

Annual Report **2023-24**



Fueling Progress,
Driving Excellence



From left to right: Shri Kamal Chopra, Director (Finance) (w.e.f. 21.02.2022), Smt. Barnali Tokhi, Managing Director (w.e.f. 07.02.2023), Shri Krishnakant Joshi, Director (Operations & Business Development) w.e.f. 25.07.2022.

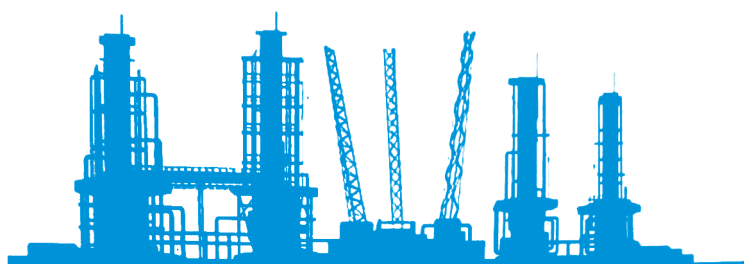


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Board of Directors



Krishnakumar Gopalan
Chairman
(w.e.f. 23.03.2023)



V. R. K. Gupta
Director
(w.e.f. 12.01.2022)



Sanjay Khanna
Director
(w.e.f. 07.09.2022)



Barnali Barua Tokhi
Managing Director
(w.e.f. 07.02.2023)



Kamal Chopra
Director (Finance)
(w.e.f. 21.02.2022)



Krishnakant Joshi
Director (Operations &
Business Development)
(w.e.f. 25.07.2022)



Kapil Verma
Government Director
(w.e.f. 18.05.2023)



Rajinder Kumar
Government Director
(upto 18.05.2023)

Senior Management Team

Ajay Kumar Gupta
Sr. Vice President
(Asset & Services)

Rajeev Saxena
Sr. Vice President
(Assets)

Ramanuj Chari
Sr. Vice President
(Assets)

Gajendra Umredkar
Vice President
(Assets)

Vikas Sharma
Vice President (Finance)

Kiran M
Vice President (Assets)

Srikant Agarwal
Company Secretary

Details of the Company

<u>Registered Office</u>	Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001 Tel : 022-22714000 Fax : 022-22713874 CIN:U23209MH2006GOI16512
<u>Corporate Office</u>	BPCL, 'A' Installation, 2nd floor Amenities Block Sewree Fort Road, Sewree (East) Mumbai 400015 Tel : 022-24188600 Fax : 022-22713874
<u>Website of the Company</u>	www.bharatpetroresources.in
<u>Bankers</u>	State Bank of India BNP Paribas
<u>Statutory Auditors</u>	NBS & Co., Chartered Accountants
<u>Secretarial Auditors</u>	M/s U C Shukla LLP Company Secretaries
<u>Cost Auditors</u>	M/s G. R. Kulkarni & Associates

Directors' Report

The Board of Directors takes pleasure in presenting its Report on the performance of Bharat PetroResources Ltd (BPRL) for the year ended 31st March 2024.

Performance Review

Operations of the Company

BPRL was incorporated in October 2006, as a 100% subsidiary of Bharat Petroleum Corporation Limited (BPCL), to undertake the upstream activities of BPCL.

As on 31st March 2024, BPCL's investment is ₹ 10,800 Crore in equity capital of BPRL. BPRL has recorded a consolidated total income of ₹ 363.73 crore and a consolidated loss after tax of ₹ 2,043.06 Crore for the financial year ending 31st March 2024.

Bharat PetroResources Limited (BPRL), the upstream arm of BPCL has Participating Interest (PI) in fifteen blocks, of which eight are in India and seven overseas, along with equity stakes in two Russian entities holding the license to four producing blocks in Russia. Five of the eight blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP), one block was awarded under Discovered Small Fields (DSF) Bid Round I and two blocks were awarded under the Open Acreage Licensing Policy (OALP) Bid Round I. Out of the seven overseas blocks, three are in Brazil, two in United Arab Emirates and one each in Mozambique and Indonesia. The Blocks of BPRL are in different phases of exploration, appraisal, development, and production. Covering approximately 19,824 square kilometres, approximately 46% of the acreage owned by BPRL and its subsidiaries is in the offshore expanse.

The macro-economic, geo-political, financial, industry-specific information and markets in which the Company operates are provided in the Management Discussion and Analysis section, which forms a part of this Integrated Annual Report.

Standalone Financial Performance

The Company registered profit before tax and exceptional items of ₹ 17,820.60 lakhs for the Financial Year ended 31st March 2024 as against ₹ 4,791.29 lakhs for the previous year. The summarised standalone performance and appropriations for 2023-24 are given below:

(₹ in Lakhs)		
Particulars	2023-24	2022-23
Revenue from operations	18,819.11	14,591.42
EBITDA (Earning Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	21,482.87	10,522.72
Finance Cost	(1,596.79)	(3,656.07)
Depreciation	(2,065.48)	(2,075.36)
Profit Before Tax & Exceptional Items	17,820.60	4,791.29
Exceptional Items	(2,24,369.90)	(2,30,055.43)
Profit before Tax	(2,06,549.30)	(2,25,264.14)
Tax Provision	9.32	9.36
Profit after Tax	(2,06,539.98)	(2,25,254.78)
General Reserve	(8,20,098.83)	(6,13,575.66)
Balance Carried to Next Year	(8,20,098.83)	(6,13,575.66)

Consolidated Financial Performance

In accordance with the provisions of the Companies Act, 2013, and the Accounting Standards issued by the Institute of Chartered Accountants of India, the Company has prepared the Consolidated Financial Statement for the group, including subsidiaries, joint venture entities and associates. The highlights of the Consolidated Financial Results are shared below:

(₹ in Lakhs)

Particulars	2023-24	2022-23
Revenue from operations	18,819.11	14,591.42
EBITDA (Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	5,031.06	1,23,245.05
Finance Cost	(1,79,653.07)	(1,14,721.09)
Depreciation	(2,132.04)	(2,152.44)
Profit Before Tax & Exceptional Items	(1,76,754.05)	6,371.52
Exceptional Items	(26,769.81)	(1,12,552.28)
Profit before Tax	(2,03,523.86)	(1,06,180.76)
Tax Expense	(782.28)	(83.97)
Profit after Tax	(2,04,306.14)	(1,06,264.73)
General Reserve	(8,47,833.84)	(6,43,544.51)
Balance Carried to Next Year	(8,47,833.84)	(6,43,544.51)

Issue of Securities / Changes in Share Capital

There was no change in the authorised share capital of the Company during the year. The funds were utilised for the purpose for which they were raised and there were no deviations or variations in their utilisation.

Dividend

Considering the current year Financials, the Directors do not recommend any dividend for the Financial Year ended 31st March 2024.

Borrowings

Total Borrowings of the Company as on 31st March 2024 stood at ₹ 26,718.04 Crore as against ₹ 25,054.81 Crore as on 31st March 2023.

Human Resource

Majority of the employees in BPRL are deputed from the parent Company i.e. BPCL. As on 31st March 2024 there are 3 officers in BPRL cadre. The activities relating to Human Resources are looked after in line with the policies of BPCL. Training of more than 50% of BPRL officers was imparted on various topics of Health, Safety, Security & Environment (HSSE). All necessary training programmes are conducted for Human Resources development to operate in international environment. The total manpower of BPRL is 37 as on 31st March 2024.

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 is currently not generating profits and hence provisions of Section 135 of the Companies Act are not applicable to the Company.

Citizens' Charter, Official Language, Fulfilment of Social Obligations and Right To Information Act, 2005

All possible steps are being taken with regard to Citizens Charter, Official Language implementation, fulfilment 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 2023-24, BPRL had received 12 RTI queries and Nil 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.

Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been implemented across the Company with the clear objective of providing protection to women against sexual harassment at the workplace and redressal of complaints of sexual harassment. Internal committees have been set up at Corporate Office level, headed by senior-level women employee to deal with sexual harassment complaints.

During the financial year 2023-24, training orientation programme for the members of the Internal Compliant Committee of BPRL & workshop for all the regular and contractual employees was organised for sensitizing the employees with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Public Deposit Scheme

The Company has not invited any deposits from the public during the year and no deposits were outstanding as on 31st March 2024.

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. Nil cases of Vigilance pertaining to BPRL were handled during the Financial Year 2023-24 and is presented below:

Opening Balance (as on April 2023)	Received during the year	Total	Disposed during the Year	Closing Balance (as on March 2024)
0	0	0	0	0

Vigilance Awareness Week (VAW) was observed with the theme "Say no to corruption; commit to the Nation" from 30th October to 05th November 2023. During the week, a variety of programmes were carried out like taking Integrity Pledge, Vigilance Awareness Quiz Competition and Vigilance Awareness Session.

Corporate Governance

Your Company always endeavours to adhere to the highest standards of corporate governance, which are within the control of the Company. A comprehensive Report on Corporate Governance inter-alia highlighting the endeavours of the Company in ensuring transparency, integrity and accountability in its functioning has been incorporated as a separate section, forming a part of the Annual Report. The certificate issued by the Secretarial Auditors on Compliance with Corporate Governance guidelines is annexed to the Report on Corporate Governance.

Management's Discussion & Analysis Report

The Management's Discussion and Analysis (MDA) Report, as required under Corporate Governance guidelines, is presented as a separate section forming a part of the Annual Report. The forward-looking statements made in the MDA are based on certain assumptions and expectations of future events. The Directors cannot guarantee that these assumptions are accurate, or these assumptions will materialize.

Audit Committee

On completion of tenure of all the Independent Directors, the Audit Committee could not be reconstituted and hence no meetings of Audit Committee were held during the year 2023-2024. Further to this, at present all the proposals requiring Audit Committee approval are directly put up to the Board for seeking approvals.

Other Board Committees

The details of other Board Committees viz Independent Directors Committee, Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, their composition and meetings, are also provided in the Corporate Governance Report.

Code of Conduct

The Board of the Company has enunciated a Code of Conduct for the Directors and Senior Management Personnel, which was circulated to all concerned and was also hosted on the Company's website. The Directors and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2023-24.

Risk Management

The Company considers risk management as a key element of its business operations and has put in place effective systems to identify, analyse, monitor and mitigate risks to ensure the organisation's sustained growth and profitability. The Company's Enterprise Risk Management involves risk identification, assessment and categorisation (based on risk appetite) and is reviewed regularly by risk-owners to optimise risks with appropriate mitigation plan. A Risk Management Steering Committee comprising senior management personnel and headed by Chief Risk Officer reviews the various risks associated with the Company's business.

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 2023-24 was carried out by M/s MKPS & Associates. The Board periodically reviews significant findings of the Internal Auditor covering operational, financial and other areas and provides guidance on internal controls.

Statutory Auditors

The Office of the Comptroller & Auditor General of India had appointed M/s N B S & Co, Chartered Accountants, as Statutory Auditors for the financial year 2023-24 under the provisions of Section 139(5) of the Companies Act, 2013. The Auditors had confirmed that they are not disqualified from being appointed as Auditors of the Company. The Notes on the financial statement referred to in the Auditors' Report are self-explanatory. The Auditors' Report does not contain any qualification or adverse remark.

The Auditors' remuneration for the year was fixed at ₹ 8.50 lakhs plus applicable taxes for Statutory Audit. In addition, reasonable out-of-pocket expenses incurred are also reimbursed at actuals. The total amount payable to the Statutory Auditors for all services rendered to the Company during 2023-24 was ₹ 9.60 Lakhs.

Comptroller & Auditor General of India's (C&AG)'s Audit

C&AG's comment upon or supplement to the Statutory Auditors' Report on the Accounts for the year ended 31st March 2024 is enclosed as part of the Annual Report.

Cost Records & Cost Audit

The Company maintains cost records as required under the provisions of the Companies Act. The Company had appointed M/s G. R. Kulkarni & Associates, as Cost Auditors for conducting the audit of the cost records maintained for 2023-24 under Section 148(1) of the Companies Act, 2013. The cost audit reports are filed by the Cost Auditor with the Central Government in the prescribed form within the stipulated time.

Secretarial Audit

The Board has appointed M/s U C Shukla LLP, Company Secretaries to conduct the Secretarial Audit for the year 2023-24. The Secretarial Audit Report for the financial year ended 31st March, 2024 is enclosed as Annexure I to this Report.

The Secretarial Audit Report contains observations that the Company did not have the following:

- i) *As per Section 135 of the Act, the Company is required to constitute a Committee called 'Corporate Social Responsibility (CSR) Committee'. In the said Committee, there must be atleast one Independent Director. It is found that though the Company has constituted CSR Committee, the same is not as per the provisions of Section 135 of the Act.*

- (ii) *The Board of Directors of the Company is not constituted as per Clause 3.1 of the DPE Guidelines, since number of nominee Directors appointed by Government and BPCL exceeds the maximum permissible limit of two Directors.*
- (iii) *The Company does not have required number of Independent Directors under the Clause 3.1.4 of the DPE Guidelines.*
- (iv) *There was no Audit Committee in place during the financial year. Hence, Chapter 4 of the DPE Guidelines is not complied with.*
- (v) *There was no Remuneration Committee and hence, Clause 5.1 of the DPE guidelines is not complied with.*

Explanations by the Board to the above observations in the Secretarial Auditor Report:

"Bharat PetroResources Ltd. is a Government Company under the Administrative Control of Ministry of Petroleum and Natural Gas. The nomination/appointment of all categories of Directors are done by Government of India in accordance with the laid down guidelines of Department of Public Enterprises. Accordingly, the subject matter of nomination/ appointment of adequate number of Independent Directors falls under the purview of the Government of India. BPRL has from time to time communicated to the Ministry of Petroleum & Natural Gas with respect to the requirements of Independent Directors under DPE Guidelines on Corporate Governance. Appointment of Independent Directors are still awaited.

Further, in the absence of the Independent Directors, at present sub committees of the Board are not functional and all the roles, responsibilities, powers and duties are being carried out by the Board till the time appointment of Independent Directors is not being done by the MoP&NG and the sub-committees of the Board becomes functional. In addition to above Finance Committee has been constituted w.e.f 04.08.2023 comprising of 2 functional directors from each BPCL (parent company) and BPRL to review and recommend the agendas before putting the same before Board.

Reporting of Frauds by Auditors

The Auditors in their report for the year have not reported any instance of fraud committed by the officers/employees of the Company.

Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012

In line with "Public Procurement Policy for MSEs, Order 2012", during the year, BPRL had procured 6% of its Goods and Services through MSEs as against a target of 25% annually, since during FY 2023-24 due to non-availability of any MSE vendors, a major contract of drilling of wells was awarded to non-MSE vendor. 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.

The annual procurement plan for 2024-25 was put up in the BPRL website. It can be viewed at HYPERLINK <https://bharatpetroresources.in/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.

BPRL is registered in Government eMarketplace (GeM) portal as well as Trade Receivable Discounting System (TReDS) platform with Receivables Exchange of India Limited (RXIL) and A.TReDS. All the MSME vendors have been advised to take benefit of TReDS platform.

For the year 2023-24, BPRL's total procurement value of goods and services, excluding works contracts, where MSEs could have participated was ₹ 13 crore whereas the actual procurement value from MSEs was ₹ 7.8 crore, i.e., an achievement of 60%, which exceeds the target of 25%. The MSE procurement details were also uploaded in MSME Sambandh portal.

During the year 2023-24, 100% of the tenders were floated either through e-tendering mode or through Government e-Marketplace (GeM). The Company registered increase in procurement of goods and services through GeM during the year as compared to the previous year – from ₹ 4.3 crore to ₹ 130 crore.

Subsidiaries, Joint Ventures & Associates

As required under the provisions of the Companies Act, 2013, a statement on the performance and financial position of each of the subsidiaries, joint venture companies and associates is annexed to the Consolidated Financial Statements in form AOC-1 pursuant to provision of section 129(3). The financial statements of the subsidiaries have also been hosted on the Company website, www.bharatpetroresources.in, under the 'Financial Performance' section as required under Section 136(1) of the Companies Act, 2013.

Related Party Transactions (RPTs)

During the year, BPRL has entered into RPTs, which were on arm's length basis and were in the ordinary course of business. As required under the provisions of the Companies Act, 2013, all RPTs, wherever required, were approved by the Board in the absence of Audit Committee.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

BPRL is lead Operator in two Onshore blocks situated in Cambay basin, Gujarat and Joint Operator in Onshore Block 1 in Abu Dhabi, UAE. In other blocks (including foreign blocks), BPRL is a consortium partner and hence not involved in day-to-day operations related to the blocks and the Operator of respective block performs the activities related to environmental protection, conservation of energy, technology absorption, foreign exchange earning & outgo.

In Block CB-ONHP-2017/9, Onshore Cambay Basin, drilling of three exploratory wells has been completed as per committed work program (CWP). The CWP was completed within stipulated timeline by adopting Integrated Project Management (IPM) approach, first time by any oil PSU in India and the same has been appreciated by Directorate General of Hydrocarbon (DGH). The solid waste and liquid effluent are treated and safely disposed at GPCB approved Treatment Storage Disposal Facility (TSDF) and Common Effluent Treatment Plant (CETP) sites respectively.

In Onshore Block 1, Abu Dhabi, during the drilling and testing of Exploration and Appraisal wells, Health, Safety and Environmental Impact Assessment (HSEIA) and Social Risk Management activities was carried out as per the standards of Environmental Agency, Abu Dhabi. Keeping in view the exploratory nature of these wells and high H₂S concentrations envisaged, stringent occupational & operational hazard mitigation plans has been developed with the help of HSEIA consultants, ADNOC and Environmental agencies. In addition to this community engagement plans were implemented on the basis of H₂S zonation studies for different modelled scenarios.

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:-

(₹in lakhs)

Particulars	2023-24	2022-23
<u>Foreign Currency Inflow</u> Includes ₹308.98 Lakhs (previous year ₹ 304.81 Lakhs) towards recovery of salary and other expenses from subsidiaries, ₹4,861.58 Lakhs (previous year ₹ 603.24 Lakhs) towards interest from loan given to subsidiary and ₹6,326.78 lakhs (previous year ₹1,112.13 lakhs) towards receipts from TASA (Technical Administrative Services Agreement.) with joint ventures	11,497.34	2,020.18
<u>Foreign Currency Outflow</u> Includes outflow of ₹ 458.05 Lakhs (previous year ₹ 17.25 Lakhs) towards cash call & Vendor Payments and ₹ 84,460.28 Lakhs (previous year ₹ 48,183.51 Lakhs) towards loan given to subsidiaries	84,918.33	48,200.76

Board of Directors and Key Managerial Personnel

As on 31st March 2024, the BPRL Board comprised 7 Directors represented by 3 Whole-Time (Executive) Directors, 3 Part Time (Non-Executive) Directors, 1 Part-Time (Ex- Officio) Director (Government Directors).

Shri Kapil Verma was appointed as Director of the Company w.e.f. 18.05.2023.

Shri Rajinder Kumar ceased to be a Director of the Company on resignation w.e.f. 18.05.2023.

Smt Sarita Aggarwal ceased to be the Company Secretary of the Company w.e.f. 06.11.2023. Shri Srikant Agarwal was appointed as Company Secretary w.e.f. 29.03.2024.

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 31st March 2024 are Smt Barnali Tokhi, Managing Director; Shri Kamal Chopra, Whole time Director and CFO; Shri Krishnakant Joshi, Whole time Director and Shri Srikant Agarwal, Company Secretary.

As required under the Corporate Governance clause, brief profile of the Director(s) seeking appointment/ re-appointment at the AGM are provided in the AGM Notice.

Declaration of Independence

"Bharat PetroResources Ltd. is a Government Company under the Administrative Control of Ministry of Petroleum and Natural Gas. The nomination/appointment of Directors are done by Government of India in accordance with the laid down guidelines of Department of Public Enterprises.

BPRL Board does not comprise of any Independent Directors. Company is regularly following up with the Ministry of Petroleum and Natural Gas (MoP&NG) for nomination of Independent Directors on the Board of the Company.

