹ in Lakhs)

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

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

Notes forming part of Consolidated Financial Statements

Note 5 Intangible Assets Under Development **(₹ in Lakhs)**

Description	As at 31 March 2020	As at 31 March 2019
Exploratory Wells-in-Progress:		
Acquisition Cost	3,359.01	2,984.13
Exploration Cost		
- Geological & Geophysical Cost	11,717.67	27,136.91
- Drilling Cost	52,303.77	543,012.53
- General & Administrative Cost	5,554.14	32,757.07
	72,934.59	**605,890.64**
Less: Provision for Exploratory Wells-in progress	(51,499.21)	(12,938.65)
Exploratory Wells-in-Progress (A)	**21,435.38**	**592,951.99**
Development Wells-in-Progress:		
- Opening balance	13,966.78	7,391.65
- Transferred from Exploratory Wells-in-Progress	542,730.82	4,415.41
- Expenditure during the year	194,156.77	2,159.72
	750,854.37	**13,966.78**
Less: Provision for Development Wells-in progress	(22,687.15)	(35.04)
Development Wells-in-Progress (B)	**728,167.22**	**13,931.74**
Total (A+B)	**749,602.60**	**606,883.73**

Borrowing cost capitalised

During the year ended March 31, 2020, the Group has capitalised interest cost of ₹ 30,153.06 Lakhs (March 31, 2019: ₹ 29,950.19 Lakhs) at a capitalisation rate of 8.72% for Indian blocks and 3.98% for foreign blocks (March 31, 2019: 8.63% for Indian blocks and 5.20% for foreign blocks)

Development wells in progress

In respect of CB-ONN-2010/11, the block entered into Development Phase in F.Y. 2019-20 subsequent to the approval of Field Development Plan (FDP) for for 7.67 km^2 by Management Committee in their meeting held on 10th February, 2020 and an application for Mining Licence was made to Government of Gujarat which is under consideration. Accordingly, the cost of ₹ 7,293.16 Lakhs incurred in respect of this block is shown under Development well-in-progress as on 31st March, 2020.

In respect of Mozambique Rovuma Basin, Final Investment decision was announced on 18th June, 2019 by the Area 1 Concessionaires for development of the initial 2-Train Golfinho Atum project. Accordingly, the cost of ₹ 727,642.37 Lakhs incurred in respect of this block is shown under Development well-in-progress as on 31st March, 2020.

In respect of CB-ONN-2010/8, the block entered into Development Phase in F.Y. 2018-19 subsequent to the approval of Field Development Plan (FDP) for km^2 of block area by Management Committee in their meeting held on 11th June 2018 and Mining Licence was granted by Government of Gujarat in the month of February 2019. Accordingly, the cost of ₹ 5,954.29 Lakhs (31st March 2019 :4,883.32 Lakhs) incurred in respect of this block is shown under Development well-in-progress as on March 31, 2020.

Impairment

The provision for impairment is ₹ 74,186.36 Lakhs as at March 31, 2020 (as at March 31, 2019 ₹ 12,973.69 Lakhs) in respect of Blocks CY-ONN/2004/02, CB-ONN-2010/11, CB-

Notes forming part of Consolidated Financial Statements

Note 5 Intangible Assets Under Development *(Contd.)*

ONN/2010/08,RJ/ONN/2005/1, MB/OSN/2010/02, MB/OSDSF/B127E/2016, MB/OSDSF/B15/2016, RJ/ONDSF/SADEWALA/2016 , RJ/ONDSF/BAKHRITIBBA/2016, Block 32 (Israel), JPDA 06-103 and Nunukan PSC, Tarakan Basin.

Out of the above an amount of ₹ 59,400.00 Lakhs (Previous year: ₹ 82.18 Lakhs) has been recognised in the statement of profit and loss in respect of the Company for FY 2019-20 towards impairment of six blocks i.e. CB-ONN-2010/11, CB-ONN-2010/8, CY/ONN/2004/2, Block 32 (Israel), Nunukan PSC (Indonesia) and JPDA 06-103.

Capital expenditure.

The Capital expenditure incurred by the Group in the blocks directly held by BPRL or held through its subsidiaries in India & overseas and forming part of the gross block/ Intangible assets under development of the consolidated financial statements during the year ended March 31, 2020 is ₹ 200,997.60 Lakhs (year ended March 31, 2019: ₹ 108,314.12 Lakhs).

Additionally the Group has in FY 2019-20, paid cash calls towards capital expenditure amounting to ₹ 67,479.30 Lakhs (FY 2018-19 ₹ 11,309.22 Lakhs) for blocks held by IBV in which the group holds 50 % stake, ₹ Nil Lakhs (FY 2018-19 ₹ 7,262.99 Lakhs) to Falcon Oil & Gas BV, holding Participating Interest (PI) in Lower Zakum Oil and Gas block in Abu Dhabi offshore in which the group holds 3% effective PI and ₹ 4,347.79 Lakhs (FY 2018-19 ₹ Nil Lakhs) to Urja Bharat Pte. Ltd., in which the group holds 50% equity stake. The accounts of these entities have been considered for consolidation in the financial statements of the Group by equity method and not directly forming part of the gross block / Intangible asset under development as on March 31, 2020.

Note 6 Equity accounted investees

Information of interest of the Group in its equity accounted investees:

(₹ in Lakhs)

	Note reference	**March 31, 2020**	**March 31, 2019**
Interest in Joint Ventures	See Note (A) below	1,420,106.22	1,120,683.78
Interest in Associates	See Note (B) below	221.72	203.45
	Total	**1,420,327,94**	**1,120,887.23**

[A] Interest in Joint Ventures

List of material Joint Ventures of the Group

Sr No	**Name**	**Country of Incorporation**	**Proportion of Ownership Interest**	
			March 31, 2020	**March 31, 2019**
1	IBV (Brasil) Petroleo Ltda.^	Brazil	50.00%	50.00%
2	TAAS India Pte. Ltd.	Singapore	33.00%	33.00%
3	Vankor India Pte. Ltd.	Singapore	33.00%	33.00%
4	Falcon Oil & Gas BV	Netherlands	30.00%	30.00%
5	Urja Bharat Pte. Ltd.#	Singapore	50.00%	50.00%

The principal place of business of all the entities listed above is the same as their respective country of incorporation.

IBV (Brasil) Petroleo Ltda. is principally engaged in the business of exploration of oil and gas.

^ Pursuant to exercise of its right to cure partners default in IBV Brasil Petroleo Ltda, BPRL Ventures BV has infused an amount of USD 53.98 Mn upto 31st March 2020 in IBV resulting in a temporary increase in its paid-up capital in IBV to 55.13%. Given the temporary nature of increase in paid-up capital, IBV has been consolidated as Joint Venture by BPRL Ventures BV as on 31st March 2020.

TAAS India Pte. Ltd. and Vankor India Pte. Ltd. are special purpose vehicles (SPVs) formed by BPRL, IOCL and OIL for holding equity stake of 29.9% and 23.9% respectively in TYNGD LLC and JSC Vankorneft. BPRL's wholly owned subsidiary BPRL International Singapore Pte. Ltd. (BISPL), Singapore holds 33% stake in each of these SPVs. The acquisition was completed on 5th October 2016.

BPRL as part of the Indian consortium comprising ONGC Videsh Limited (OVL) and IOCL has acquired 10% PI from SPC in Lower Zakum concession located in offshore Abu Dhabi. The 10% PI of the Indian consortium in Lower Zakum concession is held through Falcon Oil & Gas BV incorporated in the Netherlands. The Concession has become effective from 9th March 2018. BPRL's step down Wholly owned subsidiary, BPRL International Ventures BV holds 30% equity stake in Falcon Oil & Gas BV. BPRL International Singapore Pte Ltd. (BISPL) in consortium with IOCL Singapore Pte. Ltd. has incorporated Urja Bharat Pte Ltd. (UBPL), a joint venture company, on 12 February 2019 where BISPL holds 50% equity.

(₹ in Lakhs)

As at March 31, 2020*	**IBV (Brasil) Petroleo Ltda.**	**TAAS India Pte. Ltd.**	**Vankor India Pte. Ltd.**	**Falcon Oil & Gas BV**	**Urja Bharat Pte Ltd**
1) Non-current Assets	947,354.40	905,589.53	1,159,516.63	561,359.49	29,920.55
2) Current Assets					
Cash and cash equivalents	322.52	197,770.73	468,471.12	134,842.33	578.55
Other Assets	1,449.24	785.54	-	60,314.87	12.87
Total Current Assets	1,771.76	198,556.47	468,471.72	195,157.20	591.42
3) Non-current liabilities					
Financial liabilities (excluding trade and other payable)	393,030.16	-	-	-	-
Other liabilities	-	-	47.32	119,368.43	-
Total Non-current liabilities	393,030.16	-	47.32	119,368.43	-
4) Current liabilities					
Financial liabilities (excluding trade and other payable)	38,218.88	543.81	2,193.06	43,349.43	-
Other liabilities	4.67	36,603.36	1,455.64	39,725.68	21,881.71
Total current liabilities	38,223.55	31,147.17	3,648.70	83,075.11	21,881.71
Net Assets (100%)	**517,872.45**	**1,072,998.83**	**1,624,291.73**	**554,073.15**	**8,630.26**
Group's share of net assets	**258,936.23**	**354,089.61**	**536,016.27**	**166,221.95**	**4,315.13**
Consolidation adjustment	100,527.03	-	-	-	-
Carrying amount of interest in joint venture	**359,463.26**	**354,089.61**	**536,016.27**	**166,221.95**	**4,315.13**
Total					**1,420,106.22**
Revenue	-	-	-	715,149.54	-
Share of Profit in Equity Accounted Investees	-	150,905.39	131,266.46	-	-
Depreciation and amortization	-	2.58	55,79	31,537.18	-
Finance costs	-	2,291.04	5.25	1,349.48	-
Income tax expense	-	520.29	15,239.45	422,527.15	-
Profit/ (Loss) for the year (100%)	(5,242.26)	137,943.85	116,865.61	40,814.19	(64.62)
Other comprehensive income for the year (100%)	(1,459.29)	96,399.34	140,626.29	-	-
Total Comprehensive income for the year (100%)	(6,701.55)	234,343,19	257,491.90	40,814.19	(64.62)
Group's share of profit/ (Loss)	(2,621.13)	45,521.47	38,565.65	12,244,26	(32.31)
Dividends received by the Group	-	-	5,880.11	-	-

* For consolidation purpose, the group has considered financial results of IBV (Brasil) Petroleo Ltda., TAAS India Pte. Ltd., Vankor India Pte. Ltd. and Urja Bharat Pte. Ltd. as at December 31, 2019 based on audited financial statements and hence financial information presented in respect of these entities is as at December 31, 2019.