Board Meetings

During the year, 14 meetings of the Board of Directors were held. The details of the meetings attended by each Director are provided in the Corporate Governance Report and, hence, not repeated to avoid duplication.

Board Evaluation

The provisions of Section 134(3)(p) of the Companies Act, 2013, require a listed entity and every other public company having a paid up share capital of twenty five Crore rupees or more to include a statement indicating the manner of formal evaluation of performance of the Board, its Committees and of individual Directors. However, Government Companies are exempt from the said provisions as the performance evaluation of the Directors is carried out by the administrative ministry, i.e., Ministry of Petroleum and Natural Gas (MoP&NG), as per laid-down evaluation methodology.

Particulars of Employees

The provisions of Section 134(3)(e) of the Act are not applicable to a Government Company. Consequently, details on Company's policy on Directors' appointment and other matters as required under Section 178 (3) of the Act, are not provided. Similarly, Section 197 of the Act is also exempt for a Government Company. Consequently, there is no requirement of disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details, including the statement showing the names and other particulars of every employee of the Company, who if employed throughout / part of the financial year, was in receipt of remuneration in excess of the limits set out in the rules are not provided in terms of Section 197 (12) of the Act read with Rule 5 (1) / (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annual Return

As required under the Section 92 of the Companies Act, 2013, the Annual Return is hosted on the Company's website and can be accessed from the link: <http://bharatpetroresources.in/About-BPRL/About-BPRL.aspx#AnnualReport>

Compliance with Secretarial Standards

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Details 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, 8 and 13 to the Standalone Financial Statements provided in the Annual Report.

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.

Material Changes and Commitment Affecting the Financial Position of the Company

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report are suitably covered in Managements' Discussion and Analysis Report.

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 31st March, 2024, 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 of 31st March 2024 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.

Discussion on Financial Performance with Respect To Operational Performance

Performance details pertaining to various blocks have been covered suitably in the Management's Discussion and Analysis.

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.

Vigil Mechanism / Whistle-Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has established a robust Vigil Mechanism and a whistle-blower policy in accordance with provisions of the Act.

Under the whistle-blower policy, employees are free to report any improper activity resulting in violation of laws, rules, regulations, or code of conduct by any of the employees to the Competent Authority. Any complaint received is reviewed by the Competent Authority. No employee has been denied access to the Competent Committee.

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code.

BPRL has not made any application nor are any proceedings pending under the Insolvency and Bankruptcy Code.

Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Not Applicable

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

Date: 24th July, 2024

Place: Mumbai

Sd/-
(G. Krishnakumar)
Chairman

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st March, 2024

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

To,

The Members,

Bharat PetroResources Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat PetroResources Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder subject to the observations made herein below:

- a) As per Section 135 of the Act, the Company is required to constitute a Committee called 'Corporate Social Responsibility (CSR) Committee'. In the said Committee, there must be atleast one Independent Director. It is found that though the Company has constituted CSR Committee, the said Committee is not as per the provisions of Section 135 of the Act.

(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 regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing (as confirmed by the management, the Company does not have FDI and ECB).

(v) 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 since the capital of the Company is not listed with any stock exchange);**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(to the extent applicable);**
- c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client **(Not applicable to the Company);**
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company since there was no public offer of any security of the Company);**
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable);**

- f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Non applicable since non-convertible security of the Company is not listed on any stock exchange);**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company, since the capital of the Company was not listed on any stock exchange);** and
 - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable).**
- (vi) According to explanation and information given by the Company, its officers and authorised representative, the following laws are specifically applicable to the Company:
- The Petroleum Act, 1934;
 - Petroleum Rules, 2002

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

- (i) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Not applicable to the Company).
- (iii) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as issued by the Ministry of Heavy Industries and Public Enterprises, Government of India.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above subject to observation made hereunder:

- (i) *As per Section 135 of the Act, the Company is required to constitute a Committee called 'Corporate Social Responsibility (CSR) Committee'. In the said Committee, there must be atleast one Independent Director. It is found that though the Company has constituted CSR Committee, the same is not as per the provisions of Section 135 of the Act.*
- (ii) *The Board of Directors of the Company is not constituted as per Clause 3.1 of the DPE Guidelines, since number of nominee Directors appointed by Government and BPCL exceeds the maximum permissible limit of two Directors.*
- (iii) *The Company does not have required number of Independent Directors under the Clause 3.1.4 of the DPE Guidelines.*
- (iv) *There was no Audit Committee in place during the financial year. Hence, Chapter 4 of the DPE Guidelines is not complied with.*
- (v) *There was no Remuneration Committee and hence, Clause 5.1 of the DPE guidelines is not complied with.*

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that –

- The Board of Directors of the Company is duly constituted as stated hereinabove except appointment of Independent Directors as required under DPE guidelines during the financial year. The Changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board and its Committees were unanimous and no dissenting views have been recorded.

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

I further report that during the audit period, following were the specific events/ actions in pursuance to the law, rules, regulations, guidelines, standard, etc. referred to above.

- a) Issue and allotment of 47,50,00,000 Equity Shares of Rs.10/- each for cash at par made on 18/08/2023 on rights basis.
- b) Issue and allotment of 85,00,00,000 Equity Shares of Rs.10/- each for cash par made on 26/09/2023 on rights basis

UDIN: F002727F000833909
Peer Review Certificate No.- 1882/2022
Date: 26/07/2024
Place: Mumbai

Sd/-
(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Note: Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure -A

To,
The Members,
Bharat PetroResources Limited

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 26/07/2024

Sd/-
(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Report on Corporate Governance

Bharat PetroResources Ltd (BPRL) was formed as a wholly owned subsidiary company of Bharat Petroleum Corporation Ltd (BPCL) in October 2006 to carry out the activities relating to exploration and production of Crude oil and Gas.

1. Company's Philosophy on Code of Governance

BPRL's corporate philosophy on Corporate Governance has been to ensure sound corporate practices and business ethics through transparency, fairness, professionalism, full disclosures and 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 2024, the BPRL Board comprised 7 Directors represented by 3 Whole-Time (Executive) Directors, 3 Part Time (Non-Executive) Directors, 1 Part-Time (Ex-Officio) Director (Government Director).

a) Composition of Board of Directors

The Board of the Company comprises Executive (Whole-time) Directors, Non-Executive (Part-Time) Directors, Non-Executive (Part-Time) Government Nominee Director.

The tenure of the Directors appointed on the Board is as under:

- Whole-time Directors are appointed for a period of five years or their date of superannuation, whichever is earlier;
- Government Nominee Directors are appointed on an ex-officio basis during their tenure in the Ministry of Petroleum & Natural Gas (MoP&NG);

As on 31st March 2024, the BPRL Board comprised 7 Directors represented by 3 Whole-Time (Executive) Directors, 3 Part Time (Non-Executive) Directors, 1 Part-Time (Ex-Officio) Director (Government Directors).

Name of the Director	Category	Designation	Date of appointment
Smt Barnali Tokhi	Executive Director	Managing Director	07.02.2023
Shri Kamal Chopra	Executive Director	Director (Finance) & CFO	21.02.2022
Shri Krishnakant Joshi	Executive Director	Director (Ops & BD)	25.07.2022
Shri G. Krishnakumar	Non- Executive Director	Nominee Director	23.03.2023
Shri V.R.K. Gupta	Non-Executive Director	Nominee Director	12.01.2022
Shri Sanjay Khanna	Non-Executive Director	Nominee Director	07.09.2022
Shri Kapil Verma	Non-Executive Director	Government Director	18.05.2023

b) Skills/Expertise/Competencies of Board of Directors

Being a Government Company, Functional Directors, Government Nominee Directors and Independent Directors are selected and appointed by the Government as per a well laid down process for each category of Directors. The Company has a competent Board with background and knowledge of the Company's Businesses and also of finance, accounts and general administration. The Board comprises of Directors with diverse experience, qualifications, skills, expertise etc. which are aligned with the Company's business, overall strategy, corporate ethics, values and culture etc.

c) Board Meetings

The Board of Directors oversees the overall functioning of the Company and has set strategic objectives to achieve its Vision. The Board lays down the Company's policy and oversees its implementation in attaining its objectives. It constitutes various committees to facilitate the smooth and efficient flow of the decision-making process.

During the year 2023-24, 14 (fourteen) Board Meetings were held. The dates of the Board Meetings are fixed well in advance

and intimated to the Board members to enable the Directors to plan their schedule accordingly. The Directors are also provided the option to participate in the meeting through video conferencing and the facility is provided as and when requested. The agenda papers are circulated to the Directors in advance before the meeting. However, certain exigent proposals are tabled at the Board Meeting with the approval of the Chairman and consent of the Directors. The Agenda Items are comprehensive and informative in nature to facilitate deliberations and appropriate decision making at the Board meeting.

Presentations are made to the Board on various functional and operational areas of the Company as well as major projects, financial highlights etc. The agenda placed before the Board inter-alia includes all statutory, other significant & material information, including the information mentioned in Annexure IV of the Guidelines on Corporate Governance issued by the Department of Public Enterprises for Government Companies.

The Board Minutes are prepared promptly after the Board meeting and draft is circulated among all Directors for their comments, if any, and thereafter approval of the Chairman is obtained. The approved minutes are then circulated to the concerned department/ group for implementation.

Details of the Board Meetings held during the year 2023-24 are as under:

S.No.	Date	Board Strength (No.)	No. of Directors Present
1.	11.04.2023	7	7
2.	08.05.2023	7	7
3.	16.05.2023	7	7
4.	28.06.2023	7	7
5.	24.07.2023	7	7
6.	04.08.2023	7	7
7.	11.08.2023	7	7
8.	22.09.2023	7	7
9.	25.10.2023	7	7
10.	04.12.2023	7	7
11.	15.12.2023	7	7
12.	16.01.2024	7	7
13.	24.01.2024	7	7
14.	29.03.2024	7	7

d) Particulars of Director including their attendance at the Board/Members Meeting during the Financial year 2023-24:

Names of the Director	No. of Board Meetings attended out of the meetings held during the tenure of the Director and percentage thereof		Attendance at the AGM held on 22.08.2023 (Yes/No/ NA)	No. of Directorship in other Companies as on 31st March, 2024	Membership of Committees in other Companies as on 31st March, 2024#
	No. of Meetings Attended	%*			
Whole-Time Directors					
Smt Barnali Tokhi Managing Director	14/14	100	Yes	Director: 1. Bharat PetroResources JPDA Ltd	-
Shri Kamal Chopra Director (Finance) & CFO	14/14	100	Yes	Director: 1. Bharat PetroResources JPDA Ltd	-
Shri Krishnakant Joshi Director (Operations & Business Development)	14/14	100	Yes	-	-
Non-Executive Director (BPCL Nominee Directors)					
Shri G. Krishnakumar	14/14	100	Yes	Chairman & MD: 1. Bharat Petroleum Corporation Ltd Director: 1. Petronet LNG Ltd	-
Shri V. R. K Gupta	14/14	100	Yes	Director: 1. Bharat Petroleum Corporation Limited	Member: 1. Stakeholder Relationship Committee, BPCL
Shri Sanjay Khanna	14/14	100	Yes	Director: 1. Bharat Petroleum Corporation Limited 2. Ratnagiri Refinery & PetroChemicals Limited	-
Non-Executive Director (Government Director)					
Shri Rajinder Kumar (upto 18.05.2023)	3/3	100	NA	-	-
Shri Kapil Verma (w.e.f. 18.05.2023)	11/11	100	Yes	-	-

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

For the purpose of the Chairmanship and Membership of Committees, only the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies are considered. Excludes Directorship in Foreign Companies, Private Companies, Companies under Section 8 of the Companies Act, 2013 and High-Value Debt Listed Companies.

e) Code of Conduct

The Code of Conduct for Board Members and Senior Management Personnel of the Company has been laid down by the Board, which is circulated to all concerned and is also hosted on the website of the Company. The Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the Code of Conduct for the year ended 31st March 2024 under clause 3.4 of DPE Guidelines on Corporate Governance and no material financial or commercial transactions, which may have a potential conflict with the interest of the Company, were reported by them.

f) Succession Planning

The Company has put in place a structured succession planning framework to ensure a systematic development plan to fill key positions, other than Board Members, in line with the vision and business strategies of the Company. Being a Government Company under the administrative control of the MoP&NG, the power to appoint Directors (including Independent Directors) vests with the Government of India.

3) Committees of the Board

a) Audit Committee:

As per section 177 of Companies Act 2013, read with Rule 6 of Companies (Meeting of Board and its Power) Rules 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules 2014, BPRL being the wholly owned subsidiary of BPCL does not require to constitute an Audit Committee. However, as per the chapter 4 of DPE Guidelines on Corporate Governance BPRL is required to constitute an Audit Committee.

On completion of tenure of all the Independent Directors, the Audit Committee could not be reconstituted and hence no meetings of Audit Committee were held during the year 2023-24. BPRL, being a Government Company, Government of India has been approached for nomination of requisite number of Independent Directors.

Further to this, at present all the proposals requiring Audit Committee approval are directly put up to the Board for seeking approvals.

b) Remuneration Committee

As per section 178 of Companies Act 2013, read with Rule 6 of Companies (Meeting of Board and its Power) Rules 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules 2014, BPRL being the wholly owned subsidiary of BPCL does not require to constitute a Remuneration Committee. However, as per chapter 5 of DPE Guidelines on Corporate Governance BPRL is required to constitute a Remuneration Committee.

On completion of tenure of all the Independent Directors, the Remuneration Committee could not be reconstituted and hence no meetings of Remuneration Committee were held during the year 2023-24. BPRL, being a Government Company, Government of India has been approached for nomination of requisite number of Independent Directors.

Further to this, at present all the proposals requiring Remuneration Committee approval are directly put up to the Board for seeking approvals.

c) Directors' Remuneration:

The remuneration paid/ payable to whole time directors during the Financial year 2023-24 is as follows:

Name of the Director	Designation	Salaries & Allowance	Performance Linked Incentive	Other Benefits and Perquisites	Total Remuneration*
Smt Barnali Tokhi	Managing Director	₹ 42,79,499	-	-	₹ 42,79,499
Shri Kamal Chopra	Director (Finance)	₹ 44,88,418	-	₹ 29,302	₹ 45,17,720
Shri Krishnakant Joshi	Director (Operations & Business Development)	₹ 45,93,605	-	₹ 91,494	₹ 46,85,099

* Includes retirement benefits on superannuation.

Note:

- Performance Linked Incentives are payable to the Whole-time Directors as employees of the Company as per the policy applicable to all executives of the Company.
- During the year no Stock Options were issued by the Company to Whole-time Directors.
- The terms of appointment of the Whole-time Directors, as issued by the Government of India, provides for three months' notice period or salary in lieu thereof for severance of service.
- The remuneration does not include the impact of provision made on actuarial valuation for retirement benefits / long term schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual Directors.

5. The Government Director and Nominee Directors are not paid any remuneration, sitting fees, etc

d) Shareholding of Directors

The details of equity shares of the Company held by the Directors as on 31st March 2024, are given below:

Name of the Director	Designation	No of Equity Shares
Smt Barnali Tokhi	Managing Director	Nil
Shri Kamal Chopra	Director (Finance)	Nil
Shri Krishnakant Joshi	Director (Operations & Business Development)	Nil
Shri V. R. K Gupta	Non-Executive Director	Nil
Shri Sanjay Khanna	Non-Executive Director	Nil
Shri G. Krishnakumar	Non-Executive Director	Nil
Shri Kapil Verma	Government Nominee Director	Nil

e) Corporate Social Responsibility Committee

The Company's Corporate Social Responsibility (CSR) is guided by its corporate vision of caring for the environment and the community. The Company believes that CSR is its continuing commitment to conduct business in an ethical and sustainable manner and to contribute to the economic well-being of the country, while improving the quality of life of the local community residing in the vicinity of its establishments and the society at large.

BPRL being in exploration business has not made any profits during the last three Financial Years, thereby, not making any contribution to CSR. However, as per the provisions mentioned in DPE Guidelines on Corporate Governance and Companies Act, 2013, the Board is required to constitute the Corporate Social Responsibility (CSR) Committee to recommend, monitor and administer activities under the Sustainability and CSR Policy and to also oversee its performance / implementation.

On completion of tenure of all the Independent Directors, the CSR Committee could not be reconstituted BPRL, being a Government Company, Government of India has been approached for nomination of requisite number of Independent Directors.

f) Risk Management Committee

On completion of tenure of all the Independent Directors, the Risk Management Committee could not be reconstituted and hence no meetings of Risk Management Committee were held during the year 2023-24. BPRL, being a Government Company, Government of India has been approached for nomination of requisite number of Independent Directors.

Further to this, at present all the proposals requiring Risk Management Committee approval are directly put up to the Board for seeking approvals.

4) General Meetings

The details of Annual general meetings and Extra-ordinary General Meeting during the last three years are given below:

For Financial Year	2020-2021	2021-2022	2022-2023
Meeting Details	14th Annual General Meeting	15th Annual General Meeting	16th Annual General Meeting
Date and Time	20.09.2021 10:30 AM	24.08.2022 02:00 PM	22.08.2023 11:00 AM
Venue	In view of the Covid pandemic, the AGM was held Online through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	The AGM was held Online through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	The AGM was held Online through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Special Resolutions Passed (nos.)	Nil	Nil	Nil

No Extraordinary General Meeting of the shareholders has been held during the last three years.

5) Disclosures

a. Related Party Transactions

The Company has a policy on 'Materiality of Related Party Transactions and dealing with Related Party transactions' (policy on RPTs).

In the absence of Audit committee all the related party transactions are approved by the Board. The Board had granted omnibus approval for related party transactions during 2023-24 in line with the provisions of the Companies Act, 2013, and the policy on RPTs. A report on such transactions was submitted to the Board on a quarterly basis. The Company has not entered into any materially significant related party transactions during the year.

b. Subsidiary Companies

The Company has one unlisted subsidiary (Bharat PetroResources JPDA Ltd) during the financial year 2023-24.

c. Non-Compliances/Strictures/Penalties during the last three years

There was neither any case of non-compliance, nor any penalties / strictures were imposed on the Company by any other statutory authority on any matter during the last three years.

d. CEO / CFO Certification

The Managing Director and Director (Finance) of the Company have given the "CEO / CFO Certification" to the Board.

e. Integrity Pact

Presently, two Independent External Monitors (IEMs) have been nominated by the Central Vigilance Commission (CVC) to monitor the implementation of Integrity Pact (IP) in all tenders, of the threshold value of ₹ 1 Crore and above.

During the year 2023-24, five (5) meetings of IEMs were held. Based on the above threshold value, three (3) tenders came under the purview of the IP during the year against which NIL complaints were referred to IEMs by the bidders.

f. Relationship between Directors

None of the Directors is inter-se related to other Directors of the Company.

g. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

No complaints of sexual harassment were pending as on 01.04.2023. During the year, no complaints were received. As on March 31, 2024, no complaints were pending.

h. Fees Paid to Statutory Auditors

The amount of ₹ 9.60 Lakhs is paid / payable to the Statutory Auditors of the Company for the year 2023-24 towards various services rendered by them to the Company.

i. Guidelines on Corporate Governance by Department of Public Enterprise (DPE)

The Company is complying with all the requirements of the DPE Guidelines on Corporate Governance except the points covered in Compliance Certificate of Corporate Governance annexed along with Directors' Report.

The Company also scrupulously follows the Presidential Directives and guidelines issued by the Government of India regarding reservation in services for SC / ST / OBC / PwBD (Persons with Benchmark Disabilities) / Ex-servicemen / Economically Weaker Sections (EWSs) to promote inclusive growth.

No items of expenditure have been debited in books of account, which are not for the purpose of business. No expenses, which are of personal nature, have been incurred for the Board of Directors and the top management.

The regular administrative and office expenses were 3.33% of total expenses during 2023-24 as against 2.11% during the previous year. The increase is on account of an increase in rent.

j. Vigil Mechanism

BPRL has implemented the whistle blower policy which provides vigil mechanism to ensure greater transparency in all aspects of the Company's functioning and it also provides employees with a framework or procedure for responsible and secure reporting of improper activities without fear of victimization and no personnel has been denied access to the Audit Committee / Board.

6) Means of Communication

a) Financial Results

The financial results are hosted on the Company's website.

b) Website

The Company's website www.bharatpetroresources.in provides a separate section for investors where relevant shareholder information is available. The Annual Report of the Company is also hosted on the Company's website.

c) Annual Report

The Annual Report is circulated to shareholders and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Corporate Governance Report form a part of the Annual Report.

d) Chairman's Speech at AGM

The Chairman read out his speech at the AGM which was held through VC / OAVM on 22.08.2023.

e) Green Initiative – Service of Documents in Electronic Form

The provisions of the Companies Act, 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Further, the Ministry of Corporate Affairs (MCA), has permitted that all communication to shareholders may be served electronically. In compliance thereof, the Company has adopted the practice of sending communications, including Annual Report, through email to those shareholders whose email id is available as per registered records.

7 General Shareholder Information

a. Annual General Meeting

20th August, 2024 at 1100 hrs through VC/OAVM

b. Financial Year:

The Financial Year of the Company is from 1st April to 31st March. The financial calendar to approve quarterly/ annual financial results for the year 2024-25 is given below:

Quarter ending June 30, 2024	Will be held within the timelines prescribed under the applicable statutes
Quarter ending September 30, 2024	
Quarter ending December 31, 2024	
Quarter and year ending March 31, 2025	
Annual General Meeting for financial year ending March 31, 2025	

c. Corporate Identity Number (CIN):

The Company is registered with the Registrar of Companies (RoC) in the State of Maharashtra, India. The CIN allotted to the Company by the MCA is U23209MH2006GOI165152.

d. Address for Correspondence

Location	Registered Office	Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001 Tel 022-22714000 Fax 022-22713874
	Corporate Office	BPCL 'A' Installation, 2nd Floor, Amenities Block, Sewree Fort Road, Sewree, Mumbai – 400015 Tel 022-22175600 Fax 022-22154364
	Area Office	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, Gujarat- 380014 Tel 079-26420706 Fax 079-26460703

Compliance Certificate of Corporate Governance Guidelines issued by Department of Public Sector Enterprises

**To,
The Members,
Bharat PetroResources Limited,**

I have examined the compliance of the conditions of Corporate Governance by Bharat PetroResources Limited for the financial year ended 31st March, 2024, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by the Department of Public Enterprises, Government of India.

The Compliance of conditions of Corporate Governance as stipulated in the Guidelines is the responsibility of management. My 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 my opinion and to the best of my information and according to explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Sector Enterprises except –

- i) *The Board of Directors of the Company is not constituted as per Clause 3.1 of the DPE Guidelines, since number of nominee Directors appointed by the Government and BPCL exceeds the maximum permissible limit of two Directors.*
- (ii) *The Company does not have required number of Independent Directors as prescribed under the Clause 3.1.4 of the DPE Guidelines.*
- (iii) *There was audit committee in place during the financial year. Hence, Chapter 4 of DPE Guidelines is not complied with.*
- (iv) *There was no remuneration committee in place during the financial year. Hence, Clause 5.1 of DPE Guidelines is not complied with.*

As informed by the management, the Company being a Government Company, all the powers of appointment of Directors and fixation of terms of such appointments are exercised by the Ministry of Petroleum and Natural Gas, Government of India. The Company has taken up the matter with the concerned Ministry for appointment of the required number of Directors.

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

UDIN: F002727F000834008
Peer Review Certificate No.- 1882/2022
Date: 26/07/2024
Place: Mumbai

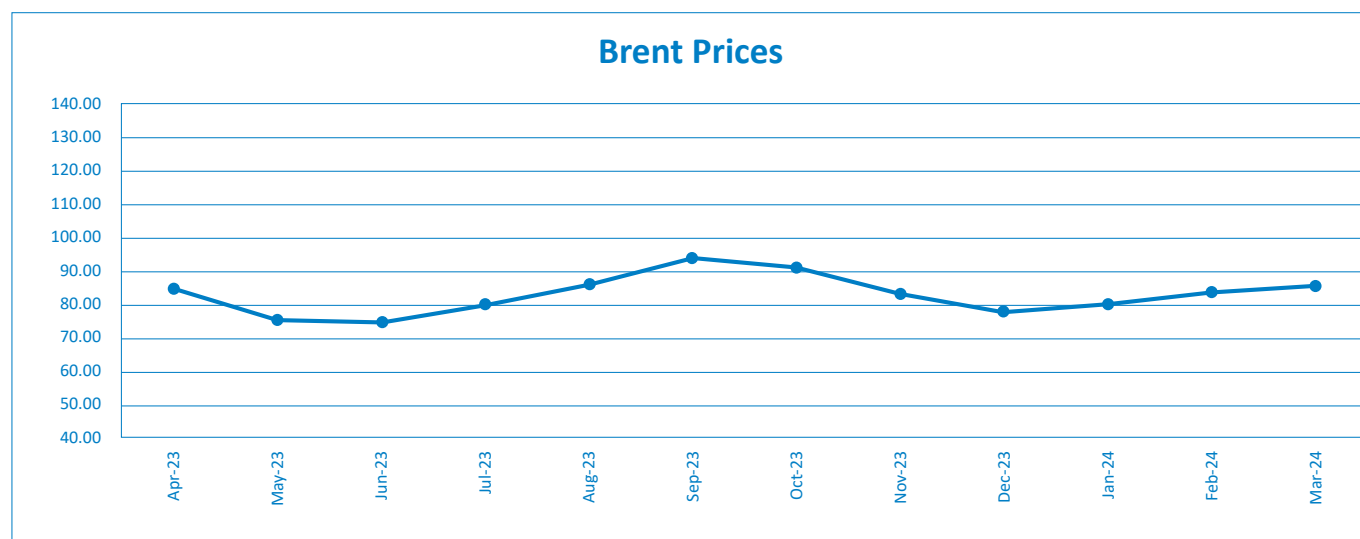
Sd/-
(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Management Discussion and Analysis Report

Industry Structure and Developments

The FY 23-24 witnessed resilient global economic growth, inflationary pressures, healthy global oil supply/demand fundamentals and reduced geo-political risk premium to the Oil prices. Benchmark crude oil and natural gas prices remained muted during the year, when compared with that of 2022-23. As per various reports, annual capital expenditures of upstream oil and gas grew by 12% in 2023 to ~ \$ 577 billion and is expected to grow further in 2024. Geographies like Latin America are set to be the largest drivers of capex growth in 2024, surpassing other regions. According to the International Monetary Fund (IMF), global GDP growth rate was 3.2% in 2023 and is projected to maintain the same pace in both 2024 and 2025.

Crude price movement during FY 2023-24 of Benchmark Brent Crude:



Source: Platts

Outlook

Energy supply security remains a central pillar of the international policy agenda as geopolitical tensions escalate and transforming international oil & gas market activity. At the same time, concerted efforts to address the energy transition have never been stronger.

As per the International Energy Agency (IEA), both demand and supply sides for the world oil market are projected to be robust in 2024, surpassing 2023 levels. India, is anticipated to be the largest source of global oil demand growth from 2023 to 2030. Underpinned by strong economic and demographic growth, the country is on track to post an increase in oil demand of 1.2 mb/d by 2030, accounting for more than one-third of the projected 3.2 mb/d global growth in crude oil consumption. Oil & Gas investments in upstream projects has shown uptrend along with increasing focus on improved project execution skills.

India's energy mix continues to have a huge dependence on coal and oil. Coal, oil and gas together constitute more than 85% of the country's primary energy mix. According to various reports, natural gas makes up 26% of the global energy mix, while in India, it constitutes only 6% of the energy mix and has potential to serve as a transition fuel. India's per capita energy consumption has been increasing consistently over the decade, with the country focusing more and more on electrification of villages and gas supplies to families across the country. India's per capita consumption remains low as compared to the emerging countries like Brazil, China, and Mexico, thereby providing significant room for growth.

Oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. To increase the domestic oil and gas production, the Government of India has floated Notice Inviting Offers (NIO) for Exploration and Development of Oil & Gas Blocks under the Open Acreage Licensing Policy (OALP) Bid Round-IX. This initiative is intended to attract more investments into these fields.

With the emphasis of Government of India on the energy sector through various policy initiatives: a) increasing domestic exploration and production, b) diversifying the supply, c) expanding fuels like biofuel, ethanol, compressed biogas and

renewable sources like wind and solar, d) de-carbonization via electric vehicles and hydrogen. Efforts are on to substantially increase the refining capacity from the current capacity of 250 MMTPA along with enhanced capacity for Petrochemical production. Further, Government is working on mission mode to increase the consumption of natural gas in our energy mix from 6% to 15% by 2030 where all the needed infrastructure will be provided by 'One Nation One Grid', thereby quadrupling the Gas consumption.

The Indian economy has fared exceedingly well in FY 2023-24, clocking GDP growth rate of 8.2% and growth is expected to be strong in the coming year as well, as per various estimates. India is on track to register the world's fastest expansion rate among major economies in 2024 for a third straight year, with the International Monetary Fund projecting that it will contribute more than 16% to global economic growth this year. This upward trajectory looks set to continue, with forecaster Oxford Economics seeing a 6.5% average annual GDP growth rate for the 2024-2030 period, propelled by the massive domestic consumer market, low-cost labour force and favourable demographics.

Strength and Weakness

Currently, BPRL has a well-balanced portfolio of assets in Production, Development, Appraisal and Exploration phase. BPRL assesses and pursues opportunities based on in-depth studies on the viability of such projects, as well as its strategic fit with company's long-term goals and national priorities. BPRL is working towards creating a more resilient and efficient core business and to build a sustainable portfolio. The key producing assets are Vankorneft and TYNGD in Russia, Lower Zakum in UAE and Madanam in India. The major investment in the next few years is planned for the development of the gas discoveries in Mozambique through an Initial 2 Train LNG Project and for the development of Oil & Gas discoveries in BM-SEAL-11 concession in Brazil. Till these development projects commence production, BPRL is likely to remain dependent on its parent company for funding and investment.

Opportunities and Threats

Global GDP growth is projected to average 3% over 2024-2030 period and Asian economies will remain the main drivers. The post pandemic rebound has subdued and deployment of clean energy technologies weigh on key sectors and regions. Oil & gas will continue to play a crucial role in energy security of every nation in the future as well, till such time the transition creates a paradigm shift in the energy mix. Hence, maintaining diversified sources of Oil & Gas and partnering with various international Oil & Gas players, remains the key for various aspects. Geopolitical tensions, a record year for elections and economic uncertainty will provide the backdrop to 2024. Energy policy will continue to be a frontline issue, exposing wide divides in countries' energy transition strategies.

Risk and Concerns

Exploration and Production, in general, carries risk of sub-optimal finds. In Offshore Area1 Mozambique, Force Majeure (FM) continues, however the overall security situation has improved with the sustained efforts of Govt. of Mozambique. The Operator is expecting re-start of the project soon, considering the improvement in the security situation.

The ongoing Russia-Ukraine crisis and consequent sanctions and counter sanctions have impacted transfer of funds outside Russia and efforts are being made to address the same.

At BM-C-30 concession in Brazil, the Operator had submitted the Declaration of Commerciality and Field Development Plan to the Regulator, on exclusive operation basis. Hence, IBV (Company's JV in Brazil) had initiated arbitration proceedings against Operator at ICC, London. The arbitration award was not in favor of IBV and hence it was further appealed in High Court, London.

Exploration and Production Policy

Various factors are considered while making an investment decision such as estimating the remaining resource potential of the asset, the anticipated production profile/costs/revenue/fiscal structure, etc. and different scenarios are run 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 reduces the risks by limiting the risk capital and bringing in additional expertise in each project.

The due diligence on the investment opportunities is carried out 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, 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, surface facilities, etc.

Operations of the Company

BPRL, established in October 2006 as a wholly owned subsidiary of BPCL, was tasked with spearheading upstream endeavors. Its portfolio comprises of blocks in different phases of exploration, appraisal, development, and production. Covering approximately 19,824 square kilometers, approximately 46% of the acreage owned by BPRL and its subsidiaries is in the offshore expanse.

BPRL holds Participating Interest (PI) in 15 blocks, with 8 located in India and 7 overseas. Additionally, BPRL has equity stakes in two Russian entities, which hold licenses for four producing blocks in Russia. While BPRL directly holds PI in domestic blocks, its stakes with respect to blocks in Brazil, Mozambique, Indonesia, the UAE and equity stakes in Russian entities are held through step-down wholly owned subsidiaries or joint ventures (JVs) of the wholly owned subsidiaries located in the Netherlands and Singapore.

As on March 31, 2024, BPCL's investment is ₹ 10,800 crore in the equity capital of BPRL (apart from equity component of ₹ 126.37 crore recognized on fair valuation of concessional rate loan given to BPRL). BPRL has recorded a consolidated Total Income of ₹ 363.72 crore and a consolidated Loss of ₹ 2043.06 crore for the financial year ending March 31, 2024. In FY 2023-24, BPRL Group's share of Oil & Gas production was 2.64 MMTOE.

Current Status of Blocks

Bharat PetroResources Limited (BPRL), has Participating Interest (PI) in fifteen blocks, of which eight are in India and seven overseas, along with equity stakes in two Russian entities holding the license to four producing blocks in Russia. Five of the eight blocks in India were acquired under different rounds of New Exploration Licensing Policy (NELP), one block was awarded under Discovered Small Fields (DSF) Bid Round 1 and two blocks were awarded under the Open Acreage Licensing Policy (OALP) Bid Round I. Out of the seven overseas blocks, three are in Brazil, two in the United Arab Emirates and one each in Mozambique and Indonesia.

BPRL has wholly owned subsidiary companies located in the Netherlands, Singapore and India. 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 63.24% stake in IBV Brasil Petroleo Limitada, which currently holds PI in three 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 16.2% 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 Taas-Yuryakh Neftegazodobycha ("TYNGD") and JSC Vankorneft, respectively. BISPL further holds 50% stake in Urja Bharat Pte Ltd (UBPL) in Singapore, which is the Operator of Onshore Block 1 concession in Abu Dhabi with 100% PI. The subsidiary in India, viz., Bharat PetroResources JPDA Limited, held PI in a block in Timor Leste, which has been relinquished.

Highlights - Significant events in Exploration & Operations:

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 TYNGD through joint ventures Vankor India Pte. Ltd. (VIPL) and Taas India Pte. Ltd. (TIPL), respectively, both incorporated in Singapore.

In JSC Vankorneft, the remaining stake is held by LLC Vostok (50.1%) and ONGC Videsh Vankorneft Pte Ltd. (26%). During the year 2023-24, JSC Vankorneft produced approximately 8.91 MMT of oil and 4.41 billion cubic meters (BCM) of gas (BPRL's effective share being 0.70 MMT of oil and 0.35 BCM of gas, i.e. a total equivalent share of production of 1.05 MMTOE). During the year, VIPL received dividend amounting to Rub 8.59 billion, i.e., approximately USD 92.1 million (with BPRL's effective share being approximately USD 30.4 million).

In LLC TYNGD, the stake is held along with RN Upstream LLC (50.1%), a Rosneft Group company and BP (20%). During the year 2023-24, TYNGD produced approximately 5.14 MMT of oil and 5.04 BCM of gas (BPRL's effective share of production being 0.51 MMT of oil and 0.50 BCM of gas, i.e. a total equivalent production of 1.01 MMTOE). During the year, TIPL received dividend amounting to Rub 16.3 billion, i.e., approximately USD 175 million (with BPRL's effective share being approximately USD 57.8 million).

United Arab Emirates (UAE)

Lower Zakum Concession

BPRL, along with IOCL and OVL, holds 10% stake in Lower Zakum concession. The Indian Consortium's share in Lower Zakum Concession is held through Falcon Oil & Gas B.V., an SPV incorporated in the Netherlands, in which BPRL holds 30% shares through its step-down subsidiary BPRL International Ventures B.V in the Netherlands. The other partners being Abu Dhabi National Oil Company (60%), 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%).

During the year 2023-24, the concession produced 17.95 MMTOE (BPRL share of equivalent production: 0.54 MMTOE). Also, notably, BPCL Group Refineries could access approximately 4.02 million barrels (0.54 MMT) of Das Blend Crude Oil as equity oil share from the Lower Zakum Concession. BPRL International Ventures B.V received a dividend of USD 13.80 Million in the FY 2023-24.

The long-term plan in the Concession is to further extend and sustain the oil plateau through its future development plan, which shall be implemented in three phases. The Long-Term Development Plan-1 is currently under review by stakeholders.

Onshore Block 1 Concession

BPRL, jointly with Indian Oil Corporation Ltd. (IOCL), was awarded the Onshore Block 1 Concession as Operator with 100% Participating Interest (PI) in March 2019 under Abu Dhabi 2018 Block Bid Round. The block is held by Urja Bharat Pte Ltd, a 50:50 joint venture company of wholly owned subsidiaries (WOS) of BPRL and IOCL, incorporated in Singapore.

Onshore Block 1 covers an area of 6,162 sq. km 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 discoveries in the area, named Ruwais and Mirfa, in addition to available prospects/leads for exploration. The drilling and testing of appraisal wells for Ruwais Discovery were completed in 2021, which has established the presence of hydrocarbons. The approval of Ruwais Field development plan is received from the Regulator in April 2024. Ruwais field development related activities will commence after the execution of Production Concession agreements (PCA).

In the remaining part of the block area, four exploratory wells have been drilled successfully, presence of hydrocarbons have been established in two wells. During the financial year in XN-79 well, six zones have been tested and presence of hydrocarbon has been established from Habshan reservoir. In XN-76 well, hydrocarbon flow has been established through hydrofracking and testing in three zones.

Mozambique

BPRL, through its Netherlands based step-down subsidiary company BPRL Ventures Mozambique B.V., holds 10% PI in Offshore Area 1, Rovuma Basin Concession in Mozambique. TotalEnergies EP Mozambique Area 1 Limitada, a wholly owned step-down subsidiary of TotalEnergies S.A. is the Operator with 26.5% PI, and the other consortium partners are MIT Rovuma offshore SU LDA (20%), ENH Rovuma Area 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 Rovuma Offshore Area 1 off the coast of northern Mozambique, Area 1 consortium partners announced Final Investment Decision (FID) on June 18, 2019 to initially develop a 2x6.56 MMTPA-Train onshore LNG project for monetization of the gas discovered from offshore Golfinho-Atum discovery area.

After FID, while the project was on schedule and within budget till March 2021, due to the security incidents around the Afungi Project Site during end – March 2021, the consortium declared Force Majeure.

The Government of Mozambique is working towards the reestablishment of peace and resolving the security situation. Mozambican military along with Joint forces from Rwanda and Southern African Development Community (SADC) continue their operations in the region.

During the year 2023-24, in order to contribute to the stabilization of the livelihood of the communities in Northern Cabo Delgado, the project has implemented various comprehensive socio-economic initiatives under Pamoja Tunaweza, aimed at generating revenues for the communities, developing the local economy, preserving the biodiversity and promoting Human Rights.

There has been an improvement in the security situation and the project is expected to restart after satisfactory assurances regarding the security in Cabo Delgado province.

BRAZIL

IBV Brasil Petroleo Limitada (IBV), incorporated in Brazil, a joint venture company of BPRL Ventures BV with 63.24% shareholding (as of 31.03.2024), and Videocon Energy Brazil Ltd (VEBL), step-down subsidiaries of BPRL and Videocon Industries Limited, respectively, currently holds PI in three deep-water blocks in two concessions, as mentioned below.