Notes forming part of Consolidated Financial Statements

Note 6 Equity accounted investees *(contd.)*

As at March 31, 2019**	**IBV (Brasil) Petroleo Ltda.##**	**TAAS India Pte. Ltd.**	**Vankor India Pte. Ltd.**	**Falcon Oil & Gas BV**
1) Non-current Assets	855,318.98	825,225.04	1,139,500.37	472,765.73
2) Current Assets				
Cash and cash equivalents	45.78	39,176.22	227,950.76	75,741.51
Other Assets	297.67	142.01	-	55,780.29
Total Current Assets	343.45	39,318.23	227,950.76	131,521.80
3) Non-current liabilities				
Financial liabilities (excluding trade and other payable)	382,072.56	45,552.92	-	-
Other liabilities	-	-	-	63,524.59
Total Non-current liabilities	382,072.56	45,552.92	-	63,524.59
4) Current liabilities				
Financial liabilities (excluding trade and other payable)	17,343.73	179.43	13,514.03	25,719.29
Other liabilities	1.78	-	751.49	45,705.28
Total current liabilities	17,345.51	179.43	14,265.52	71,425.57
Net Assets (100%)	**456,244.36**	**818,810.92**	**1,353,185.61**	**469,337.37**
Group's share of net assets	**228,122.18**	**270,207.60**	**446,551.25**	**140,801.21**
Consolidation adjustment	35,001.54	-	-	-
Carrying amount of interest in joint venture	**263,123.72**	**270,207.60**	**446,551.25**	**140,801.21**
Total				**1,120,683.78**
Revenue	-	-	-	678,430.79
Share of Profit in Equity Accounted Investees	-	54,942.95	157,734.86	-
Depreciation and amortization	6.60	-	-	22,719.93
Finance costs	-	2,421.27	-	-
Income tax expense	-	-	8,128.32	419,409.94
Profit for the year (100%)	(88,336.46)	(50,486.70)	149,405.15	41,564.34
Other comprehensive income for the year (100%)	(8,203.69)	(154,651.74)	(219,338.77)	-
Total Comprehensive income for the year	(96,540.15)	(104,165.04)	(69,933.61)	41,564.34
Provision for Group's Share in Relinquished Blocks	(3,877.18)	-	-	-
Group's share of profit	(44,168.23)	16,660.61	49,303.70	12,469.30
Dividends received by the Group	-	-	-	6,225.42

** For consolidation purpose, the group has considered financial results of IBV (Brasil) Petroleo Ltda., TAAS India Pte. Ltd. and Vankor India Pte. Ltd. as at December 31, 2018 based on audited financial statements and hence financial information presented in respect of these entities is as at December 31, 2018.

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

On completion of Minimum Work Programme Commitments and based on analysis of G&G data indicating limited prospectivity, as assessed by the Management, the group has relinquished the area under Poco-Verde appraisal plan in SEAL-M-497 & 569 Blocks in Brazil. Accordingly, a provision of ₹ 38,777 lakhs has been made in the consolidated financials for the Group's share of capitalised costs pertaining to above Blocks.

Notes forming part of Consolidated Financial Statements
Note 6 Equity accounted investees *(contd.)*

[B] Interest in Associates **(₹ in Lakhs)**

Particulars	Mozambique LNG 1 Co. Pte Ltd - 10%		Mozambique LNG 1 Hold Co. Pte Ltd - 10%	
	As at March 31,2020	As at March 31,2019	As at March 31, 2020	As at March 31,2019
Aggregate carrying amount in its interest in Associates	-	203.45	221.72	-
Share of Profit or loss from Associates	-	-	-	-
Share of Other Comprehensive Income from Associates	-	-	-	-
Share of Total Comprehensive Income from Associates	-	-	-	-

*Pursuant to share transfer form executed on 7th May, 2019 , shares held by BPRL Ventures Mozambique BV in Mozambique LNG1 Company Pte. Ltd. has been exchanged with equivalent shares in Mozambique LNG1 Holding Company Ltd.

(₹ in Lakhs)

Note 7 Loans	**As at 31 March 2020**	**As at 31 March 2019**
(Unsecured unless otherwise stated)		
Loan to Joint Ventures considered good		
Loan to IBV Brasil Petroleo Ltda.	1,90,092.79	180,337.38
Loan to TAAS India Pte Ltd.	-	14,866.60
Loan to Empress Nacional de Hidrocarbonetos(Mozambique)*	15,399.39	-
Security deposits		
Considered Good	14.77	12.93
Loan to employees (secured)**	22.55	6.65
	2,05,529.50	**1,95,223.56**

* The Mozambique Area 1 Concessionaires including ENH have entered into ENH Funding Agreement pursuant to which Concessionaires (excluding ENH) have agreed to fund the ENH's share of development costs in respect of the 2-Train Golfinho-Atum project with effect from FID, in proportion to their respective PI.

ENH Loan is subject to interest at the rate of 9% p.a.compunded annually from the date the applicable costs are paid until 1 year following the completion date. After 1 year from completion date the interest will be charged at the rate 13% p.a. compunded annually. The repayment for the ENH Loan will start once full repayment of EPC carry, including interest, is made. Post which ENH Loan amounts, including interest, shall be repaid from 80% of ENH Revenue.

** Dues from Directors is ₹ 17.30 Lakhs (March 31, 2019: ₹ Nil) and Dues from Officer is ₹ 5.24 Lakhs (March 31, 2019: ₹ 6.65 Lakhs). It is a financial asset whose carrying value approximates fair value.

Note 8 Other non-current financial assets	**As at March 31, 2020**	**As at March 31, 2019**
Claims - Considered good		
Service Tax/ GST on Royalty/Others	815.40	582.24
Fixed deposits with banks with more than twelve months maturity*	1,079.00	3,358.98
Investment in subsidiary #	-	1,377.04
	1,894.40	**5,318.26**

* It includes margin money with bank towards bank guarantee given to government authorities in respect of Oil & Gas blocks of ₹ 1,034.60 Lakhs (March 31, 2019 ₹ 3,247.45 Lakhs), deposits pledged with government authorities Rs.16 Lakhs (March 31, 2019: ₹ 16 Lakhs) and accrued interest thereon (net of TDS) of ₹ 28.40 lakhs (March 31, 2019: ₹ 95.53 Lakhs).

It represents investments made after the end of the financial period of subsidiary. The amount is remaining unadjusted due to different financial periods followed by the parent and subsidiary.

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Note 9 Inventories *	**As at 31 March 2020**	**As at 31 March 2019**
Finished Goods**	103.57	116.76
Stores & Spares	72.17	60.78
	175.74	**177.54**

* (Refer Note No. 1.11)

** Group's share of inventory quantity is based on the certified statement provided by ONGC (operator of the block CY-ONN-2002/02)

(₹ in Lakhs)

Note 10 Trade Receivables	**As at 31 March 2020**	**As at 31 March 2019**
Considered Good - Unsecured	199.76	854.78
	199.76	**854.78**

(₹ in Lakhs)

Note 11 Cash and cash equivalents	**As at 31 March 2020**	**As at 31 March 2019**
Balances with Banks:		
On Current Account	22,689.37	13,538.09
Demand deposits with Banks with original maturity of less than three months	21,034.61	4,551.76
	43,723.98	**18,089.85**

(₹ in Lakhs)

Note 12 Other Bank balances	**As at 31 March 2020**	**As at 31 March 2019**
Fixed deposits with banks maturing in next twelve months*	10,671.76	12,747.05
	10,671.76	**12,747.05**

* It includes bid bonds with government authorities in respect of bidding of DSF blocks of ₹ 11.96 Lakhs (March 31, 2019: ₹ 31.26 Lakhs), margin money with bank against bank guarantee given to government authorities towards bidding/ MWP in respect of Oil & Gas blocks of ₹ 4,473.53 Lakhs (March 31, 2019: ₹ 2,139.02 Lakhs) and accrued interest thereon (net of TDS) of ₹ 95.61 lakhs (March 31, 2019: ₹ 75.65 Lakhs).