Sergipe Alagoas (BM-SEAL-11) concession

IBV holds 40% PI in the concession and the remaining 60% PI is held by the operator, Petrobras. The Concession currently consists of two blocks SEAL-M-426 and SEAL-M-349. The Operator, on behalf of the Concessionaires, submitted the Field Development Plan to the Regulator (ANP) in November 2022. Currently, procurement activities are ongoing for the Floating Production Storage & Offloading (FPSO) unit and other long-lead items.

Campos (BM-C-30) concession

In BM-C-30 Concession, IBV holds 35.714% PI and PetroRio Jaguar Petroleo Ltda as the Operator holds 64.286% PI. IBV had initiated Arbitration against the Operator in ICC London against Exclusive Operations for development of Wahoo Discovery by the Operator. The Award of which was not in favor of IBV and hence it was further appealed in High Court, London

Further, Arbitration proceedings are also ongoing at ICC New York with Ovintiv under the Share Sale Agreement and the same is being defended by BPRL.

INDONESIA

BPRL has a PI of 16.2%, held through its step-down subsidiary BPRL Ventures Indonesia BV. PT PertaminaHulu Energi Nunukan Company (PHENC), a wholly owned subsidiary of Pertamina, the National Oil Company of Indonesia, has the balance 83.8% PI in the consortium and is the Operator. The Production Sharing Contract (PSC) was signed on December 12, 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.

The minimum work programme committed as per the PSC under the exploration phase has been completed.

The results of the appraisal drilling program, geological, geophysical and reservoir studies along with an independent reserve certification have indicated substantial reduction in the recoverable oil and gas resource volume from Parang discovery.

Various options are being evaluated to decide the way forward in the block including submission of revised Plan of Development, by the Operator.

Blocks In India

A. Operated Blocks:

i. **CB-ONN-2010/8 (Onshore Cambay Basin, Gujarat)**

Under NELP-IX Bid Round, a 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 Joint Operating Agreement (JOA), the other non-defaulting parties have agreed to distribute MIEL's 10% PI in proportion to their existing share.

During the initial exploration period, two discoveries were made, and the Field Development Plan was approved by Directorate General of Hydrocarbons (DGH). However, in view of unviable project economics, BPRL submitted relinquishment proposal to DGH, which is under approval. Miscellaneous closure activities such as Plugging and Abandonment (P&A) and Site Restoration activities for four dry wells have been completed. Plug & Abandonment and Site Restoration activities for two discovery wells shall be completed after obtaining approval from DGH for relinquishment.

ii. **CB-ONHP-2017/9 (Onshore Cambay Basin, Gujarat)**

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 October 1, 2018. BPRL is the lead Operator in the block with PI of 60% and ONGC is the partner with 40% PI.

Based on integrated interpretation of seismic and well data of existing wells in the block, three prospective locations were identified for drilling of exploratory wells. During the financial year construction of two well sites have been completed and third well has been spud. As on date site construction and drilling of all the three wells have been completed.

iii. **CY/ONDSF/Karaikal/2016 (Onshore Cauvery Basin, Tamil Nadu)**

BPRL was awarded the Karaikal Contract Area in the Discovered Small Field (DSF) Bid Round of 2016 with 100% PI. The Petroleum Mining Lease (PML) for the block is awaited from State Govt. of Tamil Nadu, and support of DGH has been sought to expedite the same.

B. Non-Operated Blocks

i. **CY-ONN-2002/2 (Madanam Field, Onshore Cauvery Basin, Tamil Nadu)**

BPRL has PI of 40% in an On-land block CY-ONN-2002/2 in Cauvery basin with ONGC being the Operator with 60% PI. During FY 2023-24, 68,102 MT of oil (BPRL share: 27,241 MT) and 27.54 mmscm of gas (BPRL share: 11.01 mmscm) has been produced from the block, i.e a total equivalent share of production for BPRL 0.04 MMTOE.

ii. **CY-ONN-2004/2 (Onshore Cauvery Basin, Tamil Nadu)**

BPRL has PI of 20% in this block, and ONGC with PI of 80% is the Operator of the block. The Field Development Plan (FDP) was approved on July 13, 2017 and the first two developmental wells drilled did not yield the desired results, due to which additional subsurface studies are being carried out.

iii. **CB-ONN-2010/11 (Onshore Cambay Basin, Gujarat)**

CB-ONN-2010/11, the onshore block was awarded by Government of India to a consortium consisting of GAIL (Operator), BPRL, Engineers India Ltd. (EIL), BF Infrastructures Ltd. (BFIL) and Monnet Ispat & Energy Ltd. (MIEL), under NELP IX Bid Round. 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. Also, due to non-participation of BFIL in the development phase of the block, the revised PI for the block stands as GAIL 47.06%, BPRL 29.41% and EIL 23.52%. The Field Development Plan of Galiyana was approved on 10th February 2020. The field development was completed in 2023 and crude oil production commenced on 18th March 2023. Total crude oil production in FY 2023-24 is 6446 bbls (870 MT) at Consortium level (BPRL Share : 256 MT).

iv. **AA-ONN-2010/3 (Assam Arakan Basin, Assam)**

AA-ONN-2010/3, an On-land block was awarded by Government of India to a consortium consisting of OIL, ONGC and BPRL under NELP IX Bid Round. OIL with 40% PI is the Operator of the block. BPRL has 20% PI and ONGC holds 40 % PI in the block. The Minimum Work Program (MWP) committed by the consortium in the block has been completed. Due to complications during drilling of the MWP commitment well SDYA-1, it was plugged and abandoned. Operator has requested DGH/MoPNG for a three-year extension for drilling of replacement well in the block. Response from DGH is awaited.

v. **AA-ONHP-2017/12 (Assam Arakan Basin, Assam & Arunachal Pradesh)**

Government of India awarded the block AAONHP-2017/12 to OIL India under OALP I Bid Round. BPRL farmed into the block with a PI of 10% in December 2019. The other consortium partners of the block are OIL (60% PI) as Operator, IOCL (20% PI) and Numaligarh Refineries Limited (10% PI). The exploration period has been extended for one year and is valid till November 23, 2024. The committed Minimum Work Program (MWP) in the block is completed except for drilling of two wells . Statutory clearances are being obtained for MWP wells from the respective authorities.

Blocks Relinquished During the Year

Potiguar (BM-POT-16) Concession , Brazil

IBV held 20% PI in the BM-POT-16 concession along with the Operator,Petrobras (30% PI), BP (30% PI) and Petrogal (20% PI). The Concessionaires have withdrawn from the Concession and necessary approvals from the Regulator have been received. Final settlement amongst the Consortium partners is ongoing.

Human Resource as Capital

At BPRL, we are continuously working to deliver a sustainable future along with stakeholders. A major part of our stakeholder engagement is with the employees.

With increasing adoption of technology in company's operations, it is shifting from labour intensive operations to knowledge intensive operations, thereby requiring higher competency and capability levels among its employees. To achieve this, the company has been implementing employee training programs. BPRL's training programs emphasize leadership competency enhancement skills to ensure leadership development and a strong succession pool.

To help equip employees with the requisite skills and knowledge to enable them to improve their job performance, functional and behavioural training programmes are also conducted. These programmes are conducted in-house as well as through third party providers.

Cautionary Statement

The information and statements in the Management's Discussion & Analysis regarding the objectives, expectations or anticipations may be forward-looking within the meaning of applicable securities, laws, and regulations. The actual results may differ materially from the expectations. The various critical factors that could influence the operations of the Company include geo-political situation, global and domestic demand & supply conditions affecting the selling price of products, input availability and prices, changes in Government regulations/tax laws, economic developments within the country and factors such as litigation and industrial relations.

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 2024

The preparation of financial statements of Bharat PetroResources Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 April 2024.

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 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Sd/-

Sandip Roy

Director General of Commercial Audit, Mumbai

Place : Mumbai

Date: 08 July, 2024

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 2024

The preparation of consolidated financial statements of Bharat PetroResources Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 April 2024.

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 2023 under section 143(6)(a) read with section 129(4) of the Act. We did not conduct a supplementary audit of the financial statements of Bharat PetroResources Limited, for the year ended on that date. **Further, section 139(5) and 143 (6) (a) 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.

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

For and on behalf of the

Comptroller & Auditor general of India

Sd/-

Place : Mumbai

Sandip Roy

Date: 08 July, 2024

Director General of Commercial Audit, Mumbai

Annexure
Subsidiaries
BPRL International Singapore Pte. Ltd., Singapore
BPRL International BV, Netherlands
BPRL Venture BV, Netherlands
BPRL Ventures Mozambique BV, Netherlands
BPRL Ventures Indonesia BV, Netherlands
BPRL International Ventures BV, Netherlands
Joint Ventures
IBV Brasil Petroleo Ltda., Brazil
Taas India Pte Ltd, Singapore
Vankor India Pte Ltd, Singapore
Falcon Oil & Gas BV, Netherlands
Urja Bharat Pte Ltd, Singapore
Associates
Mozambique LNG 1 Company Pte Ltd, Singapore
Moz LNG 1 Holding Company Ltd, UAE
Moz LNG 1 Financing Company Ltd. UAE
Mozambique LNG 1 Financing Company LDA, Mozambique
LLC TYNGD, Russia
JSC Vankorneft, Russia

Independent Auditor's Report

To
The Members of Bharat PetroResources Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Bharat PetroResources Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and Statement of Changes in equity for the year then ended, and a statement of material accounting policies information and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 Standalone 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 there under, 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 audit opinion.

Emphasis of Matter

1. We draw attention to Note No. 44 of standalone financial statements 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 this regard, it has been observed that:
 - a. As on March 31, 2024, the company is having a participating interest in eight Indian Blocks, out of which three Indian blocks are operated by the company. For the remaining five Indian blocks, audited statements have not been received by the Company; hence, certified figures as provided by the management of the operator have been considered. The total Assets & Liabilities as on 31st March 2024 and Income & Expenses for FY 2023-24 in respect of the said five blocks' amounts to Rs. 17,242.10 Lakhs, Rs. 1,763.99 lakhs, Rs. 12,223.91 lakhs and Rs. 4,691.32 lakhs respectively
 - b. 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 incorporated based on such audited and unaudited statements received from the Operators to the extent available with the Company after making appropriate adjustments in conformity with the company's accounting policies.
2. We draw attention to Note No. 34 of the standalone financial statements on "Exceptional Items" regarding recognition of loss during the year amounting to Rs. 2,24,369.90 Lakhs due to impairment of investment in subsidiary including accrued interest and loan given to subsidiary (namely BPRL International BV).
3. We draw attention to Note No. 5 of the standalone financial statements regarding block AA-ONN-2010/3 which is an exploratory block for which the validity period for exploration has been expired on May 17, 2023. Considering the challenges associated with drilling efforts in the block, Operator has sought a special dispensation from Ministry of Petroleum & Natural Gas (MoPNG) through Directorate General of Hydrocarbon (DGH) for an extension in validity period by 3 years, which is currently under their consideration. Pending such approval, as on March 31, 2024 the company continues to carry the asset at its carrying value.
4. We draw attention to Note No. 43 of the standalone financial statement which indicates that the company incurred a net loss of Rs.2,06,537.07 lakhs during the year ended March 31, 2024, and, as of that date, the Company's accumulated

losses is Rs.8,20,098.83 lakh. As stated in Note 42 of the standalone financial statements, the management of the Company is of the opinion that no material uncertainty exists and the going concern basis is appropriate in the preparation of the financial statements.

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

Information other than the financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

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

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.

Management's Responsibility for the Financial Statements

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 Ind AS financial statements that 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) prescribed under Section 133 of the Act.

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

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- i. 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.
- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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.

- v. 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matters

1. We have placed reliance on technical/ commercial evaluation done 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 and liability for decommissioning costs.
2. We have relied on the estimates, technical/commercial evaluation done by the management of the company, reviewed the audited financials of the subsidiaries and placed reliance on the valuation reports of the various assets of the subsidiaries for assessing the impairment testing done by the management of the company in respect to its investments as on the balance sheet date.

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

Report on Other Legal and Regulatory Requirements

1. As per section 177 (1) of the companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Powers) rules 2014, it is not mandatory for the company to constitute an Audit Committee.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in the paragraph 3 and 4 of the Order.
4. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) As per the notification no. G.S.R 463 (E) dated 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) As per the notification no. G.S.R 463 (E) dated June 05, 2015, the Government issued by the Government of India, the provisions of section 197 of the Act are not applicable to the company. Accordingly, we are not required to report on the compliance of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' 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 information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer note no. 46 (b) to the standalone financial statements).
 - 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 31st March 2024.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 40 of the standalone financial statements, no funds other than funding to meet the transactions undertaken in normal course of business and in accordance with the extant regulatory guidelines and internal policies, have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no. 40 of the standalone financial statements, no funds other than funding to meet the transactions undertaken in normal course of business and in accordance with the extant regulatory guidelines and internal policies, have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the company
 - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024
- i) As required under section 143(5) of the Companies Act, 2013, based on our audit as aforesaid, we enclose herewith, as per **"Annexure C"**, the directions issued by the Comptroller and Auditor General of India, action taken thereon and the financial impact on the accounts and financial statements of the Company.

For, **NBS & Co**
Chartered Accountants
 Firm Reg No. 110100W

Devdas Bhat
Partner
 Membership No. 048094
 UDIN: 24048094BKCXUK3000

Place: Mumbai
 Date: - May 04, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

As referred to in Para 3 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Financial Statement for the year ended March 31, 2024.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

- i.
 - (a)
 - (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including the quantitative details and situation of the Property Plant and Equipment.
 - (B) According to the information and explanation given to us and on the basis of our examination of the records of the company, the intangible assets and intangible assets under development of Oil and Gas consists of expenditure incurred by the company and/or operators of the blocks. The detail of such expenditure is recorded by the company on an actual basis as incurred by the company and based on statements received from the operators of the respective blocks.
 - (b) As explained to us, Property Plant and Equipment have been physically verified by the management at reasonable intervals during the year. The discrepancies reported in such verification were not material and have been properly dealt with in the books of account.
 - (c) According to the information and explanations 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.
 - (d) According to the information and explanations given to us, during the year ended March 31, 2024, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both.
 - (e) According to the information and explanations given to us by the management of the company, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - (a) As per the information & explanation given to us and on the basis of our examination of the records of the company, inventories pertaining to the production block have been recorded in the books of the Company on the basis of the unaudited financial statements received from the operator of the block.
 - (b) According to the information and explanations given to us, the company has not been sanctioned any working capital during the year ended 31st March 2024 and hence this clause is not applicable.
- iii. According to the information and explanations given to us, during the year Company has made investments in and has granted unsecured loans to companies. Accordingly: -
 - (a) During the year the Company has given unsecured loan: -
 - (A) Aggregate loan given during the year to its subsidiaries is Rs.85,660.60 lakhs and an amount of Rs. 1,59,765.92 lakhs are outstanding as on 31st March, 2024. The total outstanding amount as on 31st March 2024 has been provided for.
 - (B) No loan or advances have been given to any party other than subsidiary.
 - (b) As per information and explanations given to us and on the basis of our examination of the records of the company, the terms and conditions of the investments made, and unsecured loan given by the company to its wholly owned subsidiaries are not prejudicial to the interest of the company.
 - (c) As per information and explanations given to us and on the basis of our examination of the records of the company, the repayment schedule and payment of interest has been stipulated in respect of the unsecured loan provided to its wholly owned subsidiary. During the year no principal repayment was due. The interest amount is received as per the stipulated schedule.

- (d) As per information and explanations given to us and on the basis of our examination of the records of the company, no amount was overdue during the financial year.
- (e) As per information and explanations given to us and on the basis of our examination of the records of the company, no amount was due during the year and accordingly, the provisions of clause (e) is not applicable.
- (f) As per information and explanations given to us and on the basis of our examination of the records of the company, the company has not granted any loans or advances in the natures of loans either repayable on demand or without specifying any terms of repayment.
- iv. In our opinion and according to the information and 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. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.
- 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 the information and explanations given to us and based on the records examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Income Tax, Goods and 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. 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, 2024 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us and based on the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Goods and Service Tax, Duty of Excise and Value added tax outstanding on account of any disputes.
- viii. According to information and explanation given to us and based on examination of the records, there has been no such transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
 - (a) According to information and explanation given to us and based on examination of the records, the Company has not defaulted in the repayment of loans or other borrowings or in payment of interest thereon.
 - (b) According to the information and explanation given to us, the company has not taken any loan or borrowings from any bank or financial institution and hence this clause is not applicable to the company.
 - (c) According to the information and explanation given to us, during the year the company has not obtained any money by way of term loans and hence reporting under this clause is not applicable to the company.
 - (d) According to the information and explanation given to us, the company has not raised any short-term loans and hence reporting under this clause is not applicable to the company.
 - (e) According to the information and explanation given to us, during the year the company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) According to the information and explanation given to us, during the year the company has not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x.
 - (a) The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the Company has not obtained any term loans during the year.
 - (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

- xi.
- (a) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.
 - (b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management no whistle-blower complaints has been received by the company.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii)(a), (b) and (c) of the Order are not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statement as required by the applicable accounting standards.
- xiv.
- a. In our opinion and based on our examination, the company has an internal audit system which is commensurate with the size and nature of its business.
 - b. We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. According to the information and explanation given to us, in our opinion the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the provision of section 192 of Companies Act, 2013 are not applicable to the company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence the provisions of paragraph 3 (xvi) (a), (b), (c) and (d) of the Order are not applicable.
- xvii. According to the information and explanation given to us and based on our examination of the records of the Company, the company has not incurred cash loss in the current financial year and immediately preceding financial year.
- xviii. There has been no resignation by the Statutory Auditor of the company during the year and accordingly this clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The company is not liable to spend amounts under section 135 of the Act and hence the provision of this clause is not applicable to the company.

For, **NBS & Co**
Chartered Accountants
Firm Reg No. 110100W

Devdas Bhat
Partner
Membership No. 048094
UDIN: 24048094BKCXUK3000

Place: Mumbai
Date: - May 04, 2024.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 4(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2024.

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

We have audited the internal financial controls over financial reporting of Bharat PertoResources Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Standalone Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (3) 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

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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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, **NBS & Co**
Chartered Accountants
Firm Reg No. 110100W

Devdas Bhat
Partner
Membership No. 048094
UDIN: 24048094BKCXUK3000

Place: Mumbai
Date: - May 04, 2024.

ANNEXURE - C TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 4 (i) of the Independent Auditors' Report of even date on the Standalone Financial Statements as of and for the year ended 31st March 2024)

Directions under Section 143(5) of the Companies Act, 2013 applicable for the accounts of FY 2023-24

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. 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 three blocks as on 31st March 2024. However, neither of these three 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 three employees on its payroll as on 31st March 2024. 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 2024 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 loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of the lender company)**

We draw attention to Point (ii) of Note No. 41 in the standalone financial statements on "Financial instruments – Fair values and risk management" regarding credit risk in respect of loan of Rs. 5,524.20 Lakhs given to subsidiary by the Company.

In view of the uncertainties regarding the continuation of activities in the block held by such a subsidiary, the Company has provided for the entire amount of Rs. 5,524.20 Lakhs towards impairment loss of the loan as on 31st March 2024. The same has been properly accounted for in the books of accounts.

3. **Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State government or its 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 the Central/State government or its agencies.

For, **NBS & Co**
Chartered Accountants
 Firm Reg No. 110100W

Devdas Bhat
 Partner
 Membership No. 048094
 UDIN: 24048094BKCXUK3000

Place: Mumbai
 Date: May 04, 2024.

Bharat PetroResources Limited
Balance Sheet as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	274.88	349.37
(b) Right-of-Use Assets	3a	3.46	4.48
(c) Other Intangible assets	4	5,799.44	7,489.64
(d) Intangible assets under development	5	9,386.51	7,193.07
(e) Financial Assets			
(i) Investment in Subsidiaries	6	2,25,654.49	2,90,767.40
(ii) Loans	7	5.53	68,658.74
(iii) Other non-current financial assets	8	2,473.89	326.17
(f) Other non-current assets	9	1,764.81	1,477.93
Total non-current assets		2,45,363.01	3,76,266.80
(2) Current Assets			
(a) Inventories	10	109.70	287.77
(b) Financial Assets			
(i) Trade Receivables	11	1,386.17	192.29
(ii) Cash and cash equivalents	12	18,921.81	4,921.19
(iii) Bank Balances other than (ii) above	13	1,131.27	2,254.44
(iv) Loans	14	0.56	1.96
(v) Others	15	2,391.69	2,181.16
(c) Current Tax Assets (Net)	16	54.30	20.82
(d) Other current assets	17	1,222.38	1,950.54
Total current assets		25,217.88	11,810.17
TOTAL ASSETS		2,70,580.89	3,88,076.97
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	18	10,80,000.00	9,47,500.00
(b) Other equity	19	(8,20,057.80)	(6,13,520.73)
Total equity		2,59,942.20	3,33,979.27
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	-	45,500.00
(ii) Lease liabilities	3b	0.69	2.57
(b) Provisions	21	848.86	838.77
(c) Deferred tax liabilities (Net)	38	15.14	24.45
Total non-current liabilities		864.69	46,365.79
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade Payables	22		
(A) total outstanding dues of micro enterprises and small enterprises;		12.12	1.04
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		972.23	1,301.84
(ii) Lease Liabilities	3b	3.51	2.90
(iii) Other financial liabilities	23	3,940.48	1,596.26
(b) Other current liabilities	24	54.88	171.92
(c) Provisions	25	4,790.78	4,657.95
Total Current liabilities		9,774.00	7,731.91
Total liabilities		10,638.69	54,097.70
TOTAL EQUITY AND LIABILITIES		2,70,580.89	3,88,076.97
Material Accounting Policy Information	1		
Notes forming part of the financial statements	2-51		

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of

NBS & Co

Chartered Accountants

FRN 110100W

Barnali Barua Tokhi
Managing Director
DIN: 07850177

Kamal Chopra
Director (Finance)
DIN: 09505915

Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024

Srikant Agarwal
Company Secretary

Bharat PetroResources Limited
Statement of Profit and Loss for the year ended 31st March 2024

(Rs. in Lakhs)

Particulars	Note No.	For the year 2023-24	For the year 2022-23
I. Revenue from Operations	26	18,819.11	14,591.42
II. Other income	27	10,746.63	3,321.72
III. Total Income (I+II)		29,565.74	17,913.14
IV. Expenses			
Production expenditure	28	3,377.12	3,132.46
Changes in Inventories of Finished Goods	29	178.07	(210.30)
Excise Duty Expense		1,136.13	1,723.32
Employee Benefits Expenses	30	1,393.12	788.45
Finance costs	31	1,596.79	3,656.07
Depreciation, Depletion, Amortisation	2, 3a, 4	2,065.48	2,075.36
Other Expenses	32	1,998.43	1,956.49
Total Expenses (IV)		11,745.14	13,121.85
V. Profit/(loss) before Exceptional Items and Tax		17,820.60	4,791.29
VI. Exceptional Items - Income/(expense)	34	(2,24,369.90)	(2,30,055.43)
VII. Profit/(loss) before Tax		(2,06,549.30)	(2,25,264.14)
VIII. Tax expense:			
1. Current Tax		-	-
2. Deferred Tax	38	(9.32)	(9.36)
IX. Profit/(Loss) for the period (VII-VIII)		(2,06,539.98)	(2,25,254.78)
X. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		2.91	0.87
(ii) Income tax related to items that will not be reclassified to profit or loss		-	-
		2.91	0.87
XI. Total comprehensive income for the period		(2,06,537.07)	(2,25,253.91)
XII. Earnings per equity share			
1. Basic	36	(2.02)	(2.48)
2. Diluted	36	(2.02)	(2.48)
Material Accounting Policy Information	1		
Notes forming part of the financial statements	2-51		

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of

NBS & Co

Chartered Accountants
FRN 110100WBarnali Barua Tokhi
Managing Director
DIN: 07850177Kamal Chopra
Director (Finance)
DIN: 09505915Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024Srikant Agarwal
Company Secretary

Bharat PetroResources Limited
Statement of Cash flows for the year ended 31st March, 2024

(Rs. in Lakhs)

Particulars	For the period ended 31st March, 2024	For the period ended 31st March, 2023
A Cash Flow from Operating Activities		
Profit Before Tax	(2,06,549.30)	(2,25,264.14)
Adjustments for:		
Depreciation, Depletion, Amortisation	2,065.48	2,075.32
Impairment for investment in subsidiaries	2,24,369.90	2,30,055.43
Impairment for Intangible assets under development	-	372.62
Interest income	(9,111.36)	(2,124.39)
Net (gain) / loss on sale/ disposal of asset	2.81	3.00
Finance costs	1,596.79	3,656.07
Provision for bad and doubtful loans & advances	56.88	(21.40)
Unrealised foreign exchange (gain) / loss	(1,578.14)	(1,194.22)
Operating Profit / (Loss) before Working Capital changes	10,853.06	7,558.29
Working capital adjustments:		
(Increase) / Decrease in Inventories	178.07	(228.08)
(Increase) / Decrease in Trade Receivables	(1,193.88)	599.56
(Increase) / Decrease in Other current financial assets	(7,034.24)	(680.28)
(Increase) / Decrease in Other current assets	728.16	142.98
(Increase) / Decrease in Other non-current financial assets	(0.54)	0.50
(Increase) / Decrease in Other non-current assets	(286.88)	(347.30)
Increase / (Decrease) in Trade Payables	(318.59)	301.64
Increase / (Decrease) in Other current financial liabilities	2,348.55	(382.92)
Increase / (Decrease) in Provisions	2,505.17	502.62
Increase / (Decrease) in Other current liabilities	(117.04)	(628.09)
Cash generated / (used) from operations	7,661.84	6,838.92
Income tax (paid) / refunds (net)	(33.48)	2.45
Net cash flow from / (used in) operating activities	7,628.36	6,841.37
B Cash Flow from Investing Activities		
Addition to Property, Plant and Equipment	(10.67)	(30.60)
Proceeds from sale of Property, Plant and Equipment	2.65	3.09
Loan given to Subsidiary	(84,624.51)	(48,183.51)
Proceeds from maturity of bank deposits (Deposit with banks)	(1,024.01)	470.30
Deletions from Property, Plant and Equipment		
Interest Income	9,111.36	2,124.39
Additions to Intangible assets under development	(2,193.45)	(2,560.99)
Additions to Intangible assets	(292.56)	(399.16)
Loan / Deposit repaid by/(given to) employees & others	3.50	(5.65)
Net Cash Flow from/(used) in Investing Activities	(79,027.69)	(48,582.13)
C Cash Flow from Financial Activities		
Proceeds from long-term borrowings from parent company	-	45,500.00
Repayment of long-term borrowings from parent company	(45,500.01)	(2,19,000.00)
Proceeds from issue of shares	1,32,500.00	2,20,000.00
Repayment of lease liabilities	(3.76)	(3.69)
Finance costs	(1,596.28)	(3,899.47)
Net Cash Flow from/(used) in Financing Activities	85,399.95	42,596.84
D Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	14,000.62	856.08
Cash and cash equivalents at the beginning of the period		
Bank Balance	4,921.19	4,065.11
Cash and cash equivalents at the end of the period		
Bank Balance	18,921.81	4,921.19
Net increase in Cash and Cash equivalents	14,000.62	856.08

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of
NBS & Co
Chartered Accountants
FRN 110100W

Barnali Barua Tokhi
Managing Director
DIN: 07850177

Kamal Chopra
Director (Finance)
DIN: 09505915

Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024

Srikant Agarwal
Company Secretary

Bharat PetroResources Limited

Statement of Changes in Equity (SOCIE) for the period ended 31st March, 2024

(Rs. in Lakhs)

(a) Equity share capital	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	9,47,50,00,000	9,47,500.00	7,27,50,00,000	7,27,500.00
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	9,47,50,00,000	9,47,500.00	7,27,50,00,000	7,27,500
Changes in equity share capital during the period	1,32,50,00,000	1,32,500.00	2,20,00,00,000	2,20,000.00
Balance at the end of the reporting period	10,80,00,00,000	10,80,000.00	9,47,50,00,000	9,47,500.00

(b) Other equity

Particulars	Capital Reserves	Retained Earnings	Total Equity
Balance as at 1st April 2023	54.93	(6,13,575.66)	(6,13,520.73)
Profit/(Loss) for the year	-	(2,06,539.98)	(2,06,539.98)
Remeasurement of defined benefit plan	-	2.91	2.91
Loss on extinguishment of interest free loan			-
Reversal of Deferred tax liability on interest free loan			-
Total comprehensive income for the period ended 31st March 2024	-	(2,06,537.07)	(2,06,537.07)
Transfer to retained earnings from Capital Reserves	(13.91)	13.91	-
Balance as at 31st March, 2024	41.03	(8,20,098.83)	(8,20,057.80)
Balance at 1st April, 2022	69.47	(3,88,336.29)	(3,88,266.82)
Profit/(Loss) for the year	-	(2,25,254.78)	(2,25,254.78)
Remeasurement of defined benefit plan		0.87	0.87
Total comprehensive income for the year	-	(2,25,253.91)	(2,25,253.91)
Transfer to retained earnings from Capital Reserves	(14.54)	14.54	-
Balance as at 31st March, 2023	54.93	(6,13,575.66)	(6,13,520.73)

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 below.

(b) Capital reserve

During the financial year 2020-21, BPRL had repaid interest free loan of Rs. 65,000 Lakhs to BPCL. Consequent to the repayment of interest free loan of Rs.65,000 Lakhs to BPCL, an amount of Rs. 36,812.89 Lakhs lying in the Capital Reserve had been extinguished. The closing balance represents the interest component of the interest free loan capitalized in Oil and Gas assets.

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of

NBS & Co

Chartered Accountants
FRN 110100WBarnali Barua Tokhi
Managing Director
DIN: 07850177Kamal Chopra
Director (Finance)
DIN: 09505915Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024Srikant Agarwal
Company Secretary

Notes to Financial Statements

For the Year Ended 31st March 2024

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.

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 04th May 2024.

1. Statement of Material Accounting Policy Information

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.

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. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.2.3. Expenditure on Assets other than plant and machinery, not exceeding the threshold limit are charged to revenue.
- 1.2.4. 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.
- 1.2.5. 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.
- 1.2.6. 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 have 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.

- 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.
- x. Gain or loss on sale of interest in a joint operation, is recognized in the Statement of Profit and Loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the Group has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that joint operation.

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 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.
- 1.7.2. 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.

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.

The company has elected not to apply Ind AS 116 to Intangible Assets and not to separate Lease and Non Lease components of composite contract.

1.8.2. As a Lessor

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

1.8.2.1 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.

1.8.2.2 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.

1.9. 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.
- 1.9.3. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss (except impairment loss in respect of Goodwill) is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment reversals are recognized in the statement of profit and loss. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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 transaction price received or receivable (after including transaction price 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.

As per the Production Sharing Contracts for extracting the Oil and Gas Reserves with Government of India, out of the earnings from the exploitation of reserves after recovery of cost, a part of the revenue is paid to Government of India which is called Profit Petroleum. It is reduced from the revenue from Sale of Products as Government of India's Share in Profit Petroleum.

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 are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 or 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 minus, 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 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.

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 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.

1.25 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.

1.26 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.

1.27 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	1.2.3	Rs.	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.2.4	Rs. Lakhs	10
Depreciation at 100 percent in the year of acquisition	1.3.1	Rs.	5,000
Expenditure incurred for creating/acquiring other intangible assets in each case	1.4.2	Rs. Lakhs	50
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.12.1	Rs. Crores	150
Prepaid expenses in each case	1.12.2	Rs. Lakhs	5
Disclosure of Contingent Liabilities and Capital Commitments in each case	1.16.6	Rs. Lakhs	5

Bharat PetroResources Limited
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 year ended 31st March 2024

(Rs. in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at 1st April, 2023	477.65	138.65	44.49	660.79
Additions	-	5.54	5.13	10.67
Deletions	1.79	1.85	9.50	13.14
Cost as at 31st March, 2024 (A)	475.86	142.34	40.11	658.32
Accumulated depreciation as at 1st April, 2023	213.21	76.94	21.26	311.42
Depreciation	55.65	16.50	7.56	79.71
Deletions	1.70	1.73	4.26	7.69
Accumulated depreciation as at 31st March, 2024 (B)	267.16	91.71	24.57	383.44
Net carrying amount as at 31st March, 2024 (A) - (B)	208.70	50.63	15.54	274.88

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March 2023

(Rs. in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at 1st April, 2022	477.65	134.83	24.70	637.19
Additions	-	3.82	26.78	30.60
Deletions	-	-	7.00	7.00
Cost as at 31st March, 2023 (A)	477.65	138.65	44.49	660.79
Accumulated depreciation as at 1st April, 2022	157.59	59.42	15.92	232.93
Depreciation for the year	55.62	17.52	6.25	79.39
Deletions	-	-	0.90	0.90
Accumulated depreciation as at 31st March, 2023 (B)	213.21	76.94	21.26	311.42
Net carrying amount as at 31st March, 2023 (A) - (B)	264.44	61.71	23.23	349.37

Bharat PetroResources Limited
Notes forming part of the Financial Statements
Note 3a Right-of-Use Assets

(i) Following are the changes in the carrying value of Right-of-Use Assets for the year ended 31st March, 2024 :

(Rs. in Lakhs)

Description	As at 31st March, 2024	As at 31st March, 2023
Cost as at 1st April, 2023	13.19	13.19
Additions	1.98	-
Deletions	-	-
Cost as at 31st March, 2024 (A)	15.17	13.19
Accumulated amortization as at April 1, 2023	8.71	5.67
Amortization	3.00	3.05
Deletions	-	-
Accumulated amortization as at 31st March, 2024 (B)	11.71	8.71
Net carrying amount as at 31st March, 2024 (A) - (B)	3.46	4.48

(ii) The following expenses have been charged to Statement of Profit and Loss during FY 2023-24

(Rs. in Lakhs)

Description	As at 31st March, 2024	As at 31st March, 2023
Depreciation expense on right-of-use assets	3.00	3.05
Interest on Lease Liabilities	0.50	0.61
Expenses relating to short term leases	170.75	117.81
Expenses relating to leases of low value items	-	-
Expenses relating to variable lease payments (not included in measurement of lease liabilities)	-	-

iii) Income from Sub leasing of Right-of-use assets recognised in statement of profit and loss during 2023-24 is Nil
(2022-23: Nil)

Note 3b Lease liabilities

i) Following are the changes in the carrying value of lease liabilities for the year ended 31st March 2024 :

(Rs. in Lakhs)

Description	As at 31st March, 2024	As at 31st March, 2023
Opening balance as at 1st April, 2023	5.47	8.56
Add: Additions	1.98	-
Add: Interest on lease liabilities	0.50	0.61
Less: Payments/Reduction	(3.76)	(3.69)
Carrying value as at 31st March, 2024	4.20	5.47

Classification of closing carrying value	As at 31st March, 2024	As at 31st March, 2023
Current lease liability	3.51	2.90
Non-current lease liability	0.69	2.57

ii) Total Cash outflow for leases during 2023-24 is Rs.3.76 Lakhs (2022-23: Rs 3.69 Lakhs)

iii) Maturity Analysis of Lease Liabilities as per Ind AS 116 Leases

As at 31st March 2024	Contractual Cash Flows				
	Upto 1 year	1-3 years	3-5 years	More than 5 years	Total
Cash outflows	3.51	0.69	-	-	4.20

Bharat PetroResources Limited
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 31st March 2024:

(Rs. in Lakhs)

Description	Oil and Gas assets *	Computer Software	Total
Cost as at April 1, 2023	29,569.81	133.71	29,703.52
Additions	292.56	-	292.56
Deletions	-	-	-
Cost as at 31st March, 2024 (A)	29,862.37	133.71	29,996.08
Accumulated amortization as at April 1, 2023	22,124.89	88.99	22,213.88
Amortization	1,959.44	23.33	1,982.77
Deletions	-	-	-
Accumulated depreciation as at 31st March, 2024 (B)	24,084.33	112.32	24,196.65
Net carrying amount as at 31st March, 2024 (A) - (B)	5,778.04	21.39	5,799.44

Following are the changes in the carrying value of other intangible assets for the year ended 31st March 2023 :

(Rs. in Lakhs)

Description	Oil and Gas assets *	Computer Software	Total
Cost as at April 1, 2022	29,170.65	133.71	29,304.36
Additions	399.16	-	399.16
Deletions	-	-	-
Cost as at 31st March, 2023 (A)	29,569.81	133.71	29,703.52
Accumulated amortization as at April 1, 2022	20,155.33	65.66	20,220.99
Amortization for the year	1,969.56	23.33	1,992.89
Deletions	-	-	-
Accumulated depreciation as at 31st March, 2023 (B)	22,124.89	88.99	22,213.88
Net carrying amount as at 31st March, 2023 (A) - (B)	7,444.92	44.72	7,489.64

* In respect of CY-ONN-2002/2, the block entered into Development Phase in F.Y. 2016-17. Subsequent to the approval of Field Development Plan (FDP) for 140 sq.km of block area, the Management Committee had made an application for Petroleum Mining Lease (PML) to the Government of Tamil Nadu. Government of Tamil Nadu vide letter dated 6th March 2024 has granted PML for a period of twenty years with effect from 16th October 2015.

Bharat PetroResources Limited

Notes forming part of the Financial Statements

(Rs. in Lakhs)

Note 5 Intangible assets under development	As at 31st March, 2024	As at 31st March, 2023
Exploratory Wells-in-Progress:		
Acquisition Cost	74.44	62.96
Exploration Cost		
- Geological & Geophysical Cost	5,280.00	5,203.15
- Drilling Cost	4,051.08	2,550.61
- General & Administrative Cost	2,914.74	2,744.27
Exploratory Wells-in-Progress	12,320.26	10,560.99
Provisions for Exploratory Wells-in-progress		
- Opening balance	(3,524.12)	(3,524.12)
- Reversal/(Provided) during the period	-	-
- Write off during the period	-	-
- Closing balance	(3,524.12)	(3,524.12)
Exploratory Wells-in-Progress (Total) (A)	8,796.14	7,036.87
Development Wells-in-Progress:		
- Opening balance	26,138.18	25,765.56
- Transfer from Exploratory wells	-	-
- Expenditure during the period	(17.60)	372.62
Development Wells-in-Progress	26,120.58	26,138.18
Provisions for Development Wells-in-progress		
- Opening balance	(26,138.18)	(25,765.56)
- Provided during the period	17.60	(372.62)
- Closing balance	26,120.58	(26,138.18)
Development Wells-in-Progress (Total) (B)	0.00	0.00
Capital Stores (C)*	590.38	156.20
Total (A+B+C)	9,386.51	7,193.07

*During the FY 2022-23, Stores & Spares amounting to Rs. 156.20 Lakhs were classified under Inventories. Considering the nature of the Stores & Spares items, the same has been re-classified as Capital Stores under "Intangible Assets Under Development"

Capital Expenditure

During the year ended 31st March, 2024, the capital expenditure incurred in respect of Indian Blocks and Foreign blocks are Rs. 1,748.52 Lakhs and Rs. Nil respectively. (31st March, 2023: Indian blocks Rs. 3,017.59 Lakhs and Foreign blocks Rs. Nil).

Borrowing cost capitalised

During the year ended 31st March, 2024, the Company has capitalised interest cost of Rs. Nil (March 31, 2023: Rs. 244.01 Lakhs at the capitalization rate of 7.31%).

Exploratory Wells in progress

"All the blocks under exploration phase are operating within their Petroleum Exploration License (PEL) validity period, except

for block AA-ONN-2010/3 for which the validity period expired on May 17,2023. Considering the challenges associated with drilling efforts in the block, Operator has sought a special dispensation from Ministry of Petroleum & Natural Gas (MoPNG) through Directorate General of Hydrocarbon (DGH) for an extension in validity period by 3 years. DGH has confirmed that the request is currently under their consideration. The carrying value of the asset is Rs 5,160.82 Lakhs as at 31st March 2024.