(₹ in Lakhs)

Note 13 Loans	**As at 31 March 2020**	**As at 31 March 2019**
Loan to Joint Venture considered good		
Loan to Vankor India Pte Ltd.	-	4,321.62
Loan to Taas India Pte. Ltd.	9,412.27	-
Loan to employees (secured)*	9.74	5.01
Security deposits		
Considered good	14.06	4.57
	9,436.07	**4,331.20**

* Dues from Directors is ₹ 8.34 Lakhs (31st March 2019: ₹ 3.61 Lakhs) and Dues from Officers is ₹ 1.40 Lakhs (31st March 2019: ₹ 1.40 Lakhs)

(₹ in Lakhs)

Note 14 Other current financial assets	**As at 31 March 2020**	**As at 31 March 2019**
Receivable from consortium partners	4,293.41	2,497.49
Less: Provision	(3,588.12)	(1,069.60)
Other receivables	184.05	210.83
	889.34	**1,638.72**

Notes forming part of the Financial Statement

(₹ in Lakhs)

Note 15 Current Tax assets (net)	As at 31 March 2020	As at 31 March 2019
TDS Receivable	40.67	22.02
Income Tax Refund receivable	64.36	42.61
	105.03	**64.63**

(₹ in Lakhs)

Note 16 Other current assets	As at 31 March 2020	As at 31 March 2019
Prepaid Expense	141.75	137.96
Cenvat/GST Credit	533.71	1,233.99
Advance paid to operators	2,957.17	1,579.76
	3,632.63	**2,951.71**

(₹ in Lakhs)

Note 17 Equity Share Capital	As at 31 March 2020	As at 31 March 2019
Authorised		
15,000,000,000 (March 31, 2019: 5,000,000,000) equity shares	15,00,000.00	5,00,000.00
Issued, subscribed and paid-up		
5,000,000,000 (March 31, 2019: 5,000,000,000) equity shares fully paid-up	5,00,000.00	5,00,000.00
Total	**5,00,000.00**	**5,00,000.00**

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

Reconciliation of No. of Equity Shares

	As at 31 March 2020	As at 31 March 2019
A. Opening Balance	5,00,00,000.00	4,44,80,02,670
B. Shares Issued	-	55,19,97,330
C. Closing Balance	5,00,00,000.00	5,00,00,000.00

Details of shareholders holding more than 5% shares

Name of shareholder	As at 31 March 2020	As at 31 March 2019
	No. of shares	**No. of shares**
Bharat Petroleum Corporation Ltd	4,99,99,99,940	4,99,99,99,940
Percentage of holding	100% #	100% #

60 shares held by others

Notes forming part of the Financial Statement

(₹ in Lakhs)

Note 18 Other Equity	As at 31 March 2020	As at 31 March 2019
(a) Retained earnings		
Opening balance	(2,89,985.29)	(2,82,048.06)
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	(30,173.59)	(9,568.67)
Add : Remeasurements of Defined Benefit Plans (net of tax)	0.79	2.60
Add/ (Less) : Transfer from equity component of loan	3,410.21	1,628.84
Closing balance	**(3,16,879.88)**	**(289,985.29)**
(b) Capital reserve		
Opening balance	43,289.60	44,918.44
Add/ (Less): Transfer made during the year to retained earnings	(3,410.21)	(1,628.84)
Closing balance	**39,879.39**	**43,289.60**
(c) Foreign currency translation reserve		
Opening balance	36,480.21	133,877.80
Add/ (Less) : Effect of foreign exchange rate variations during the year	1,11,929.00	(97,397.59)
Closing balance	**1,48,409.21**	**36,480.21**
Total Other Equity	**(1,28,459.28)**	**(210,215.48)**

Nature and purpose of reserves

(a) Retained earnings

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

(b) Capital reserve

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

(c) Foreign currency translation reserve

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

(₹ in Lakhs)

Note 19 Borrowings	As at 31 March 2020	As at 31 March 2019
Unsecured		
Term Loan from Parent Company	2,56,240.47	68,849.03
Term Loans from banks	13,29,389.70	650,872.82
Bonds #	4,26,816.16	417,828.18
	20,12,446.33	**1,137,550.03**

Notes forming part of the Financial Statement

Unsecured:	₹ in Lakhs	Rate of Interest
Loan from Parent Company	30,000.00	Interest free
Loan from Parent Company	35,000.00	Interest free
Loan from Parent Company*	2,30,000.00	SBI MCLR + 0.20%

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

Unsecured:	₹ in Lakhs **	Maturity in F.Y.	Rate of Interest
Bonds	4,27,644.00	2026-27	4.375%
Term Loan from Banks	1,69,618.28	2021-22	3M LIBOR+ Margin
Term Loan from Banks	7,09,998.20	2022-23	3M LIBOR+ Margin
Term Loan from Banks	1,69,618.28	2023-24	3M LIBOR+ Margin
Term Loan from Banks	2,22,388.41	2024-25	3M LIBOR+ Margin
Term Loan from Banks	75,385.90	2025-26	3M LIBOR+ Margin

** These figures represent gross amount to be repaid on maturity in respect of Borrowings.

#On January 18, 2017, BPRL International Singapore Pte. Ltd issued bonds for a tenure of 10 years which is listed on the Singapore Stock Exchange. The bonds are guaranteed by the parent company, BPCL.

The term loans amounting ₹ 106,321.67 Lakhs are backed by Guarantee from parent company, BPCL.

(₹ in Lakhs)

Note 20 Provisions	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits	74.95	69.42
Provision for abandonment	932.12	1,902.76
	1,007.07	**1,972.18**

(₹ in Lakhs)

Note 21 Trade Payables	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises* (A)	110.74	28.86
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Due to Parent Company	424.23	436.14
- Others	1,284.74	1,045.55
(B)	1708.97	1,481.69
	1,819.71	**1,510.55**

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

(₹ in Lakhs)

Note 22 Borrowings	As at 31 March 2020	As at 31 March 2019
Unsecured		
From Bank	-	501,491.93
	-	**501,491.93**

Notes forming part of the Financial Statement

Unsecured	₹ in Lakhs	Repayment date	Rate of Interest
Loan from Banks	2,24,806.73	September 23, 2019	3 Month Libor + margin.
Loan from Banks	2,76,685.20	October 15, 2019	3 Month Libor + margin.

(₹ in Lakhs)

Note 23 Current - Other financial liabilities	As at 31 March 2020	As at 31 March 2019
Due to Operators	25,104.96	8,318.77
Interest accrued but not due on borrowings	22,012.49	16,986.10
Security/Earnest Money deposits	182.17	96.19
Employee benefit obligation	502.99	394.10
Other Payables	8.85	-
	47,811.46	**25,795.16**

(₹ in Lakhs)

Note 24 Other current liabilities	As at 31 March 2020	As at 31 March 2019
Statutory Dues Payable	163.71	253.74
	163.71	**253.74**

(₹ in Lakhs)

Note 25 Provisions	As at 31 March 2020	As at 31 March 2019
Current		
Provision for Liquidated Damages	11,194.54	10,271.70
Provision for abandonment	436.16	321.22
Provision for employee benefits	2.82	44.61
	11,633.52	**10,637.53**

Movements in provisions - includes Non current and current	Liquidated Damages	Abandonment	Total
1 April, 2018	9,853.95	2,093.26	11,947.21
Provisions made during the year	-	165.89	165.89
Provisions utilised/ reversed during the year	(191.78)	(5.00)	(196.78)
Foreign exchange fluctuation	609.53	(30.17)	579.36
Balance as at 31 March 2019	10,271.70	2,223.98	12,495.68
Movements in provisions - includes Non current and current	**Liquidated Damages**	**Abandonment**	**Total**
1 April, 2019	10,271.70	2,223.98	12,495.68
Provisions made during the year	-	302.14	302.14
Provisions utilised/ reversed during the year	-	(1,195.47)	(1,195.47)
Foreign exchange fluctuation	922.84	37.63	960.47
Balance as at 31 March, 2020	11,194.54	1,368.28	12,562.82

Notes forming part of the Financial Statement

Liquidated Damages

In respect of blocks held in India, as per the Production Sharing Contracts (PSC) signed by the Group with the Government of India (GoI), the Group is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case the Group does not complete MWP or surrender the block without completing the MWP, an amount as agreed in PSC is required to be paid to the GoI for incomplete portion of the MWP. Accordingly, Group has provided ₹ 11,194.54 Lakhs towards liquidated damages as on 31st March, 2020 (31st March, 2019 ₹ 10,271.70 Lakhs) in respect to various blocks. A provision of ₹ Nil has been made in FY 2019-20 (FY 2018-19: Nil)

Abandonment

The Group has Participating Interest in various oil and gas blocks along with other consortium partners. The Group provides for its obligation for removal and restoration that arise as a consequence of having undertaken the exploration for and evaluation of mineral resources. The Group has made a provision of ₹ 1,368.28 Lakhs as on 31st March, 2020 (31st March, 2019 ₹ 2,223.98 Lakhs) in respect of Group's share of the abandonment obligation.

(₹ in Lakhs)

Note 26 Current tax liabilities (net)	**As at 31 March 2020**	**As at 31 March 2019**
Provision for taxation	4.88	3.23
	4.88	**3.23**

(₹ in Lakhs)

Note 27 Revenue from Operations	**For the year 2019-20**	**For the year 2018-19**
Sales of products	10,646.60	13,054.93
	10,646.60	**13,054.93**

Note 27(a) Quantitative Details of Revenue		**For the year 2019-20**	**For the year 2018-19**
Product			
Crude Oil*	Unit (in MT)	34,488.99	36,534.86
	Value (₹ In Lakhs)	10,646.60	13,054.93

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

(₹ in Lakhs)

Note 28 Other Income	**For the year 2019-20**	**For the year 2018-19**
Financial assets at FVTPL - net change in fair value	-	3,892.39
Interest Income on instruments measured at amortised cost	1,863.28	779.99
Interest earned in current accounts	346.11	112.34
Miscellaneous Income	252.77	223.38
	2,462.16	**5,008.10**

(₹ in Lakhs)

Note 29 Production expenditure	**For the year 2019-20**	**For the year 2018-19**
Operating expenditure	887.60	1,134.24
Royalty	1,176.57	1,513.24
	2,064.17	**2,647.48**

Notes forming part of the Financial Statement

(₹ in Lakhs)

Note 30 Changes in Inventories of Finished Goods	For the year 2019-20	For the year 2018-19
Value of Opening Stock of:		
Finished Goods	116.76	93.46
Less: Value of Closing Stock of:		
Finished Goods	103.57	116.76
	13.19	**(23.30)**

(₹ in Lakhs)

Note 31 Employee Benefits Expense	For the year 2019-20	For the year 2018-19
Salaries and wages	1,129.47	1,163.58
Payment towards PF and other Funds	220.36	228.36
Welfare expenses	222.57	203.42
	1,572.40	**1,595.36**