Impairment

"The provision for impairment as at 31st March, 2024 is Rs. 29,644.70 Lakhs for Blocks CY-ONN/2004/02, RJ/ONN/2005/1, CB-ONN-2010/11, CB-ONN/2010/08, MB/OSDSF/B127E/2016, MB/OSDSF/B15/2016, RJ/ONDSF/SADEWALA/2016, RJ/ONDSF/BAKHRITIBBA/2016, CY-ONHP-2017/1. (As at 31st March, 2023 Rs. 29,662.30 Lakhs for Blocks CY-ONN/2004/02, RJ/ONN/2005/1, CB-ONN-2010/11, CB-ONN/2010/08, MB/OSDSF/B127E/2016, MB/OSDSF/B15/2016, RJ/ONDSF/SADEWALA/2016, RJ/ONDSF/BAKHRITIBBA/2016, CY-ONHP-2017/1).

Out of the above, an impairment reversal of Rs.17.60 Lakhs has been recognised in the statement of profit and loss under the head ""Other Income"" (31st March, 2023: Rs.372.62 Lakhs of impairment provision) in respect of the company for the year ended 31st March 2024 towards impairment of blocks CB-ONN-2010/11 & CY/ONN/2004/2.

5a Intangible assets under development (Net of Provisions) ageing schedule

Ageing schedule as on 31st March 2024

(Rs. in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2,193.44	2,588.58	1,407.37	3,197.13	9,386.51
Projects temporarily suspended	-	-	-	-	-

Ageing schedule as on 31st March 2023

(Rs. in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2,588.58	1,407.37	928.16	2,268.97	7,193.07
Projects temporarily suspended	-	-	-	-	-

Bharat PetroResources Limited

Notes forming part of the Financial Statements

(Rs. in Lakhs)

Note 6 Investment in Subsidiaries	As at 31st March, 2024	As at 31st March, 2023
Unquoted equity instruments		
BPRL International B.V 66,10,86,558 (31st March, 2023: 66,10,86,558) shares of face value Euro 1 each fully paid up	4,99,753.73	4,99,753.73
BPRL International Singapore Pte Limited 336,585,630 (31st March, 2022: 336, 585, 630) shares of face value of USD 1 each fully paid up	2,25,654.49	2,25,654.49
Bharat PetroResources JPDA Ltd 60,000,000 (31st March, 2023: 60,000,000) shares of face value Rs. 10 each fully paid up	6,000.00	6,000.00
Less: Provision for impairment for investment in subsidiary		
BPRL International B.V	(4,99,753.73)	(4,34,640.82)
Bharat PetroResources JPDA Ltd	(6,000.00)	(6,000.00)
Total	2,25,654.49	2,90,767.40
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	7,31,408.22	7,31,408.22
Aggregate amount of impairment in the value of investments	5,05,753.73	4,40,640.82

Investments made in subsidiaries is towards meeting the capex requirements, debt servicing, loan repayment and other general corporate purposes of the subsidiary and / or it's subsidiaries/joint ventures.

During the year, provision for impairment aggregating Rs. 65,112.90 Lakhs (Previous year: 2,30,055.43 Lakhs) has been recognised in the statement of profit and loss under the head 'Exceptional items' towards impairment of investment in BPRL International BV (Refer Note: 34).

(Rs. in Lakhs)

Note 7 Loans	As at 31st March, 2024	As at 31st March, 2023
<i>(Unsecured unless otherwise stated)</i>		
Loan to employees (secured)*	5.53	7.63
Loans to subsidiary		
Credit impaired		
BPRL International B.V	1,54,241.72	68,651.11
Less: Provision for impairment towards loan**	(1,54,241.72)	-
Credit impaired		
Loan to Bharat PetroResources JPDA Ltd	5,524.20	5,454.20
Less : Provision for impairment towards loan **	(5,524.20)	(5,454.20)
Total	5.53	68,658.74

** Dues from Directors is Rs. 5.53 Lakhs (31st March, 2023: Rs.7.63 Lakhs)

During the year, provision for impairment aggregating to Rs. 1,54,311.72 Lakhs (Previous year: Nil) has been recognised in

the statement of profit and loss towards loans provided to subsidiaries, of which Rs. 1,54,241.72 Lakhs (Previous year: Nil Lakhs) has been disclosed under the head 'Exceptional items' towards impairment of loan given to BPRL International BV (Refer Note 34).

** Also refer note 41(ii) for impairment of loan to subsidiary.

(Rs. in Lakhs)

Note 8 Other non-current financial assets	As at 31st March, 2024	As at 31st March, 2023
Security Deposit	14.30	13.76
Fixed deposits with banks with more than twelve months maturity*	2,459.59	312.41
Total	2,473.89	326.17

* Includes deposits pledged with government authorities Rs.16 Lakhs (31st March, 2023: Rs.16 Lakhs), margin money with bank towards bank guarantee given to government authorities in respect of Oil & Gas blocks of Rs. 2349.92 Lakhs (31st March, 2023: Rs.289.30 Lakhs) and accrued interest thereon (net of TDS) of Rs. 94.67 lakhs (31st March, 2023: Rs. 7.11 Lakhs)

(Rs. in Lakhs)

Note 9 Other non-current assets	As at 31st March, 2024	As at 31st March, 2023
Claims - Considered good		
Service Tax/ GST on Royalty/Others*	1,750.31	1,458.40
Prepaid Expenses	14.50	19.53
Total	1,764.81	1,477.93

* Includes an amount of Rs. 1,747.43 Lakhs (31st March 2023: Rs. 1,455.52 Lakhs) being BPRL's share of Service Tax / GST on royalty paid under protest by Operator. Also refer notes (a) and (c) under note 46 (b).

(Rs. in Lakhs)

Note 10 Inventories	As at 31st March, 2024	As at 31st March, 2023
Finished Goods *	109.70	287.77
Total	109.70	287.77

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

(Rs. in Lakhs)

Note 11 Trade Receivable	As at 31st March, 2024	As at 31st March, 2023
Considered Good - Unsecured	1,386.17	192.29
Total	1,386.17	192.29

(Rs. in Lakhs)

Particulars	Outstanding for the following from due date of payments as at 31st March 2024							Total
	Unbilled	Not Due	Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good		834.73	376.06	175.37	-	-	-	1,386.17

(Rs. in Lakhs)

Particulars	Outstanding for the following from due date of payments as at 31st March, 2023(Audited)							Total
	Unbilled	Not Due	Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good		192.29		-	-	-	-	192.29

(Rs. in Lakhs)

Note 12 Cash and cash equivalents	As at 31st March, 2024	As at 31st March, 2023
Balances with Banks:		
On Current Account	2,879.45	403.37
Demand deposits with Banks with original maturity of less than three months	16,042.36	4,517.82
Total	18,921.81	4,921.19

(Rs. in Lakhs)

Note 13 Other bank balances	As at 31st March, 2024	As at 31st March, 2023
Fixed deposits with banks maturing in next twelve months*	1,131.27	2,254.44
Total	1,131.27	2,254.44

* It pertains to margin money with bank against bank guarantee given to government authorities towards bidding/ MWP in respect of Oil & Gas blocks of Rs. 1086.06 lakhs (31st March, 2023: Rs. 2,117.74 Lakhs) and accrued interest thereon (net of TDS) of Rs. 45.21 lakhs (31st March, 2023: Rs.136.70 Lakhs).

(Rs. in Lakhs)

Note 14 Loans	As at 31st March, 2024	As at 31st March, 2023
Loan to employees (secured)*	0.56	1.96
Total	0.56	1.96

* Dues from Directors is Rs.0.56 Lakhs, (31st March 2023: Rs.1.96 Lakhs)

(Rs. in Lakhs)

Note 15 Other current financial assets	As at 31st March, 2024	As at 31st March, 2023
Receivables from Subsidiaries/JV/Associates	6,050.65	1,688.03
Less: Provision	(5,015.28)	
Receivable from consortium partners	2,366.67	1,393.63
Less: Provision	(1,135.63)	(1,135.89)
Other receivables	432.30	638.88
Less: Provision	(307.02)	(403.49)
Total	2,391.69	2,181.16

(Rs. in Lakhs)

Note 16 Current Tax assets (net)	As at 31st March, 2024	As at 31st March, 2023
TDS Receivable	54.30	20.82
Total	54.30	20.82

(Rs. in Lakhs)

Note 17 Other current assets	As at 31st March, 2024	As at 31st March, 2023
Prepaid Expense	12.00	19.45
Cenvat/GST Credit	448.05	436.22
Advance paid to operators	762.33	1,494.87
Total	1,222.38	1,950.54

(Rs. in Lakhs)

Note 18 Equity Share Capital	As at 31st March, 2024	As at 31st March, 2023
Authorised		
15,00,00,00,000 (31st March, 2024: 15,00,00,00,000) equity shares	15,00,000.00	15,00,000.00
Issued, subscribed and paid-up		
1,08,00,00,00,000 (31st March, 2024: 9,47,50,00,000) equity shares fully paid-up	10,80,000.00	9,47,500.00
Total	10,80,000.00	9,47,500.00

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

Reconciliation of No. of Equity Shares

	31st March, 2024	31st March, 2023
A. Opening Balance	9,47,50,00,000	7,27,50,00,000
B. Shares Issued	1,32,50,00,000	2,20,00,00,000
C. Closing Balance	10,80,00,00,000	9,47,50,00,000

Details of shareholders holding more than 5% shares

	31st March, 2024	31st March, 2023
Name of shareholder	No. of shares	No. of shares
Bharat Petroleum Corporation Ltd	10,79,99,99,940	9,47,49,99,940
Percentage of holding	100% #	100% #
# 60 shares held by others		

Shares held by promoters as at 31st March 2024

Promoter Name	No. of shares	% of total shares	% Change during the year
Bharat Petroleum Corporation Limited (BPCL)	10,79,99,99,940	100.00%	13.98%
Smt. Chanda Negi jointly with BPCL	10	*	0%
Shri Pankaj kumar jointly with BPCL	10	*	0%
Shri U.S.N. Bhat Jointly with BPCL	10	*	0%
Shri Sundharavadhanan Jointly with BPCL	10	*	0%
Shri Ashwin C. Rao Jointly with BPCL	10	*	0%
Ms Teresa Naidu Jointly with BPCL	10	*	0%

Shares held by promoters as at 31st March 2023

Promoter Name	No. of shares	% of total shares	% Change during the year
Bharat Petroleum Corporation Limited (BPCL)	9,47,49,99,940	100.00%	0%
Smt Chanda Negi jointly with BPCL	10	*	0%
Shri Pankaj Kumar jointly with BPCL	10	*	0%
Shri U.S.N. Bhat jointly with BPCL	10	*	0%
Shri Sundharavadhanan jointly with BPCL	10	*	0%
Shri Ashwin C. Rao jointly with BPCL	10	*	0%
Smt Teresa Naidu jointly with BPCL	10	*	0%

* Insignificant percentage

(Rs. in Lakhs)

Note 19 Other Equity	As at 31st March, 2024	As at 31st March, 2023
(a) Retained earnings		
Opening balance	(6,13,575.66)	(3,88,336.29)
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	(2,06,539.98)	(2,25,254.78)
Add : Remeasurements of Defined Benefit Plans (net of tax)	2.91	0.87
Add: Reversal of deferred tax liability on extinguishment of interest free loan	-	-
Add : Transfer from equity component of loan	13.91	14.54
Closing balance	(8,20,098.83)	(6,13,575.66)
(b) Capital reserve		
Opening balance	54.94	69.47
Less : Transfer made during the year to retained earnings	(13.91)	(14.54)
Less : Loss on extinguishment of interest free loan	-	-
Closing balance	41.03	54.94
Total Other Equity	(8,20,057.80)	(6,13,520.73)

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 and reversal of deferred tax liability on extinguishment of interest free loan as mentioned below.

(b) Capital reserve

During the financial year 2020-21, BPRL had repaid interest free loan of Rs. 65,000 Lakhs to BPCL. Consequent to the repayment of interest free loan of Rs.65,000 Lakhs to BPCL, an amount of Rs. 36,812.89 Lakhs lying in the Capital Reserve had been extinguished. The closing balance represents the interest component of the interest free loan capitalized in Oil and Gas assets.

(Rs. in Lakhs)

Note 20 Borrowings	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Term loan from parent company	-	45,500.00
Total	-	45,500.00

(Rs. in Lakhs)

Note 21 Provisions	As at 31st March, 2024	As at 31st March, 2023
<i>Non current</i>		
Provision for Employee Benefits	129.04	93.64
Provision for Abandonment	719.82	745.13
Total	848.86	838.77

(Rs. in Lakhs)

Note 22 Trade Payables	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises * (A)	12.12	1.04
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Due to Parent Company	412.02	461.30
- Others	560.21	840.54
(B)	972.23	1,301.84
Total	984.35	1,302.88

* Refer note 47 for details of Dues to Micro, Small and Medium Enterprises

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payments as at 31st March 2024						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME-Undisputed	-	12.12	-	-	-	-	12.12
(ii) Others-Undisputed	545.30	4.62	8.64	0.78	0.02	0.85	560.21
(ii) Dues to parent company-Undisputed	357.15	-	32.88	21.99	-	-	412.02

(Rs. in Lakhs)

Particulars	Outstanding for the following from due date of payments as at 31st March, 2023						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME-Undisputed	-	1.04	-	-	-	-	1.04
(ii) Others-Undisputed	551.34	272.24	16.09	0.02	-	0.85	840.54
(ii) Dues to parent company-Undisputed	319.89	141.41	-	-	-	-	461.30

(Rs. in Lakhs)

Note 23 Current - Other financial liabilities	As at 31st March, 2024	As at 31st March, 2023
Due to Operators	747.12	935.89
Security/Earnest Money deposits	61.43	103.95
Employee benefits obligation	348.00	186.50
Other Financial Liabilities		
-Total outstanding dues of micro enterprises and small enterprises	-	-
-Other Dues	2,783.93	369.92
Total	3,940.48	1,596.26

(Rs. in Lakhs)

Note 24 Other current liabilities	As at 31st March, 2024	As at 31st March, 2023
Statutory Dues Payable	54.88	171.92
Total	54.88	171.92

(Rs. in Lakhs)

Note 25 Provisions	As at 31st March, 2024	As at 31st March, 2023
<i>Current</i>		
Provision for Liquidated Damages	4,584.58	4,439.99
Provision for Abandonment	202.72	202.72
Provision for Employee Benefits	3.48	15.24
Total	4,790.78	4,657.95

Movements in provisions - includes Non-Current and Current	Liquidated Damages	Abandonment	Employee Benefits	Total
Balance as at 1 April 2023	4,439.99	947.84	108.88	5,387.83
Provisions made during the year	86.43	5.67	23.64	92.09
Provisions utilised/ reversed during the year	-	(30.97)	-	(30.97)
Foreign exchange fluctuation	58.16	-	-	58.16
Balance as at 31 March 2024	4,584.58	922.54	132.52	5,507.12
Balance as at 1 April 2022	3,920.98	960.98	53.26	4,881.96
Provisions made during the year	185.88	9.80	55.62	195.68
Provisions utilised/ reversed during the year	-	(22.94)	-	(22.94)
Foreign exchange fluctuation	333.13	-	-	333.13
Balance as at 31 March 2023	4,439.99	947.84	108.88	5,387.83

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.

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.

Bharat PetroResources Limited
Notes forming part of the Financial Statements
(Rs. in Lakhs)

Note 26 Revenue from Operations	For the year 2023-24	For the year 2022-23
Sales of products (Gross)	13,525.17	15,166.35
Less: Government of India's Share in Profit Petroleum	1,301.26	1,002.05
Sales of products (Net)	12,223.91	14,164.30
Other Operating Revenue *	6,595.20	427.12
Total	18,819.11	14,591.42

* During the period ended 31st March 2024, an amount of Rs. 6,595.20 Lakhs has been recognized as Other Operating Revenue towards services provided to group companies. Out of the total income recognised as Other Operating Revenue, an amount of Rs.4932.72 lakhs pertain to services provided by the company during the period March 2019 to March 2023.

(Rs. in Lakhs)

Note 26(a) Quantitative Details of Sales Revenue		For the year 2023-24	For the year 2022-23
Product			
Crude Oil*	Unit (in MT)	27,771.69	26,674.84
	Value (Rs. in Lakhs)	13,418.13	14,326.76
Natural Gas*#	Unit (in MTOE)	405.97	4,011.63
	Value (Rs. in Lakhs)	107.04	839.59

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

#Gas offtake had been discontinued from Madanam field in block CY-ONN-2002/2 from 15th August 2022 based on the judgement of National Green Tribunal (Southern Zone, Chennai) dated 5th August 2022 against the Gas buyer, consequent to which the buyer had invoked Force Majeure provisions under the Gas Sales agreement and had stopped drawal of gas. Pursuant to favourable order received by Gas buyer from Honorable Supreme Court for operationalising Madanam/Memathur gas pipeline, Gas offtake has recommenced on 30th December 2023.

(Rs. in Lakhs)

Note 27 Other Income	For the year 2023-24	For the year 2022-23
Interest income on instruments measured at amortised cost	9,111.36	2,124.39
Miscellaneous Income	39.53	3.11
Foreign Exchange fluctuations (net)	1,578.14	1,194.22
(Provision) / Reversal of provision for Impairment on Intangible assets under development (net)*	17.60	
Total	10,746.63	3,321.72

* During the previous year provision for Impairment on Intangible assets under development (net) of Rs. 372.62 lakh has been grouped under "Other Expense" note 34.

(Rs. in Lakhs)

Note 28 Production Expenditure	For the year 2023-24	For the year 2022-23
Operating expenditure	1,857.35	1,294.34
Royalty	1,519.77	1,838.12
Total	3,377.12	3,132.46

(Rs. in Lakhs)

Note 29 Changes in Inventories of Finished Goods	For the year 2023-24	For the year 2022-23
Value of Opening Stock of: Finished Goods	287.77	77.47
Less: Value of Closing Stock of: Finished Goods	109.70	287.77
Net (increase) / decrease in inventories of Finished Goods	178.07	(210.30)

(Rs. in Lakhs)

Note 30 Employee Benefit Expense	For the year 2023-24	For the year 2022-23
Salaries and Wages	1,046.11	449.91
Payment towards PF and other Funds	208.71	182.80
Welfare Expenses	138.30	155.74
Total	1,393.12	788.45

(Rs. in Lakhs)

Note 31 Finance Costs	For the year 2023-24	For the year 2022-23
Interest on loan from related party	1,509.60	3,814.81
Less: Amounts included in the cost of qualifying assets	-	(244.01)
Interest on lease liabilities	0.52	0.61
Other Finance Costs	86.67	84.66
Total	1,596.79	3,656.07

(Rs. in Lakhs)

Note 32 Other Expenses	For the year 2023-24	For the year 2022-23
Provision / (Reversal of provision) for Impairment on Intangible assets under development (net)	-	372.62
Irrecoverable Taxes	334.97	278.49
Provision / (Reversal of provision) for bad and doubtful loans & advances	56.88	(21.40)
Repairs and maintenance :		
Machinery	1.20	0.85
Others	51.67	31.31
Insurance	-	0.74
Rent Rates and taxes	287.57	162.41
Legal and Professional Fees	546.25	403.88
Liquidated Damages	38.92	103.96
Travelling and Conveyance	288.43	249.12
Advertisement	-	16.63

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Notes forming part of the Financial Statements

Note 32 Other Expenses	For the year 2023-24	For the year 2022-23
Bank Charges	22.54	19.36
Printing & Stationery	10.88	12.02
Software Expenses	124.65	140.82
Postage, Telephone etc	19.12	18.06
Electricity Charges	10.34	15.08
Payment to Auditors		
For Audit Fees	8.50	12.00
For Certification	1.10	1.70
Loss on disposal / sale of asset	2.81	3.00
Block related expense charged off *	106.21	67.29
Other Expenses	86.39	68.55
Total	1,998.43	1,956.49

* In respect of expenditure pertaining to blocks under relinquishment.

Note 33 Impairment assessment

The Company has considered the general business conditions and other relevant factors on estimate of future crude oil prices, production and expenditure estimates based on internal and external information / indicators. Based on the assessment, the Company has carried out impairment testing as at 31st March, 2024 in respect of its Cash Generating Units (CGUs) and has recorded an impairment to the extent the carrying amount exceeds the value in use.

For Oil and Gas assets, the expected future cash flows are estimated using Operator's / internal estimate of production, expenditure, reserves volumes and long term crude oil & natural gas prices.

During the year, reversal of impairment provision amounting to Rs. 17.60 Lakhs (Previous Year Rs. 372.62 Lakhs of impairment provision) has been recognised in respect of Oil and Gas Assets directly held and which were already impaired previously, and has been disclosed under ""Other Income"" (Refer Note 27). The recoverable value as on 31st March 2024 of Oil & Gas Assets directly held on which impairment provision has been made during the year is Rs. Nil (As on 31st March 2023: Rs. Nil).

The present value of cash flows for assets held through subsidiaries for which impairment provision has been recognised during the year are determined by applying pre-tax-discount rate of ~12.8-13.4% p.a. (Previous year pre tax discount rate of ~12.5%-13.5%) During the year, impairment provision on Investment in Subsidiaries / Loan given to Subsidiaries and accrued interest thereon amounting to Rs. 2,24,369.90 Lakhs has been disclosed under ""Exceptional Items"" (Previous Year Rs. 2,30,055.43 towards investment in subsidiaries) (Refer Note 34). The recoverable value as on 31st March 2024 for Investment in Subsidiaries on which impairment provision has been made during the year is Rs. Nil (As on 31st March 2023: Rs. 65,112.40 Lakhs).

Note 34 Exceptional items

Particulars	For the Year 2023-24	For the Year 2022-23
Impairment charge relating to Investment in Subsidiaries / Loan given to Subsidiaries & interest accrued thereon*	(2,24,369.90)	(2,30,055.43)
Total	(2,24,369.90)	(2,30,055.43)

* In accordance with Ind-AS 36 (Impairment of Assets) the impairment loss in BPRL International BV during FY 2023-24 has been restricted to the carrying value of equity and loan (including accrued interest) provided to BPRL International BV.

Bharat PetroResources Limited**Notes forming part of the Financial Statements****Note 35 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 :

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
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	12,223.91	14,164.30
Revenue from foreign countries	6,595.20	427.12
	18,819.11	14,591.42
B. Details of non current asset (Net of provision)		
In the Country of Domicile - India	15,464.29	15,036.56
Total	15,464.29	15,036.56

C. Information about major customers

Revenue from two major customers of the Company is Rs. 18274.68 lakhs for the year ended on 31st March, 2024 (for year ended March 31, 2023: Rs.13,324.71 Lakhs from one major customer)

Note 36 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**(Rs. in Lakhs)**

	31st March 2024	31st March 2023
Profit/(Loss) after tax	(2,06,539.98)	(2,25,254.78)

ii. Weighted average number of ordinary shares**(Rs. in Lakhs)**

	31st March 2024	31st March 2023
Issued ordinary shares at the beginning of the year (a)	9,47,50,00,000	7,27,50,00,000
Shares issued and allotted during the year (b)	1,32,50,00,000	2,20,00,00,000
Weighted average number of shares issued during the year (c)	73,12,15,847	1,80,21,91,781
Weighted average number of shares (a+c)	10,20,62,15,847	9,07,71,91,781
Basic and Diluted earnings per share (Rs.)	(2.02)	(2.48)

Bharat PetroResources Limited
Notes forming part of the Financial Statements
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:

(Rs. in Lakhs)			
Sr. No.	Particulars	Period ended 31.03.2024	Year ended 31.03.2023
1	Provident Fund	86.76	74.53
2	Gratuity	35.73	31.12
3	Leave encashment	69.12	64.75
4	Superannuation (NPS)	85.41	73.16
	Total	277.03	243.56

(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 BPCL.

(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: (Rs. in Lakhs)

Sr. No.	Particulars	Period ended 31.03.2024	Year ended 31.03.2023
1	Provident Fund	11.85	11.92
2	Superannuation (including gratuity)	17.77	15.43
	Total	29.62	27.35

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

(Rs. in Lakhs)

Particulars	Gratuity - Unfunded	
	2023-24	2022-23
a) Reconciliation of balances of Defined Benefit Obligations		
Defined Benefit Obligation at the beginning of the Period	11.10	13.54
Interest Cost	0.83	0.65
Current Service Cost	2.43	2.43
Past Service Cost	-	-
Liability Transferred In/ Acquisitions		
Benefit paid directly by employer	-	(4.64)
Actuarial (Gains)/ Losses on obligation		
- Changes in financial assumptions	0.03	(0.14)
- Experience adjustments	(2.94)	(0.72)
Defined Benefit Obligation at the end of the Period	11.45	11.10

Particulars	Gratuity - Unfunded	
	2023-24	2022-23
b) Amount recognised in Balance sheet	11.45	11.10
Particulars	Gratuity - Unfunded	
	2023-24	2022-23
c) Amount recognised in Statement of Profit and Loss		
Current Service Cost	2.43	2.43
Interest Cost	0.83	0.65
Past Service Cost	-	-
Expenses for the year	3.25	3.07
d) Amount recognised in Other Comprehensive Income		
Remeasurements:		
Actuarial (Gains)/ Losses		
- Changes in financial Assumptions	0.03	(0.14)
- Experience adjustments	(2.94)	(0.72)
Total	(2.91)	(0.87)
e) Major Actuarial Assumptions		
Rate of Discounting	7.16%	7.44%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate during Employment	Indian Assured Lives Mortality (2012-14-Urban)	Indian Assured Lives Mortality (2012-14-Urban)
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	11.45	11.10
Delta Effect of +1% Change in Rate of Discounting	(0.10)	(5.26)
Delta Effect of -1% Change in Rate of Discounting	0.10	(3.91)
Delta Effect of +1% Change in Rate of Salary Increase	0.10	(3.92)
Delta Effect of -1% Change in Rate of Salary Increase	(0.10)	(5.26)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.00)	(4.74)
Delta Effect of -1% Change in Rate of Employee Turnover	0.00	(4.54)
g) Maturity Analysis of the Benefit Payments	Projected Benefits payable in future years from date of reporting are as follows:	
1st following year		0.32
2nd following year		11.92
3rd following year		-
4th following year		-
5th following year		-
Years 6 to 10		-
Sum of 11 years and above		-

(D) Other long-term employee benefits:

The charge towards leave encashment for the year ended March 31, 2024 is Rs. 8.1 Lakhs (31st March, 2023: Rs. 45.29 Lakhs).

Bharat PetroResources Limited
Notes forming part of the Financial Statements
Note 38 Tax Reconciliation
(a) Amount recognised in profit and loss
(Rs. in Lakhs)

	Period ended 31.03.2024	Year ended 31.03.2023
Current income tax	-	
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(9.32)	(9.36)
Deferred tax expense	(9.32)	(9.36)
Tax expense/(income) for the year	(9.32)	(9.36)

(b) Reconciliation of effective tax rate
(Rs. in Lakhs)

	Period ended 31.03.2024	Year ended 31.03.2023
Profit before tax	(2,06,549.30)	(2,25,264.14)
Tax using the Company's domestic tax rate (Current year and Previous Year 26%)	(53,702.82)	(58,568.68)
Tax effect of:		
Tax losses for which no deferred income tax is recognised	(4,215.67)	(787.85)
Expenses not deductible for tax purposes	58,148.79	59,620.80
Deductible expenses on which no deferred income tax is recognised	(239.62)	(273.63)
Changes in Deferred Tax rate	-	-
Others		
Tax expense/(income) for the year	(9.32)	(9.36)

Note 38 Deferred Tax
(Rs. in Lakhs)

	31st March 2024				
	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Assets / (Liabilities)					
Oil & Gas Assets	(14.29)	3.62	-	-	(10.67)
Other Intangible assets	(10.16)	5.70	-	-	(4.46)
	(24.45)	9.32	-	-	(15.14)

(Rs. in Lakhs)

	31st March 2023				
	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Assets / (Liabilities)					
Oil & Gas Assets	(18.07)	3.78	-	-	(14.29)
Other Intangible assets	(15.74)	5.58	-	-	(10.16)
	(33.81)	9.36	-	-	(24.45)

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.

In respect of deductible temporary differences of Rs. 2,64,340.82 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.

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 Company can use the benefits therefrom:

(Rs. in Lakhs)

	31st March 2024		31st March 2023	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	10,575.35	2024-25	349.71	2023-24
Business loss	14,769.00	2025-26	10,575.35	2024-25
Business loss	2,557.66	2026-27	14,769.00	2025-26
Business loss	11,024.52	2027-28	2,557.66	2026-27
Business loss	18,303.48	2028-29	11,024.52	2027-28
Business loss	7,435.30	2029-30	18,303.48	2028-29
Business loss	-	2030-31	7,435.30	2029-30
Business loss	-	2031-32	-	2030-31
Unabsorbed depreciation	131.98	No expiry date	807.97	No expiry date

Note 1: Previous Year figures have been restated as per tax return filed during the year, wherever applicable.

Bharat PetroResources Limited
Notes forming part of the Financial Statements
Note 39 Ratios

Sr. No	Particulars	Unit	Numerator	Denominator	Period ended 31.03.2024	Year ended 31.03.2023	% variance*	Reason for variation
1	Current Ratio	Times	Current Assets	Current Liabilities	2.58	1.53	68.91%	Due to higher Cash & Cash Equivalents
2	Debt-Equity ratio	Times	Total debt excluding lease liabilities	Total Equity	-	0.14	-100.00%	Due to repayment of Loan to Parent Company
3	Debt Service Coverage ratio	Times	Profit After tax+Finance Costs+Depreciation, Depletion and Amortization	Finance cost + Long term debt payment + Finance Cost Capitalised	(0.92)	(0.99)	-6.62%	
4	Return on Equity ratio	%	Profit After tax	Average Total Equity	-69.55%	-66.92%	3.93%	
5	Inventory turnover ratio	Times	Sale of product	Average Inventory	67.52	72.96	-7.46%	
6	Trade Receivable turnover ratio	Times	Sale of product	Average Trade Receivable	15.49	28.79	-46.19%	Due to Increase in Trade Receivables
7	Trade Payable turnover ratio	Times	Purchase of stock in trade+Raw Material+Other Expenses	Average trade payable	NA	NA	NA	
8	Net Capital turnover ratio	Times	Sale of product	Average working capital	1.39	4.47	-69.00%	Due to increase in Working Capital requirement
9	Net Profit Ratio	%	Profit after tax	Revenue from Operations	-1097.50%	-1543.75%	-28.91%	Due to higher Other Income
10	Return on Capital employed	%	Profit Before exceptional items, interest and tax	Average capital employed	1.52%	0.45%	237.09%	Due to higher Profit Before Exceptional Items, Interest and Tax
11	Return on investment in subsidiaries	%	Dividend income + Interest Income + Capital Gain	Weighted Average investment	-22.39%	-44.17%	-49.30%	Due to lower Impairment in value of investment in subsidiaries

* variation reason has been provided where the change in ratio is more than 25% as compared to ratio of previous year.

Note 40 Utilization of borrowed funds and equity

During the financial year ended 31st March, 2024, other than funding to meet the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines and internal policies, as applicable:

- The company has not granted any advance/ loans or investments or provided guarantee or security or the like to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend/invest/ provide guarantee or security or the like to any other person on behalf of the company.
- The company has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the company shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/ entities.

Bharat PetroResources Limited

Notes forming part of the Financial Statements

Note 41 Financial Instruments

A. Accounting classification and fair values

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

(Rs. in Lakhs)

31st March, 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	18,921.81	18,921.81	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	1,131.27	1,131.27	-	-	-	-
Loans & Security deposits	-	-	81.82	81.82	-	-	-	-
Trade Receivables	-	-	1,386.17	1,386.17	-	-	-	-
Other non-current financial asset	-	-	2,473.89	2,473.89	-	-	-	-
Other current financial asset	-	-	2,391.69	2,391.69	-	-	-	-
	-	-	26,386.65	26,386.65	-	-	-	-
Financial liabilities								
Long term loans	-	-	-	-	-	-	-	-
Trade Payables	-	-	984.35	984.35	-	-	-	-
Other current financial liabilities	-	-	3,940.48	3,940.48	-	-	-	-
	-	-	4,924.83	4,924.83	-	-	-	-
31st March, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	4,921.19	4,921.19	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	2,254.44	2,254.44	-	-	-	-
Loans & Security deposits	-	-	68,778.41	68,778.41	-	-	-	-

31st March, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Trade Receivables	-	-	192.29	192.29	-	-	-	-
Other non-current financial asset	-	-	326.17	326.17	-	-	-	-
Other current financial asset	-	-	2,181.16	2,181.16	-	-	-	-
	-	-	78,653.66	78,653.66	-	-	-	-
Financial liabilities								
Long term loans	-	-	45,500.00	45,500.00	-	-	-	-
Trade Payables	-	-	1,302.88	1,302.88	-	-	-	-
Other current financial liabilities	-	-	1,596.26	1,596.26	-	-	-	-
	-	-	48,399.14	48,399.14	-	-	-	-

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

Bharat PetroResources Limited**Notes forming part of the Financial Statements****Note 41 Financial instruments – Fair values and risk management (continued)****ii. Credit Risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and 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.

Loan to subsidiaries

The Company has provided loans to wholly owned subsidiary companies BPRL International BV (BIBV) and Bharat PetroResources JPDA Limited (BPR JPDA). The movement in the allowance for impairment in respect of these loans and interest accrued thereon is as follows:

Particulars			(Rs. in Lakhs)
	BIBV	BPR JPDA	Total
Balance as at April 1, 2022	-	5,454.20	5,454.20
Impairment loss recognised during the year	-	-	-
Balance as at 31st March, 2023	-	5,454.20	5,454.20
Impairment loss recognised during the year	1,59,256.99	70.00	1,59,326.99
Balance as at Mar 31, 2024	1,59,256.99	5,524.20	1,64,781.19

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/JV/Associates

The Company has receivables from subsidiaries/ JVs at period end. However, credit risk for these receivables are considered to be insignificant.

Trade Receivable

Major customer being a public sector Oil & Gas company having highest credit rating and is considered to be good.

Other receivables

The credit worthiness of receivables from others is evaluated by the management on an ongoing basis and is considered to be good except for an amount of Rs.1442.65 Lakhs (previous year: Rs. 1,539.38 Lakhs), for which provision has been created (Refer Note 15).

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

Bharat PetroResources Limited
Notes forming part of the Financial Statements
Note 41 Financial instruments – Fair values and risk management (continued)
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.

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.

(Rs. in Lakhs)

31st March 2024	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	-	-	-	-	-	-
Trade Payables	984.35	984.35	984.35	-	-	-
Other financial liabilities	3,940.48	3,940.48	3,940.48	-	-	-

31st March, 2023	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	45,500.00	59,360.17	3,958.50	7,917.00	47,484.67	-
Trade Payables	1,302.88	1,302.88	1,302.88	-	-	-
Other financial liabilities	1,596.26	1,596.26	1,596.26	-	-	-

Bharat PetroResources Limited**Notes forming part of the Financial Statements****Note 41 Financial instruments – Fair values and risk management (continued)****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 March 31, 2024 and March 31, 2023 are as below:

(Rs. in Lakhs)

	31st March 2024	31st March 2023
Financial assets	USD	USD
Loan to Subsidiary company	1,54,241.72	68,651.11
Other Current financial asset	6,050.65	1,688.06
Financial liabilities		
Trade Payables	0.91	42.94
Other Current financial liabilities	38.00	66.10
Net exposure (Assets - Liabilities)	1,60,253.46	70,230.14

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.

(Rs. in Lakhs)

Effect in INR (before tax)	Strengthening / Weakening %	Profit/ (loss)	
		Strengthening	Weakening
31st March 2024			
USD	1%	2,255.17	(2,255.17)
		2,255.17	(2,255.17)
Effect in INR (before tax)	Strengthening / Weakening %	Profit/ (loss)	
		Strengthening	Weakening
31st March 2023			
USD	8%	5,938.24	(5,938.24)
		5,938.24	(5,938.24)

Bharat PetroResources Limited
Notes forming part of the Financial Statements
Note 41 Financial instruments – Fair values and risk management (continued)
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 20 of these financial statements.

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<u>Fixed-rate instruments</u>		
Financial Assets - measured at amortised cost		
Other non-current financial asset	2,459.59	312.41
Bank Balances other than Cash and cash equivalents	1,131.27	2,254.44
Total	3,590.86	2,566.85
Financial liabilities - measured at amortised cost		
Borrowings	-	-
Total	-	-
Variable-rate instruments		
Financial Assets - measured at amortised cost		
Other non-current financial asset	1,54,247.25	68,658.74
Total	1,54,247.25	68,658.74
Financial liabilities - measured at amortised cost		
Borrowings	-	45,500.00
Total	-	45,500.00

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Bharat PetroResources Limited

Notes forming part of the Financial Statements

(Rs. in Lakhs)

	Profit/ (loss)	
	100 bps increase	100 bps decrease
For the year ended March 31, 2024		
Variable-rate instruments	1,542.47	(1,542.47)
Cash flow sensitivity (net)	1,542.47	(1,542.47)
For the year ended March 31, 2023		
Variable-rate instruments	231.59	(231.59)
Cash flow sensitivity (net)	231.59	(231.59)

Note 42 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.

Note 43 Going Concern

The financial statements of the Company are prepared on a going concern basis. The company has incurred a net comprehensive loss of Rs.2,06,537.07 lakhs during the year ended 31st March, 2024 and, as of that date, the company's accumulated losses is Rs. 8,20,098.83 lakhs and net worth is Rs. 2,59,942.20 lakhs. The management of the Company is of the opinion that no material uncertainty exists and the going concern basis is appropriate in the preparation of the financial statements based on the capital management assessment as mentioned in Note no. 42.

Bharat PetroResources Limited
Notes forming part of the Financial Statements
Note 44 Interest in Joint operation

The Company has participating interest in the nature of Production Sharing Contracts (PSC) / Revenue Sharing Contracts (RSC) 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/RSC, 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) The Company's share of the assets, liabilities, income and expenditure have been recorded under respective heads based on the audited financial statements for blocks CB/ONN/2010/8 and CB/ONHP/2017/9 (previous year: CB/ONN/2010/8 and CB/ONHP/2017/9).
- (ii) There is no expenditure incurred in CY/ONDSF/KARAIKAL/2016 (previous year: Nil expenditure).
- (iii) Out of the remaining five Indian Blocks (previous year six), the Company has received nil (previous year nil) audited financial statements as at 31st March, 2024. Unaudited financial statements for two blocks (previous year two) and billing statements (Statement of Expenses) for remaining three blocks (previous year three) have been received from the operator for the period upto 31st March, 2024. The assets, liabilities, income & expenses are accounted on the basis of such statments received.

During the previous year 2022-23, the Company's share of assets, liabilities, incomes and expenses were accounted based on unaudited financial statements / billing statements for six blocks. During current year 2023-24, the audited financial statements / billing statements for 2022-23 have been received for these blocks and necessary adjustments have been made in the books of accounts for the difference between the unaudited and audited financial statements / billing statements.

- (v) (iv) In respect of block outside India (Block 32 - relinquished during 2020-21 and which is under liquidation); the assets, liabilities, income and expenditure have been incorporated on the basis of billing statements as at 31st March 2024 (previous year: assets, liabilities, income and expenditure have been incorporated on the basis of unaudited financial statements as at 31st March 2023).