(₹ in Lakhs)

Note 32 Finance Cost	For the year 2019-20	For the year 2018-19
Interest Expense	53,720.89	46,685.58
Other Finance Costs	4,021.07	2,901.27
	57,741.96	**49,586.85**

Notes forming part of the Financial Statement

(₹ in Lakhs)

Note 33 Other Expenses	**For the year 2019-20**	**For the year 2018-19**
Irrecoverable Taxes	687.05	697.57
Financial assets at FVTPL - net change in fair value	6,912.53	-
Provision for bad and doubtful loans & advances	1,443.40	1,069.60
Impairment for Intangible assets under development	59,400.00	82.18
Repairs and maintenance :		
Machinery	1.97	2.19
Others	174.48	197.64
Insurance	3.96	1.28
Rent Rates and taxes	15.02	479.37
Legal and Professional Fees	1,075.70	1,117.75
Liquidated Damages	-	164.20
Share in Exploration Expenditure	-	-
Travelling and Conveyance	400.00	420.44
Advertisement	22.62	14.06
Bank Charges	65.49	71.30
Printing & Stationery	7.56	18.51
Software Expenses	101.37	75.78
Postage, Telephone etc.	17.17	16.05
Electricity Charges	-	1.63
Security Expenses	7.27	6.63
Payment to Auditors		
For Audit Fees	176.22	70.19
For Certification	3.70	2.15
Foreign Exchange fluctuations (net)	895.70	457.95
Loss on disposal / sale of asset	2.94	0.05
Bidding Data Purchase Expenses	226.89	172.58
Other Expenses	106.84	49.82
	71,747.88	**5,188.92**

Note 34 Tax Expense/ Deferred Tax reconciliation

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

	For the year ended	
	31 March 2020	**31 March 2019**
Current tax expense		
Current period	4.83	6.09
Deferred tax expense / (benefit)		
Origination and reversal of temporary differences	(884.92)	(407.28)
Tax expense / (benefit) recognised in the income statement	**(880.09)**	**(401.19)**

Notes forming part of the Financial Statement

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Items that will be reclassified to profit or loss						
(a) Exchange differences on translation of foreign operations	34,853.56	-	34,853.56	30,391.77	-	30,391.77
(b) Share of Other comprehensive income of equity accounted investee	77,075.44	-	77,075.44	(127,789.36)	-	(127,789.36)
	1,11,929.00	**-**	**1,11,929.00**	**(97,397.59)**	**-**	**(97,397.59)**

(c) Reconciliation of effective tax rate **(₹ in Lakhs)**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/(loss) before Tax	(31,053.68)	(9,969.86)
Tax using the Company's domestic tax rate (Current year and Previous Year 26.00%)	(8,073.96)	(2,592.17)
Tax effect of:		
Differences in the tax rate of foreign jurisdictions*	(2,450.97)	(902.96)
Tax losses for which no deferred income tax was recognised	20,350.77	5,161.20
Expenses not deductible for tax purposes	12,223.21	3,339.25
Deductible expenses on which no deferred income tax is recognised	6,371.60	518.67
Changes in Deferred Tax rate	-	-
Effect of result of equity-accounted investee presented net of tax	(16,213.94)	(4,902.30)
Income not chargeable to tax	(13,086.80)	(1,040.36)
Others	-	17.48
Tax expense as per Statement of Profit & Loss	**(880.09)**	**(401.19)**

* BPRL International BV, Netherlands and BPRL International Singapore Pte Ltd., subsidiaries operates in a tax jurisdiction with different tax rates.

(d) Movement in deferred tax balances **(₹ in Lakhs)**

31 March 2020	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Liability					
Borrowings	(10,699.25)	621.77	-	-	(10,077.48)
Intangible asset under development	(522.81)	255.22	-	-	(267.59)
Property Plant & Equipment	(16.23)	3.87	-	-	(12.36)
Oil & Gas Assets	(33.23)	9.66	-	-	(23.57)
Other Intangible assets	-	(5.60)	-	-	(5.60)
	(11,271.52)	**884.92**	**-**	**-**	**(10,386.60)**

Notes forming part of the Financial Statement

(d) Movement in deferred tax balances *(contd)*

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

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In respect of deductible temporary differences of ₹ 42,508.46 lakhs deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can use the benefits there from.

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

Tax losses carried forward

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

(₹ in Lakhs)

	March 31, 2020		March 31, 2019	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	-	2019-20	17,185.30	2019-20
Business loss	64,571.47	2020-21	64,571.47	2020-21
Business loss	6,888.97	2021-22	6,888.97	2021-22
Business loss	2,979.04	2022-23	2,979.04	2022-23
Business loss	3,834.13	2023-24	3,834.13	2023-24
Business loss	13,277.30	2024-25	13,277.30	2024-25
Business loss	16,669.25	2025-26	16,669.25	2025-26
Business loss	3,549.01	2026-27	981.95	2026-27
Business loss	10,508.07	2027-28		
Unabsorbed depreciation	753.01	No expiry date	753.01	No expiry date

Note 1 : The figures of previous year losses have been adjusted for change in Foreign Exchange rate wherever applicable.

Note 2 : Previous year figures have been restated as per tax returns filed during the year, wherever applicable.

Notes forming part of Consolidated Financial Statements

Note 35 Earnings per share (EPS)

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

i. Profit attributable to Equity holders of parent **(₹ in Lakhs)**

Particulars	31 March 2020	31 March 2019
Profit / (loss) attributable to equity holders of the parent	**(30,173.59)**	**(9,568.67)**

ii. Weighted average number of ordinary shares

Particulars	31 March 2020	31 March 2019
Issued ordinary shares at the beginning of the year	5,00,00,00,000	4,448,002,670
Shares issued and allotted during the year	-	551,997,330
Weighted Average Number of shares issued during the year	-	34,783,393
Weighted average number of shares	**5,00,00,00,000**	**4,482,786,063**
Basic and Diluted earnings per share (`)	**(0.60)**	**(0.21)**

Note 36 : Disclosures as pr Ind AS 116 Leases

A. Leases as a Lessee

a) The following is the detailed breakup of Right-of-use assets (by class of underlying assets) included in Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block					Depreciation				Net Carrying Amount	
	As at 01-04-19	Ind AS 116 Transition Impact	Additions	Reclassifications / Deductions On Account Of Conclusion	**As at 31-03-20**	Up to 31-03-19	For the Year	Reclassifications / Deductions On Account Of Conclusion	**Up to 31-03-20**	**As at 31-03-20**	**As at 31-03-19**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**
1 Land	-			-	-	-		-	-	-	-
2 Buildings including Roads	-			-	-	-		-	-	-	-
3 Plant and Equipments	-			-	-	-		-	-	-	-
4 Tanks and Pipelines	-			-	-	-		-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-	

b. The following expenses have been charged to Statement of Profit and Loss during FY 19-20

(₹ in Lakhs)

Interest on Lease Liabilities	19.27
Expenses relating to short term leases	67.04
Expenses relating to leases of low value items	-
Expenses relating to variable lease payments (not included in measurement of lease liabilities)	-

c. Total Cash outflow for leases during FY 19-20 is 415.73 Lakhs

d. Income from Sub leasing of Right-of-use assets recognised in statement of profit and loss during FY 19-20 is Nil

e. Application of this standard has resulted in an impact of Rs.Nil Lakhs on profit before tax of FY 2019-20

f. Maturity Analysis of Lease Liabilities as per Ind AS 116 Leases

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

As at 31/03/20	Contractual Cash Flows				
	Upto 1 year	1-3 years	3-5 years	More then 5 years	Total
Cash outflows*					

* As lease term of all the leases have expired on 31st March, 2020. the Company does not have any contractual cash flows towards payment of lease liabilities as 31st March, 20

TRANSITION IMPACT

Reconciliation between Operating lease commitments pertaining to non cancellable leases disclosed as per Ind AS 17 Leases for FY 18-19 discounted using incremental borrowing rate at the date of transition and Lease Liabilities recognized in books of accounts shall be on account of short term leases, leases of low value assets, estimated growth rate of CPI/WPI considered while disclosing minimum lease payments of certain leases in FY 18-19.

(₹ in Lakhs)

a	Operating lease commitments pertaining to non cancellable leases	502.04
	(As per Ind AS 17 as at 31st March 2019)	-
b	Short term leases (as per Ind AS 116)	(67.04)
c	Low value items (as per Ind AS 116)	-
d	Variable Lease payments (as per Ind AS 116)	-
e	Other adjustments	-
f	Discounting impact	(19.27)
g	Lease Liability as on 1st April 2019	415.73

Note 37 Employee benefits

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

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

(₹ in Lakhs)

Sr No	Particulars	For the year 2019-20	For the year 2018-19
1	Provident Fund	94.89	88.87
2	Gratuity	38.89	35.94
3	Leave encashment	75.13	63.25
4	Super Annuation (NPS)	93.04	87.19
	Total	**301.95**	**275.25**

(B) Defined Contribution Plan

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

(C) Defined Benefit Plan

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

Charge to the Statement of Profit and Loss in respect of above: (Rs. in Lakhs)

(₹ in Lakhs)

Sr No.	Particulars	For the year 2019-20	For the year 2018-19
1	Provident Fund	14.36	10.20
2	Superannuation (including gratuity)	21.45	15.25
	Total	**35.81**	**25.45**

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

Movement in net defined benefit (Asset)/ Liability

(₹ in Lakhs)

	Particulars	Gratuity - Unfunded	
		2019-20	**2018-19**
a)	**Reconciliation of balances of Defined Benefit Obligations**		
	Defined Benefit Obligation at the beginning of the Period	41.72	21.49
	Interest Cost	3.21	1.62
	Current Service Cost	2.23	1.21
	Past Service Cost	-	-
	Liability Transferred In/ Acquisitions	-	20.00
	Benefit paid directly by employer	(20.00)	-
	Actuarial (Gains)/ Losses on obligation		
	- Changes in financial Assumptions	1.09	(0.15)
	- Experience adjustments	(1.88)	(2.45)
	Defined Benefit Obligation at the end of the Period	**26.37**	**41.72**
b)	**Amount recognised in Balance sheet**	**26.37**	**41.72**
c)	**Amount recognised in Statement of Profit and Loss**		
	Current Service Cost	2.23	1.21
	Interest Cost	3.21	1.62
	Past Service Cost	-	-
	Expenses for the year	**5.44**	**2.83**
d)	**Amount recognised in Other Comprehensive Income**		
	Remeasurements:		
	Actuarial (Gains)/ Losses		
	- Changes in financial Assumptions	1.09	(0.15)
	- Experience adjustments	(1.88)	(2.45)
	Total	**(0.79)**	**(2.60)**

Particulars	Gratuity - Unfunded	
	2019-20	2018-19
e) Major Actuarial Assumptions		
Rate of Discounting	6.83%	7.59%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate during Employment	Indian Assured Lives Mortality (2006-08)	
f) Sensitivity Analysis		
Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/ decrease of 1% is as below:		
Projected Benefit Obligation on Current Assumptions	26.37	41.72
Delta Effect of +1% Change in Rate of Discounting	(1.25)	(1.03)
Delta Effect of -1% Change in Rate of Discounting	1.46	1.18
Delta Effect of +1% Change in Rate of Salary Increase	0.46	0.27
Delta Effect of -1% Change in Rate of Salary Increase	(0.45)	(0.46)
Delta Effect of +1% Change in Rate of Employee Turnover	0.07	0.05
Delta Effect of -1% Change in Rate of Employee Turnover	(0.10)	(0.06
g) Maturity Analysis of the Benefit Payments		
Projected Benefits payable in future years from date of reporting are as follows:		
1st following year	0.73	
2nd following year	0.81	
3rd following year	19.03	
4th following year	0.24	
5th following year	0.27	
Years 6 to 10	5.28	
Sum of 11 years and above	18.05	

(C) Other long-term employee benefits:

The charge towards leave encashment for the year ended 31 March 2020 is ₹ 4.02 Lakhs (31 March 2019: ₹ 10.27 Lakhs).

Notes forming part of the Financial Statement

Note 38 Financial instruments – Fair values and risk management

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

(₹ in Lakhs)

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	43,723.98	43,723.98	-	-	-	-
Other Bank Balances	-	-	10,671.76	10,671.76	-	-	-	-
Loan to joint venture*	190,092.79	-	9,412.27	199,505.06	-	9,412.27	190,092.79	199,505.06
Loan to joint venture	-	-	15,399.39	15,399.39	-	-	-	-
Security deposit	-	-	28.83	28.83	-	-	-	-
Trade Receivables	-	-	199.76	199.76	-	-	-	-
Loans to employees	-	-	32.29	32.29	-	-	-	-
Other non current financial asset	-	-	1,894.40	1,894.40	-	-	-	-
Other current financial asset	-	-	889.34	889.34	-	-	-	-
	190,092.79	**-**	**82,252.02**	**272,344.81**		**9,412.27**	**190,092.79**	**199,505.06**
Financial liabilities								
Bonds	-	-	426,816.16	426,816.16	374,396.58	-	-	374,396.58
Term loans - Unsecured	-	-	1,585,630.17	1,585,630.17	-	1,589,011.80	-	1,589,011.80
Trade Payables	-	-	1,819.71	1,819.71	-	-	-	-
Short Term Borrowings	-	-	-	-	-	-	-	-
Other current liabilities	-	-	47,811.46	47,811.46	-	-	-	-
	-	**-**	**2,062,077.50**	**2,062,077.50**	**374,396.58**	**1,589,011.80**	**-**	**1,963,408.38**

(₹ in Lakhs)

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	18,089.85	18,089.85	-	-	-	-
Other Bank Balances	-	-	12,747.05	12,747.05	-	-	-	-
Loan to joint venture*	180,337.38	-	14,866.60	195,203.98	-	14,866.60	180,337.38	195,203.98
Loan to joint venture	-	-	4,321.62	4,321.62	-	-	-	-
Security deposit	-	-	17.50	17.50	-	-	-	-
Trade Receivables	-	-	854.78	854.78	-	-	-	-
Loans to employees	-	-	11.66	11.66	-	-	-	-
Other non current financial asset	-	-	5,318.26	5,318.26	-	-	-	-
Other current financial asset	-	-	1,638.72	1,638.72	-	-	-	-
	180,337.38	**-**	**57,866.04**	**238,203.42**	**-**	**14,866.60**	**180,337.38**	**195,203.98**
Financial liabilities								
Term loans - Secured	-	-	417,828.18	417,828.18	419,385.59	-	-	419,385.59
Term loans - Unsecured	-	-	719,721.85	719,721.85	-	721,988.63	-	721,988.63
Short Term Borrowings	-	-	501,491.93	501,491.93	-	501,491.93	-	501,491.93
Trade Payables	-	-	1,510.55	1,510.55	-	-	-	-
Other current liabilities	-	-	25,795.16	25,795.16	-	-	-	-
	-	**-**	**1,666,347.67**	**1,666,347.67**	**419,385.59**	**1,223,480.56**	**-**	**1,642,866.15**

* BPRL Ventures BV, subsidiary of BPRL has given loan to its joint venture company i.e. IBV (Brasil) Petroleo Ltda (IBV) at interest rate LIBOR + 4% for the tenure of 50 years.

Notes forming part of the Financial Statement

Note 38 Financial instruments – Fair values and risk management *(Contd.)*

Principal amount of the loan can be converted into IBV equity shares anytime at the option of BPRL. Conversion ratio of equity share is amount outstanding divide by USD 1 and then convert into Brazilian reais. Face value of the equity shares of IBV (Brasil) Petroleo Ltda. is 1 Brazilian real.

Interest is payable in the next year in which IBV makes profit and Interest is payable only for that year not for prior period years.

As it does not meet the definition of amortised cost and nor it is an equity instrument due to its conversion option. The Group has fair valued the loan and classified it as FVTPL. The gain / loss on fair valuation is transferred to Statement of Profit and Loss (refer note 28 and 33).

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Loan to joint venture	Binomial model: The share price is simulated using a Binomial model from the valuation date to the maturity of the loan. As the number of shares is dependent on USDBRL exchange rate, the same was simulated using a GARCH model.	Share price (31 March 2020: 1.09) Credit spread (31 March 2020: 2.50%)	Not applicable
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Paticulars	Loan to joint venture
Opening Balance (1 April 2018)	165,371.83
Add : Gains due to fair faluation	3,892.39
Less : FCTR	(270.78)
Add : Effect of foreign exchange fluctuations	11,343.94
Closing Balance (31 March 2019)	**180,337.38**
Opening Balance (1 April 2019)	180,337.38
Less : Losses due to fair valuation	(6,912.53)
Less : FCTR	(413.38)
Add : Effect of foreign exchange fluctuations	17,081.32
Closing Balance (31 March 2020)	**190,092.79**

Notes forming part of the Financial Statement

Note 38 Financial instruments – Fair values and risk management *(Contd.)*

Sensitivity analysis

For the fair values of loan to joint venture, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

(₹ in Lakhs)

Significant unobservable inputs	31 March 2020 Profit or loss		31 March 2019 Profit or loss	
	Increase	Decrease	Increase	Decrease
Credit spread (10% movement)	(1,775.40)	1,792.14	(2,131.59)	2,157.08
Share price (10% movement)	30,387.98	(30,387.98)	26,247.30	(26,247.30)

C. Financial risk management

i. Risk management framework

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

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

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

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

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

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and bank deposits kept with banks and receivables from joint operators. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counter party.The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.The Group does not have significant credit risk on account of receivables from customers.

Cash and bank deposit

The Group held cash and bank balance with banks with good credit ratings.

Other Bank balance - Fixed Deposits with Bank

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

Other receivables

The credit worthiness of receivables from others is evaluated by the management on an ongoing basis and is considered to be good.The Group does not have financial assets that are past due but not impaired.

Notes forming part of Consolidated Financial Statements

Note 38 Financial instruments – Fair values and risk management *(Contd.)*

iii. Liquidity risk

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

The Group has access to funds from banks for long term borrowings, bonds issued in capital market and loan from holding Company. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk

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

(₹ in Lakhs)

March 31, 2020	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long term loan from bank	1,329,389.70	1,469,967.73	39,786.16	942,998.40	410,729.13	76,454.02
Term loan from parent company	256,240.47	423,597.10	19,780.00	39,560.00	39,560.00	324,697.10
Bonds	426,816.16	554,868.09	18,709.43	37,418.85	37,418.85	461,320.97
Short term loan from banks	-	-	-	-	-	-
Trade Payables	1,819.71	1,819.71	1,819.71	-	-	-
Other financial liabilities	47,811.46	47,811.46	47,811.46	-	-	-

(₹ in Lakhs)

March 31, 2019	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long term loan from bank	650,872.82	758,106.88	25,217.96	202,824.06	456,435.15	73,629.72
Term loan from parent company	68,849.03	138,544.79	3,802.50	7,605.00	7,605.00	119,532.29
Bonds	417,828.18	561,653.53	18,320.48	36,640.96	36,640.96	470,051.14
Short term loan from banks	501,491.93	511,941.02	511,941.02	-	-	-
Trade Payables	1,510.55	1,510.55	1,510.55	-	-	-
Other financial liabilities	25,795.16	25,795.16	25,795.16	-	-	-

iv. Market risk

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

Notes forming part of Consolidated Financial Statements

Note 38 Financial instruments – Fair values and risk management *(Contd.)*

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.
The Group has not taken derivative instruments to hedge the foreign currency risk and strives to achieve asset liability offset of foreign currency exposure. Also, the Group continuously monitors the fluctuation in currency risk and ensures that the Group 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, 2020 and March 31, 2019 are as below:

(₹ in Lakhs)

March 31, 2020	**Total**	**USD**	**AUD**	**EUR**	**MZN**	**SGD**
Financial assets						
Cash and cash equivalents	64.14	29.56	-	5.13	8.47	20.97
Other Current financial asset	1.18	-	-	-	1.18	-
Net exposure for assets	65.32	29.56	-	5.13	9.65	20.97
Financial liabilities						
Trade Payables	298.52	107.39	0.65	122.07	12.19	56.32
Other Current financial liabilities	351.58	312.52	39.06	-	-	-
Net exposure for liabilities	650.20	419.91	39.71	122.07	12.19	56.32
Net exposure (Assets - Liabilities)	**(584.88)**	**(390.35)**	**(39.71)**	**(116.94)**	**(2.54)**	**(35.34)**

(₹ in Lakhs)

March 31, 2019	**Total**	**USD**	**AUD**	**EUR**	**MZN**	**SGD**
Financial assets						
Cash and cash equivalents	54.99	13.88	-	31.31	0.27	9.53
Other Current financial asset	33.06	33.06	-	-	-	-
Net exposure for assets	88.05	46.94	-	31.31	0.27	9.53
Financial liabilities						
Trade Payables	469.23	244.76	-	152.00	17.14	55.33
Other Current financial liabilities	129.08	87.89	41.19	-	-	-
Net exposure for liabilities	598.31	332.65	41.19	152.00	17.14	55.33
Net exposure (Assets - Liabilities)	**(510.26)**	**(285.71)**	**(41.19)**	**(120.69)**	**(16.87)**	**(45.80)**

Sensitivity analysis

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

Notes forming part of Consolidated Financial Statements

Note 38 Financial instruments – Fair values and risk management *(Contd.)*

Effect on Profit or Loss (before tax) ₹ in lakhs	Strengthening/ Weakening %	31 March 2020		31 March 2019	
		Strengthening	Weakening	Strengthening	Weakening
USD	3%	(11.71)	11.71	(8.57)	8.57
AUD	5%	(1.99)	1.99	(2.06)	2.06
EURO	2%	(2.34)	2.34	(2.41)	2.41
MZN	5%	(0.13)	0.13	(0.84)	0.84
SGD	3%	(1.06)	1.06	(1.37)	1.37
		(17.22)	**17.22**	**(15.26)**	**15.26**

Interest rate risk

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

The Group's exposure to market risk for changes in interest rates primarily relates to borrowings from banks and borrowings from parent company.

For details of the Group's long term loans and borrowings, including interest rate profiles, refer to Note 19 of these financial statements.

Exposure to Interest Rate Risk

(₹ in Lakhs)

Carrying Amount	March 31, 2020	March 31, 2019
Fixed-rate instruments		
Financial assets - measured at amortised cost	57,629.32	35,536.05
Financial liabilities - measured at amortised cost	(4,53,056.63)	(4,41,677.21)
	(3,95,427.31)	(4,06,141.16)
Variable-rate instruments		
Financial Assets - measured at Fair Value through profit & loss	1,90,092.79	1,80,337.38
Financial Assets - measured at amortised cost	17,577.49	11,295.11
Financial liabilities - measured at amortised cost	(15,59,389.70)	(11,97,364.75)
	(13,51,719.42)	**(10,05,732.26)**

Interest rate sensitivity - fixed rate instruments

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

Interest rate sensitivity - variable rate instruments

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

Notes forming part of Consolidated Financial Statements

Note 38 Financial instruments – Fair values and risk management *(Contd.)*

(₹ in Lakhs)

Cash flow sensitivity (net)	**Profit/ (loss)**	
	100 bps increase	**100 bps decrease**
March 31, 2020		
Variable-rate instruments	(13,517.19)	13,517.19
Cash flow sensitivity (net)	**(13,517.19)**	**13,517.19**
March 31, 2019		
Variable-rate instruments	(10,057.32)	10,057.32
Cash flow sensitivity (net)	**(10,057.32)**	10,057.32

Commodity Risk

The Group has insignificant exposure to market risk with respect to commodity prices primarily arising from the Group's sale of the crude oil. The prices may fluctuate significantly over short periods of time for this commodity. The prices of the Group's commodity generally fluctuate in line with global market conditions. Commodity price risk exposure is evaluated and managed through operating procedures and policies. As of March 31, 2020, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Note 39 Capital Management

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

Note 40 Exchange Rate

Exchange rate as at March 31, 2020 - 1 USD = INR 75.3859, 1 GBP = INR 93.0760, 1 SGD = INR 53.0118, 1 MZN = INR 1.12 & 1 AUD = INR 46.28

Exchange rate as at March 31, 2019 - 1 USD = INR 69.1713, 1 GBP = INR 90.4756, 1 SGD = INR 50.71, 1 MZN = INR 1.09 & 1 AUD = INR 48.95

Note 41 Related party transactions

A. Parent entity

The group is controlled by the following entity:

Name	**Type**	**Place of incorporation**	**Ownership interest as on**	
			March 31, 2020	**March 31, 2019**
Bharat Petroleum Corporation Limited	Immediate and Ultimate parent entity	India	100%	100%

Notes forming part of Consolidated Financial Statements

Note 41 Related party transactions *(Contd.)*

B. Subsidiaries, joint ventures and associates

Interest in joint ventures and associates are set out below

Name	Type	Place of incorporation	Ownership interest as on	
			31 March 2020	31 March 2019
IBV (Brasil) Petroleo Ltda. #	Joint Venture	Brazil	50%	50%
Taas India Pte Ltd @	Joint Venture	Singapore	33%	33%
Vankor India Pte Ltd @	Joint Venture	Singapore	33%	33%
Falcon Oil & Gas BV @@	Joint Venture	Netherlands	30%	30%
Mozambique LNG 1 Pte Ltd @@@	Associate	Singapore	10%	10%
Mozambique LNG 1 Holding Co.Ltd.	Associate	UAE	10%	-
Mozambique LNG 1 Financing Co.Ltd.	Associate	UAE	10%	-
LLC TYNGD ##	Joint Venture	Russia	9.87%	9.87%
JSC Vankorneft ###	Associate	Russia	7.89%	7.89%
Urja Bharat Pte Ltd. ####	Joint Venture	Singapore	50%	50%

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

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

@@ Falcon Oil & Gas BV is a joint venture company of IndOil Global BV, ONGC Nile Ganga BV and BPRL International Ventures BV where BPRL International Ventures BV holds 30% equity.
@@@ BPRL Ventures Mozambique BV's 10% stake in Mozambique LNG-1 Co. Pte Ltd. has been exchanged with shareholding in Moz LNG1 Holding Company Ltd. Further, Mozambique LNG1 Pte. Ltd. and Moz LNG1 Financing Company Ltd. are the Wholly owned Subsidiaries of Moz LNG1 Holding Company Ltd. thus resulting in BPRL Ventures Mozambique BV's effective stake being 10% in these companies##

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

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

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

C) Key management personnel

Shri D. Rajkumar, Director

Shri Ajay Kumar V., Managing Director w.e.f. October 23, 2017 upto 31st March, 2020 and held additional charge as Director (Operations & Business Development) w.e.f. October 23, 2017 upto August 19, 2018. Director (Operations & Business Development) upto October 22, 2017 and held additional charge as Managing Director (I/c) w.e.f. October 1, 2016 upto October 22, 2017.

Shri Pankaj Kumar, Director (Finance)
Shri Jitender Pershad Waghray, Director (Operations & Business Development) w.e.f. August 20, 2018Shri N. Vijayagopal, Director w.e.f. December 6, 2018
Dr. Praphullachandra Sharma, Director upto March 27, 2019
Shri K. Sivakumar, Director w.e.f. May 9, 2017 and upto November 29, 2018
Smt Sarita Aggarwal, Company Secretary w.e.f. May 2019
Smt. Swapna Sawant, Company Secretary w.e.f. June 29, 2017 upto May, 2019
Smt Indrani Kaushal, w.e.f. 01.04.2019 upto 27.05.2019
Smt Esha Srivastava, Government Director, w.e.f. 09.07.2019

Notes forming part of Consolidated Financial Statements

The Company is a Public Sector Undertaking under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors & Woman Director) vests with the Government of India. As per the MCA notification dated July 5, 2017, the Company is exempt from appointment of Independent Director under the Companies Act, 2013. As per MoP&NG approval, Shri Ajay Kadmawala and Smt Mona Jaiswal have been appointed as Independent Directors on the Company's Board w.e.f 18th July, 2019 and w.e.f. 31st October, 2019 respectively.

C. Transactions with related parties

a) Key management personnel compensation (₹ in Lakhs)

	March 31, 2020	March 31, 2019
Short-term employee benefits	127.25	70.47
Post-employment benefits	17.88	13.70
Other long-term benefits	27.58	18.61

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

Nature of Transactions	Joint venture		Key Management Personnel	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Money remitted towards investment in share capital	71,827.08	27,362.20	-	-
Recovery of deputed employee cost	9.12	-	-	-
Loan recovered during the period	11,116.69	15,661.39	(28.69)	0.51

c) Outstanding Balances (₹ in Lakhs)

	As at	
	31 March 2020	31 March 2019
Joint Ventures		
Loan Receivable - IBV (Brasil) Petroleo Ltda. at fair value	1,90,092.79	1,80,337.38
Loan Receivable - Taas India Pte. Ltd. at fair value	9,412.27	14,866.60
Loan Receivable - Vankor India Pte. Ltd.	-	4,321.62
Other receivables	9.12	-
Key Management Personnel		
Loan given	32.30	3.61

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

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

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

Notes forming part of Consolidated Financial Statements

Note 42 Contingent Liabilities and Commitments

(a) Capital Commitments

Based on the estimation by the Management, Group's share of Minimum Work Programme (MWP) commitments as on the reporting date amounted to ₹11,585.91 Lakhs. (Previous year ₹ 11,093.54 Lakhs). Group has provided Bank Guarantees to Director General of Hydrocarbon (DGH) to the extent of ₹ 3,274.46 Lakhs (₹ 3,554.77 Lakhs) towards MWP.

The Group's share of MWP commitments in Equity Accounted Investees as on the reporting date amounted to ₹ 59,585.06 Lakhs (USD 83.6 Mn) (Previous year ₹ 58,795.61 Lakhs (USD 85 Mn)).

(b) Contingent Liabilities:

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

In case of a performance guarantee given to Timor Sea Designated Authority on behalf of BPR JPDA, the Timor Sea Designated Authority has asserted claims to pay an amount ~ USD 27.083 Mn (Approx. ₹ 20,416.76 Lakhs) in addition to interest and legal cost against consortium of contractors and each member of the Consortium, including BPR JPDA in an arbitration proceeding relating to non-fulfilment of minimum work program and the termination of PSC. The members of the consortium are jointly and severally liable. BPR JPDA's share in the consortium is 20%. The Consortium and its members are defending themselves against the claim. Matter is still under arbitration and outcome of proceedings is not yet known. The BPR JPDA also has right to recover amount from other members of consortium through joint operating agreement if the claim is fully demanded against BPR JPDA.

Accordingly, the company has disclosed net contingent liability of ₹ Nil (USD NIL) to ₹ 4,168.84 Lakhs (USD 5.53 Mn) (depending on the outcome of arbitration proceeding) after adjusting the probable recovery from each consortium member.

Mozambique LNG1 Company Pte. Ltd. (an associate of the Group) is engaged in activities related to facilitating the sale of liquefied natural gas (LNG) of Area 1 Project, Mozambique by negotiating long term, spot and short term LNG sales contracts. The concessionaires of Area 1 Project, Mozambique including BPRL Ventures Mozambique B.V have issued performance guarantees in favour of buyers of LNG towards performance of obligations of Mozambique LNG1 Company Pte. Ltd. under the LNG SPA's entered by it. The Group's share of outflow that may arise under these performance guarantees is limited to ₹ 90,463.08 Lakhs (USD 120 Mn) in one case, while in others it is not quantifiable.

Note 43 Micro, Small and Medium Enteprises

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

(₹ in Lakhs)

	As at March 31, 2020	**As at March 31, 2019**
Amount Due and Payable at the year end		
- Principal	110.74	28.86
- Interest on above Principal	-	-
Payment made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for Principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

Notes forming part of Consolidated Financial Statements

Note 44 Details of Reserves

Group's share of Estimated Ultimate Recovery (EUR) as approved by Operator's Reserves Estimation Committee (REC) for the block CY-ONN-2002/2 as at 31st March 2020 is given below:

Project	Details	Crude Oil (MMm3)	Gas (MMm3)
CY-ONN-2002/2	Opening	0.2393	1,062.35
	Production	0.0419	12.30
	Closing	0.1974	1,050.05

MMm3 = Million Cubic Meters

Note 45 Changes in financial year of subsidiary

BPRL International Singapore Pte Ltd. changed its financial year end from 31 March to 31 December in 2018. Accordingly, the comparative financial period for which the financial results of the subsidiary were consolidated covers a period of 9 months i.e., from 1st April 2018 to 31st December 2018. The current financial period for which the financial results of the subsidiary are consolidated is for 12 months period from 1st January 2019 to 31st December 2019, where there are no significant transactions or other events that have occurred between 1st January 2020 and 31st March 2020.

Note 46 Changes in liabilities arising from financing activities

(₹ in Lakhs)

	Current - Other financial liabilities		Non-current borrowings	Current borrowings	Total
	Current maturities of long term borrowings	Interest accrued but not due on borrowings			
As at April 1, 2018	**-**	**14,297.17**	**14,82,526.27**	**-**	**14,96,823.44**
Cash Flows	-	(47,805.13)	(3,44,069.04)	5,01,491.93	1,09,617.76
Other changes	-	50,494.06	(907.20)	-	49,586.86
As at March 31, 2019	**-**	**16,986.06**	**11,37,550.03**	**5,01,491.93**	**16,56,028.06**
Cash Flows	-	(50,304.86)	8,72,504.86	5,01,491.93	3,20,708.07
Non Cash Changes	-	55,331.25	2,391.44	-	57,722.69
As at March 31, 20120	**-**	**22,012.49**	**20,12,446.33**	**-**	**20,34,458.82**

Note 47 Joint Operations

The Group has participating interest in the nature of Production Sharing Contracts (PSC) with the Government of India and/or various bodies corporate in the oil and gas blocks for exploration, development and production activities. The arrangements require consent from consortium partners for all relevant activities and hence it is classified as joint operations. The partners to the agreement have direct right to the assets and are jointly liable for the liabilities incurred by the un-incorporated joint operation. In accordance with Ind AS 111 on "Joint Arrangements", the financial statements of the Group includes the Group's share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the respective operators. As per the PSC, the operator has to submit audited financial statements within 60 days from the end of the year. The income, expenditure, assets and liabilities of the joint operations are merged on line by line basis according to the participating interest with the similar items in the Financial Statements of the Group as given below:

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

ii) Out of the remaining eight Indian Blocks (previous year six), two blocks RJ/ONN/2005/1 and MB/OSN/2010/2 have been proposed for relinquishment for which approval is pending from Director General of Hydrocarbons (DGH). Out of the remaining six Indian Blocks (previous year

Notes forming part of Consolidated Financial Statements

Note 47 Joint Operations *(Contd)*

four), the Group has received Nil (previous year one) audited financial statements as at March 31, 2020 and this has been considered in the financial statements of the Group. The Group has received unaudited financial statements for three (previous year two) blocks and billing statement (Statement of Expenses) for remaining three blocks from the operator for the period upto 31st March 2020. In case of five blocks out of the above, assets, liabitilities, income & expenses are accounted. In case of remaining one block, in absence of the details of assets & liabilities, only income and expenses are accounted.

iii) In respect of both (previous year one) the Joint Venture blocks, EP413 and Block 32 (blocks outside India) the assets, liabilities, income and expenditure have been incorporated on the basis of unaudited financial statements as at 31st March 2020.

iv) In respect of blocks in Mozambique and Indonesia (previous year both) the Group has accounted the income and expenses based on the billing statements (Statement of Expenses) received from the operator for the period upto 31st March 2020.

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

Name	**Company**	**Country**	**Participating Interest of the Group**	
			31 March 2020	**31 March 2019**
Blocks in India				
NELP – IV				
CY/ONN/2002/2	BPRL	India	40.00%	40.00%
NELP – VI				
CY/ONN/2004/2	BPRL	India	20.00%	20.00%
NELP – VII				
RJ/ONN/2005/1	BPRL	India	33.33%	33.33%
NELP – IX				
CB/ONN/2010/11 *	BPRL	India	25%	25%
AA/ONN/2010/3	BPRL	India	20%	20%
CB/ONN/2010/8 #	BPRL	India	25%	25%
MB/OSN/2010/2	BPRL	India	20%	20%
Discovery Small Fields (DSF)				
CY/ONDSF/KARAIKAL/2016	BPRL	India	100%	100%
RJ/ONDSF/BAKHRI TIBBA/2016	BPRL	India	100%	100%
RJ/ONDSF/SADEWALA/2016	BPRL	India	100%	100%
MB/OSDF/B15/2016	BPRL	India	100%	100%
MB/OSDF/B127E/2016	BPRL	India	100%	100%
OALP				
CB-ONHP-2017/9	BPRL	India	60%	100%
AA-ONHP-2017/12	BPRL	India	10%	-
CY-ONHP-2017/1	BPRL	India	40%	-
Blocks outside India				
JPDA 06-103 (e)	BPR JPDA	Australia / Timor	20.00%	20.00%
EP-413	BPRL	Australia	27.80%	27.80%
Block 32	BPRL	Israel	25.00%	-
Mozambique Rovuma Basin	BPRL Ventures Mozambique B.V.	Mozambique	10.00%	10.00%
Nunukan PSC, Tarakan Basin	BPRL Ventures Indonesia B.V.	Indonesia	12.50%	12.50%

* BPRL Share 29.41% in development phase.

BPRL Share 50% in development phase.

Notes forming part of Consolidated Financial Statements

Note 47 Joint Operations *(Contd)*

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

(₹ in Lakhs)

Particulars	**31 March 2020**	**31 March 2019**
Property, plant and equipment	80.46	88.01
Other Intangible assets	10,374.05	10,938.43
Intangible asset under development *	8,23,788.96	6,15,892.05
Other Non-Current Assets	733.90	498.91
Current Assets including financial assets **	5,084.34	4,809.55
Cash and Bank Balances	267.55	391.42
Current & Non Current Liabilities/ Provisions including financial liabilities	35,040.20	18,659.54
Expenses	2,099.37	2,624.17
Income	10,646.60	13,081.20

* Includes ₹ 74,186.36 Lakhs (previous year 12,973.69 Lakhs) which has been provided for by the Group.

** Includes ₹ 1,066.98 Lakhs (previous year 1,069.60 Lakhs) which has been provided for by the Group.

Note 48 Segment reporting

A. Basis for segmentation

The Group has following three reportable segments based on geography. Details of the segments are as follows:-

- India
- Mozambique
- Singapore

The Managing Director, Chief Operating Decision Maker for the Group, periodically reviews the internal management reports and evaluates performance/allocates resources based on the analysis of various performance indicators relating to the segments referred to above.

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment profit/ (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry.

(₹ in Lakhs)

For the year ended March 31, 2020	**Reportable segments**			
Particulars	**India**	**Mozambique**	**Singapore**	**Total Segments**
Revenue				
External Customers	10,646.60	-		10,646.60
Total Revenue	**10,646.60**	**-**		**10,646.60**
Segment profit / (loss) before tax	**(92,387.97)**	**127.79**	**58,877.89**	**(33,382.29)**
Segment profit / (loss) before tax includes:				
Interest expense	12,493.10	-	26,084.16	38,577.26
Depreciation, Depletion, Amortisation	4,700.79	-	-	4,700.79
Share of profit/ (loss) of equity accounted investees			84,054.81	84,054.81
Material non-cash items other than depreciation, depletion, amortisation				
Impairment losses on non financial assets	22,418.47	-	-	22,418.47

Notes forming part of Consolidated Financial Statements

Note 48 Segment reporting *(Contd)*

(₹ in Lakhs)

Segment assets	**27,262.15**	**7,43,340.06**	**9,32,681.89**	**17,03,284.10**
Segment assets include:				
Investment in equity accounted investees	-	221.72	8,94,421.01	8,94,642.73
Capital expenditure during the year	8,500.86	1,44,091.33	-	1,52,592.19
Segment liabilities	**289,883.05**	**482,620.77**	**543,142.95**	**1,315,646.77**

(₹ in Lakhs)

For the year ended March 31, 2019	**Reportable segments**			
Particulars	**India**	**Mozambique**	**Singapore**	**Total Segments**
Revenue				
External Customers	13,054.93	-	-	13,054.93
Total Revenue	**13,054.93**	**-**	**-**	**13,054.93**
Segment profit / (loss) before tax	**(4,984.73)**	**(328.03)**	**47,591.72**	**42,278.95**
Segment profit / (loss) before tax includes:				
Interest expense	6,591.24	-	18,847.17	25,438.41
Depreciation, Depletion, Amortisation	3,443.73	-	-	3,443.73
Share of profit/ (loss) of equity accounted investees			65,964.31	65,964.31
Material non-cash items other than depreciation, depletion, amortisation				
Impairment losses on non financial assets	82.18	-	-	82.18
Segment assets	**46,475.94**	**535,669.12**	**751,608.28**	**1,333,753.34**
Segment assets include:				
Investment in equity accounted investees	-	203.45	716,758.85	716,962.30
Capital expenditure during the year	11,837.77	60,947.43	-	72,785.20
Segment liabilities	**96,584.26**	**302,795.55**	**531,642.01**	**931,021.82**

Notes forming part of Consolidated Financial Statements

Note 48 Segment reporting *(Contd)*

C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Revenue		
Total revenue for reportable segments	10,646.60	13,054.93
Revenue for other segments	-	-
Total revenue as per Statement of profit and Loss	**10,646.60**	**13,054.93**
(b) Profit / (loss) before tax		
Total profit / (loss) before tax for reportable segments	(33,382.29)	42,278.95
Unallocated amounts:		
– Other expenses / income	2,328.61	(52,248.81)
Total profit before tax from operations as per Statement of profit and Loss	**(31,053.68)**	**(9,969.86)**
(c) Assets		
Total assets for reportable segments	17,03,284.10	13,33,753.34
Other unallocated amounts	7,53,529.90	6,46,517.05
Total assets as per balance sheet	**24,56,814.00**	**19,80,270.39**
(d) Liabilities		
Total liabilities for reportable segments	13,15,646.77	9,31,021.82
Other unallocated amounts	7,69,626.51	7,59,464.05
Total liabilities as per balance sheet	**20,85,273.28**	**16,90,485.87**

Note 49 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Joint Ventures.

(₹ in Lakhs)

S. No.	Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated or loss profit	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
	Parent								
	Bharat PetroResources Limited	-85%	(3,15,925.53)	114%	(34,256.70)	0%	0.79	-42%	(34,255.91)
	Subsidiaries								
	Indian								
1	Bharat PetroResources JPDA Limited	-2%	(6,844.45)	1%	(410.16)	0%	-	-1%	(410.16)
	Foreign								
1	BPRL International Singapore Pte Limited	105%	3,89,538.96	-195%	58,873.06	76%	84,787.19	176%	1,43,660.25
2	BPRL International B.V.	82%	3,04,771.74	180%	(54,379.79)	24%	27,141.81	-33%	(27,237.98)
	Total	**100%**	**371,540.72**	**100%**	**(30,173.59)**	**100%**	**1,11,929.79**	**100%**	**81,756.20**

Notes forming part of Consolidated Financial Statements

Note 50 Estimation uncertainty relating to the global health pandemic on COVID-19:

Considering the outbreak of COVID-19 globally and the resultant lockdown in many countries including India from 25th March 2020, the Company has considered the internal and external information up to the date of approval of the Financial Results in assessing the recoverability of Company's asset i.e. investments, trade receivables, inventories etc. During 2019-20, BPRL's revenue are entirely in respect of its stake in one block in India in which the operations are continuing and the inventories in respect thereof have been valued at cost or net realisable value, i.e at cost.

The lock down is continuing in the current fiscal also and the Management expects the economic condition to improve in due course. Management has assessed the potential impact of COVID-19 based on current circumstances and expects no significant impact on the continuity of the business on long term basis / on useful life of assets / on financial position etc though there may be some impact mainly in respect of lower revenue/share of profit from equity accounted investees in near term. The impact of COVID-19 may be different from that estimated and the Company will closely monitor any material changes to the future economic conditions.

Note 51 Figures of March 31, 2019 have been regrouped wherever necessary, to conform to current year presentation.

As per our attached report of even date

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

Sd/-
Ashutosh Joshi
Partner
Membership No.: 038193
UDIN: 2003819AAAAAU9775
Place: Mumbai
Dated: 26 May, 2020

For and on behalf of the Board of Directors

Sd/-
D. Rajkumar
Chairman
DIN No. 00872597

Sd/-
J.P. Waghray
Director (Ops & BD) & In Charge
DIN No. 08202910

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

Sd/-
Sarita Aggarwal
Company Secretary

NOTES

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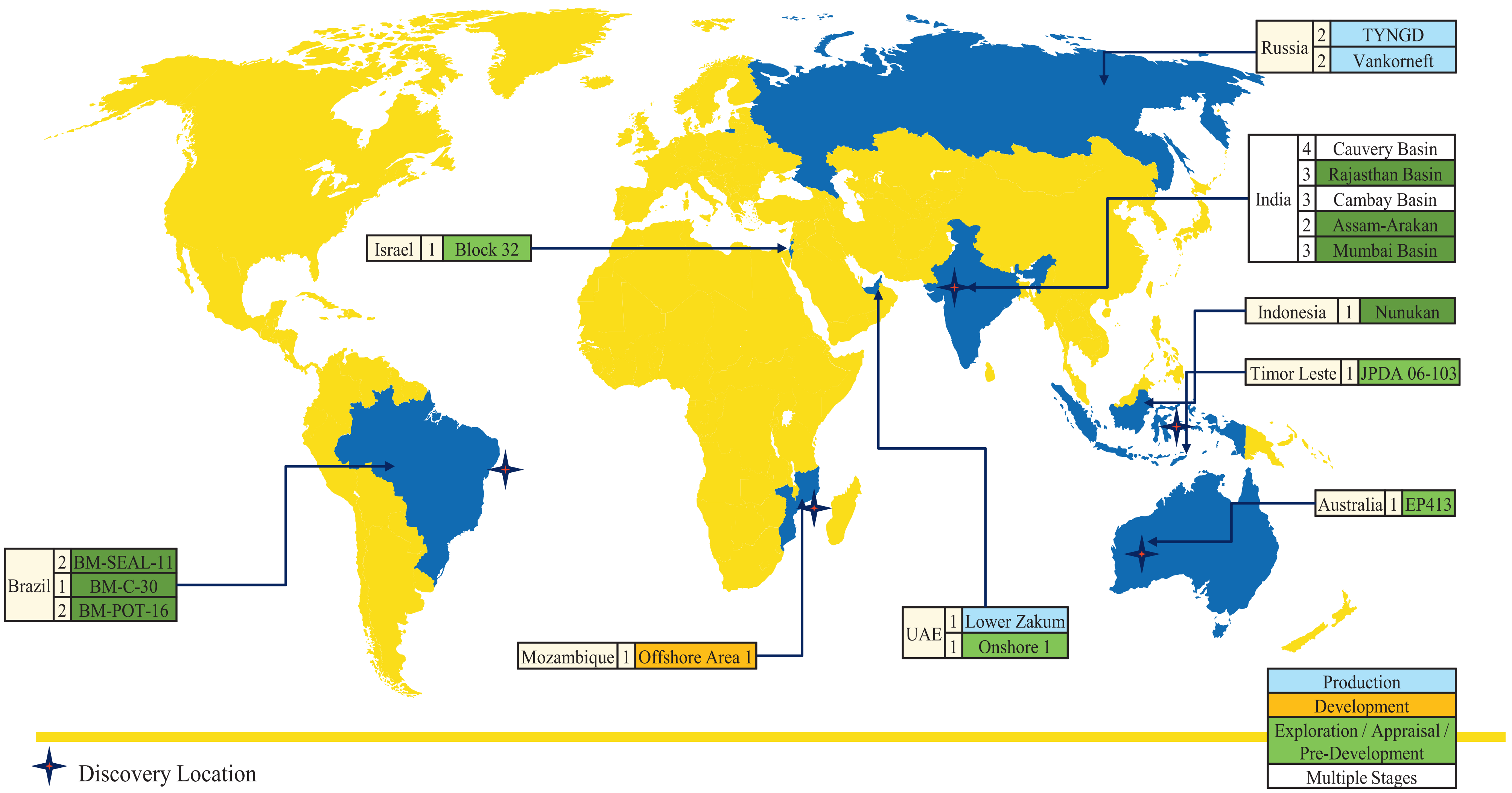
Global Spread



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