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

(Rs. in Lakhs)			
Sr. No.	Particulars	31st March, 2024	31st March, 2023
1	Property, plant and equipment	63.00	67.72
2	Other Intangible assets	5,778.04	7,444.92
3	Intangible asset under development *	39,031.21	36,855.37
4	Other Non-Current Assets	1,763.61	1,471.65
5	Current Assets including financial assets **	4,631.22	3,576.38
6	Cash and Bank Balances	1,529.63	173.38
7	Current & Non Current Liabilities/Provisions including financial liabilities	9,060.95	6,720.27
8	Expenses	4,797.52	4,712.77
9	Income	12,223.91	14,164.30

* Includes Rs. 29,644.70 Lakhs (31st March, 2023: 29,662.30 Lakhs) which has been provided for by the Company.

** Includes Rs. 1,135.63 Lakhs (31st March, 2023: 1,135.89 Lakhs) which has been provided for by the Company.

Bharat PetroResources Limited

Notes forming part of the Financial Statements

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

	Name	Country	31st March 2024	31st March 2023
Operatorship:				
NELP – IX	CB/ONN/2010/8 @	India	25%#	25%#
OALP	CB-ONHP-2017/9	India	60%	60%
DSF	CY/ONDSF/ KARAIKAL/2016	India	100%	100%
Non-Operatorship:				
NELP – IV	CY/ONN/2002/2	India	40%	40%
NELP – VI	CY/ONN/2004/2	India	20%	20%
NELP – IX	CB/ONN/2010/11	India	25%*	25%*
NELP – IX	AA/ONN/2010/3	India	20%	20%
OALP	AA/ONHP/2017/12	India	10%	10%

NELP - New Exploration Licensing Policy

OALP - Open Acreage Licensing Policy

DSF - Discovered Small Fields

@ under relinquishment

* BPRL Share 29.41% in development phase.

BPRL Share 50% in development phase.

Bharat PetroResources Limited
Notes forming part of the Financial Statements
Note 45 Related party transactions
A) Related Party Relationships
(i) Parent entity

The Company is controlled by the following entity:

Name	Type	Place of incorporation/ Principal place of Business	Ownership interest	
			31st March, 2024	31st March, 2023
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/ Principal place of Business	Ownership interest	
			31st March, 2024	31st March, 2023
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	Incorporated in Netherlands having operations in Brazil	100%	100%
BPRL Ventures Mozambique BV *	Subsidiary	Incorporated in Netherlands having operations in Mozambique	100%	100%
BPRL Ventures Indonesia BV *	Subsidiary	Incorporated in Netherlands having operations in Indonesia	100%	100%
BPRL International Ventures BV *	Subsidiary	Netherlands	100%	100%
IBV (Brasil) Petroleo Ltda. #	Joint Venture	Brazil	63.24%	60.88%
Taas India Pte Ltd @	Joint Venture	Incorporated in Singapore having operations in Russia	33%	33%
Vankor India Pte Ltd @	Joint Venture	Incorporated in Singapore having operations in Russia	33%	33%
Falcon Oil & Gas BV @@	Joint Venture	Incorporated in Netherlands having operations in UAE	30%	30%

Moz LNG1 Holding Company Ltd @@@	Associate	Incorporated in UAE having operations in Singapore, UAE & Mozambique	10%	10%
Mozambique LNG1 Company Pte Ltd @@@	Associate	Singapore	10%	10%
Name	Type	Place of incorporation/ Principal place of Business	Ownership interest	
			31st March, 2024	31st March, 2023
Moz LNG1 Financing Company Ltd @@@	Associate	UAE	10%	10%
Mozambique LNG 1 Co. Financing, LDA @@@	Associate	Mozambique	10%	10%
LLC TYNGD ##	Associate	Russia	9.87%	9.87%
JSC Vankorneft ###	Associate	Russia	7.89%	7.89%
Urja Bharat Pte Ltd. ####	Joint Venture	Incorporated in Singapore having operations in UAE	50%	50%

Bharat PetroResources Limited, Bharat PetroResources JPDA Ltd, Bharat Petroleum Corporation Limited are Government-related entities.

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

During the year the stake in IBV (Brasil) Petroleo Ltda. has increased from 61.36% to 63.24% which is a 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.

@@@ Mozambique LNG1 Company Pte. Ltd., Moz LNG1 Financing Company Ltd. And Mozambique LNG 1 Co. Financing, LDA 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.

B) Key management personnel

Shri G Krishnakumar, appointed Director w.e.f. 23rd March 2023
Shri V. R. K. Gupta, appointed Director w.e.f. 12th January, 2022
Shri Sanjay Khanna, appointed Director w.e.f. 7th September 2022
Smt Barnali Barua Tokhi, appointed Managing Director w.e.f 7th February, 2023
Shri Kamal Chopra, appointed Director & CFO w.e.f. 21st February, 2022
Shri Krishnakant Joshi, appointed Director w.e.f 25th July 2022
Shri Rajendra Kumar, Government Director upto 18th May 2023
Shri Kapil Verma, appointed as Government Director w.e.f 18th May 2023
Smt Sarita Aggarwal, Company Secretary upto 6th November, 2023
Shri Srikant Agarwal Company Secretary w.e.f. 29th March, 2024

The Company is a Public Sector Undertaking under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG). As per the MCA notification dated July 5, 2017, the Company is exempt from appointment of Independent Director under the Companies Act, 2013. However MoP&NG vide its letter dated 12.07.2019 and 21.10.2019 nominated appointment of Shri Ajay Kadmawala and Smt Mona Jaiswal as Independent Directors on the Company's Board. Further, tenure of Shri Ajay Kadmawala and Smt. Mona Jaiswal have completed on 11th July 2022 and 20th October 2022, respectively. The Company has requested MoP&NG for nominating Independent Directors on Company's Board, however, the new Independent Directors are yet to be appointed.

C) Transactions with related parties

Transactions and outstanding balances are disclosed as below.

a) Key management personnel compensation

(Rs. in Lakhs)

Particulars	31st March 2024	31st March 2023
Short-term employee benefits	133.62	146.66
Post-retirement benefits	20.12	14.07
Other long-term benefits	1.21	2.76

b) The nature wise transactions with the above related parties are as follows:

(Rs. in Lakhs)

Nature of Transactions	Parent company		Subsidiaries / joint ventures		Key Managerial Personnel	
	Period ended 31.03.2024	Year ended 31.03.2023	Period ended 31.03.2024	Year ended 31.03.2023	Period ended 31.03.2024	Year ended 31.03.2023
Money received towards share capital	1,32,500.00	2,20,000.00	-	-	-	-
Loan received	-	45,500.00	-	-	-	-
Repayment of loan	45,500.00	2,19,000.00	-	-	-	-
Reimbursement of expenses	2,389.67	1,975.99	-	-	-	-
Rent expenses	202.43	141.40	-	-	-	-
Interest paid on Loan	1,509.60	3,814.81	-	-	-	-
Transfer of employee loan balance	-	-	-	-	-	6.69
Loan given						
- Bharat PetroResources JPDA Ltd	-	-	70.00	-	-	-
- BPRL International BV	-	-	84,460.28	48,096.89	-	-
- Key Managerial Personnel	-	-	-	-	11.00	-
Loan recovered						
- Key Managerial Personnel	-	-	-	-	11.56	0.28
Recovery of deputed employee cost						
- BPRL International Mozambique B.V	-	-	108.55	100.16	-	-
- BPRL Ventures BV	-	-	109.70	123.17	-	-
- BPRL International Singapore Pte Ltd	-	-	83.35	90.97	-	-
- Urja Bharat Pte Ltd	-	-	-	33.87	-	-
- BPRL International B.V	-	-	3.60	-	-	-

Nature of Transactions	Parent company		Subsidiaries / joint ventures		Key Managerial Personnel	
	Period ended 31.03.2024	Year ended 31.03.2023	Period ended 31.03.2024	Year ended 31.03.2023	Period ended 31.03.2024	Year ended 31.03.2023
Reimbursement of expenses						
- BPRL Ventures BV	-	-	19.01	3.50	-	-
Income from services to Group Companies						
- Taas India Pte Ltd	-	-	250.68	248.90	-	-
- Vankor India Pte Ltd	-	-	186.70	178.22	-	-
- Urja Bharat Pte Ltd	-	-	6,157.82		-	-
Interest on loan given						
- BPRL International BV	-	-	8,435.37	1,836.92	-	-
- Key Managerial Personnel	-	-	-	-	0.20	-

c) Outstanding Balances

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Parent Company		
- Borrowings	-	45,500.00
- Payables	413.42	461.30
Subsidiaries / Joint ventures / Associates		
<u>Investments in subsidiaries</u>		
- BPRL International B.V	4,99,753.73	4,99,753.73
- BPRL International Singapore Pte Limited	2,25,654.49	2,25,654.49
- Bharat Petroresources JPDA Ltd.	6,000.00	6,000.00
<u>Provision for impairment for investment in subsidiary</u>		
- BPRL International B.V	4,99,753.73	4,34,640.82
- Bharat Petroresources JPDA Ltd.	6,000.00	6,000.00
<u>Other receivables</u>		
<u>(i) Recovery of deputed employee cost</u>		
- BPRL International Mozambique B.V	22.46	24.23
- BPRL Ventures BV	48.16	31.50
- BPRL International Singapore Pte Ltd	22.20	26.03
- Urja Bharat Pte Ltd	824.76	81.10
- BPRL International B.V	3.60	-
<u>(ii) Income from services to Group Companies</u>		
- Taas India Pte Ltd	63.03	62.16

Particulars	As at 31st March, 2024	As at 31st March, 2023
- Vankor India Pte Ltd	51.17	44.89
<u>(iii) Interest on loan given</u>		
BPRL International BV	5,015.28	1,418.12
<u>Loan given</u>		
- Bharat PetroResources JPDA Ltd.	5,524.20	5,454.20
- BPRL International BV	1,54,241.72	68,651.11
<u>Provision for bad and doubtful loans</u>		
- Bharat PetroResources JPDA Ltd.	5,524.20	5,454.20
- BPRL International BV	1,59,256.99	
<u>Key Management Personnel</u>		
- Loan given	6.09	9.09
- Deposits Taken	-	-

The loan given to Bharat PetroResources JPDA Limited is interest free. Refer note 41(ii) on impairment of outstanding balance of loan and investment in equity shares of BPRL International BV and Bharat PetroResources JPDA Limited.

D) Transactions with Government related Entities

"In accordance with paragraph 25 of Ind AS 24 - Related Party Disclosures, the company is exempt from the disclosure requirements in relation to the related party transactions and outstanding balances, including capital commitments, with:

(I) A government that has control or joint control of, or significant influence over, the reporting entity; and

(II) Another entity that is a related party because of the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

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.

Bharat PetroResources Limited**Notes forming part of the Financial Statements****Note 46 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 Rs. 9,054.73 Lakhs. (31st March, 2023: Rs. 5,314.26 Lakhs). Company has provided Bank Guarantees to Director General of Hydrocarbon (DGH) to the extent of Rs. 3,205.99 Lakhs (31st March, 2023: Rs.2,354.67 Lakhs) towards MWP.

b) Contingent Liabilities:

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

- (a) As per the audited block statements of NELP-IV/CY/ONN/2002/2 for FY 2022-23, ONGC (Operator of the block) has paid a sum of Rs. 3,638.15 lakhs under protest towards service tax/ GST liability against royalty paid to Government of Tamil Nadu for the period 1st April 2016 to 31st March 2023 and disclosed the same as contingent liability. Considering the additional liability of Rs. 729.78 Lakhs as advised by ONGC, the total contingent liability as on 31st March 2024 amounts to Rs.4,367.93 lakhs. (All figures are at 100% Block level, of which BPRL's share is 40%)
- (b) Tata Projects Limited (TPL) has initiated arbitration proceedings in respect of block NELP-IV/CY/ONN/2002/2 for an estimated amount of Rs. 8,800 Lakhs (31st March, 2023 Rs. 8,800 Lakhs), as advised by ONGC who is the Operator of the block, which is currently ongoing. (All figures are at 100% Block level, of which BPRL's share is 40%).
- (c) In case of Block NELP-VI/CY/ONN/2004/2, a contingent liability of Rs. 1.28 Lakhs (31st March, 2023 Rs. 1.28 Lakhs) has been considered for GST on royalty paid under protest. ONGC is the Operator of the block. (All figures are at 100% Block level, of which BPRL's share is 20%).
- (d) As part of a Share Sale Agreement (SSA) entered between Encana Corporation & 749793 Alberta Limited as the Vendor and Bharat PetroResources Limited (BPRL) & Videocon Industries Limited (VIL) as the Purchasers, the acquisition cost for the assets in Brazil was negotiated with a condition that a Contingent Payment of USD 10 Million shall be payable to Encana Corporation jointly & severally upon Commercial Discovery in BM-C-30 Concession. M/s Orintiv (erstwhile Encana Corporation) has demanded contingent payment of USD 10 Million as per the Share Sale Agreement citing announcement of Declaration of Commerciality by M/s PetroRio (Operator of BM-C-30 concession). Orintiv has initiated arbitration proceedings at International Chamber of Commerce (ICC) in New York, against BPRL and the proceedings are ongoing.

It may be noted that PetroRio has proceeded with Declaration of Commerciality (DOC) on exclusive operation basis, which has been disputed by IBV at International Chamber of Commerce (ICC) in London. The ICC has dismissed IBV's challenge on 11.04.2024 and further course of action is being deliberated.

e) Other commitments:

The Company is committed to provide necessary funding and financial support to its subsidiaries to meet obligations of the subsidiaries / step-down subsidiaries, as and when required.

Note 47 Amounts due to Micro, Small and Medium Enterprises

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:

(Rs. in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Amount Due at the year end		
- Principal	12.12	1.04
- 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 48 Details of Reserves

BPRL's share of Proved Reserves for the block CY-ONN-2002/2 as at 31st March 2024 is given below:

Project	Details	Crude Oil (MMm3)	Gas (MMm3)
CY-ONN-2002/2	Opening	0.24	49.32
	Addition/(Reduction)	(0.00)	0.02
	Production	0.03	11.02
	Closing	0.21	38.32

MMm3 = Million Cubic Meters

Note 49 Changes in liabilities arising from financing activities

(Rs. In Lakhs)

	Interest accrued but not due on borrowings	Non-current borrowings	Total
As at 31st March 2023	-	45,500.00	45,500.00
Cash Flows	-	(45,500.00)	(45,500.00)
Non Cash Changes	-	-	-
As at 31st March 2024	-	-	-

Note 50 Exchange Rate

Exchange rate as at March 31, 2024 - 1 USD = INR 83.37

Exchange rate as at March 31, 2023 - 1 USD = INR 82.22

Avg. Exchange rate as at March 31, 2024 - 1 USD = INR 82.79

Avg. Exchange rate as at March 31, 2023 - 1 USD = INR 80.65

Note 51: Figures of 31st March, 2023 have been regrouped wherever necessary, to conform to current year presentation.

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of

NBS & Co

Chartered Accountants
FRN 110100W

Barnali Barua Tokhi
Managing Director
DIN: 07850177

Kamal Chopra
Director (Finance)
DIN: 09505915

Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024

Srikant Agarwal
Company Secretary

**CONSOLIDATED
FINANCIAL STATEMENTS
OF
BHARAT PETRORESOURCES LIMITED**

Independent Auditor's Report

To
The Members of Bharat PetroResources Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Bharat PetroResources Limited ("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 comprises the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in equity for the year then ended, and a statement of material accounting policies information and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2024, its consolidated loss and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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 Group 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 consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 audit opinion.

Emphasis of Matter

1. We draw attention to Note No. 48 of consolidated financial statements 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 this regard, it has been observed that:
 - a. As on March 31, 2024, the holding company is having a participating interest in eight Indian Blocks, out of which three Indian blocks are operated by the company. For the remaining five Indian blocks, audited statements have not been received by the holding Company; hence, certified figures as provided by the management of the operator have been considered. The total Assets & Liabilities as on 31st March 2024 and Income & Expenses for FY 2023-24 in respect of the said five blocks' amounts to Rs. 17,242.10 Lakhs, Rs. 1,763.99 lakhs, Rs. 12,223.91 lakhs and Rs. 4,691.32 lakhs respectively.
 - b. The Holding Company's proportionate share in jointly controlled assets, liabilities for which the Holding Company is jointly responsible, Holding 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 incorporated based on such audited and unaudited statements received from the Operators to the extent available with the Holding Company after making appropriate adjustments in conformity with the company's accounting policies.
2. Note No.35 (i) of consolidated financial statements regarding Force Majeure declared by the Operator of the Offshore Area 1, Rovuma Basin, Mozambique on 22nd April, 2021. Pursuant to the declaration of Force Majeure, the management of the holding company has expensed off the stoppage costs and standby & support costs for the year ended 31st March, 2024 amounting to Rs. 26,769.81 Lakhs and the same has been disclosed under exceptional item. Further, interest capitalisation on the project has been suspended and charged off to the statement of profit and loss amounting to 78,670.20 lakhs for the year ended 31st March 2024 and the same has been disclosed under finance cost.

3. We draw attention to Note 6. On “Equity Accounted Investees”, of the consolidated financial statements regarding: -
 - a. As on March 31 2024, the holding company holds 63.24% ownership interest in IBV (Brasil) Petroleo Ltda through its 100% owned subsidiary BPRL International BV. Considering the provisions of Brazilian Civil Code and Articles of Association of IBV, the company consolidates its financial statements as a Joint venture.
 - b. In BM-C-30 Concession, IBV had initiated Arbitration against the Operator in International Chamber of Commerce, London challenging the Exclusive Operations notice issued to IBV by Operator in relation to development of Wahoo commercial discovery in the Concession. On 12th April 2024, IBV has received the final award of the Arbitration proceedings and the decision is in favor of Operator. As a result, the company has recognized an impairment loss amounting to Rs. 84,656.49 lakhs as on March 31, 2024 through equity accounted investees.
 - c. Commencement of the special military operations in Ukraine by the Russian Federation in February 2022 and resultant sanctions imposed by the United States of America, the European Union and numerous other countries on the Russian government. The management is of the opinion that the operations of the joint ventures and investments in Russia were not immediately affected by the sanctions.
4. We draw attention to Note No. 5 of the consolidated financial statements regarding block AA-ONN-2010/3 which is an exploratory block for which the validity period for exploration has been expired on May 17, 2023. Considering the challenges associated with drilling efforts in the block, Operator has sought a special dispensation from Ministry of Petroleum & Natural Gas (MoPNG) through Directorate General of Hydrocarbon (DGH) for an extension in validity period by 3 years. Pending such approval, as on March 31, 2024 the holding company continues to carry the asset at its carrying value.
5. We draw attention to Note No. 41 of the consolidated financial statement which indicates that the group has incurred a net loss of Rs. 2,78,479.07 lakhs during the year ended March 31, 2024, and, as of that date, the Group's accumulated losses is Rs. 8,47,833.84 lakh. As stated in Note 40 of the consolidated financial statements, the management of the Company is of the opinion that no material uncertainty exists and the going concern basis is appropriate in the preparation of the financial statements.

Our opinion is not modified in respect of the above matters

Information other than the financial statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated 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.

Management's Responsibility for the Financial Statements

The Holding 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 Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management of the holding company is responsible for assessing the

Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the holding company are also responsible for overseeing the Company's financial reporting process.

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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- i. 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.
- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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.
- v. 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matters

1. We have placed reliance on technical/ commercial evaluation done by the management of the holding company 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.
2. We did not audit the financial statements of three subsidiaries whose financial statements excluding consolidation eliminations reflect total assets of Rs.32,55,719.59 Lakhs as at 31st March 2024, total revenues of Rs. NIL, total net loss of Rs.220,322.74 lakhs, other comprehensive income of (Rs.74,175.84) lakhs and net cash flows amounting to Rs.1,21,300.01 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 loss of Rs. 13,245.88 Lakhs and Other Comprehensive Income of (Rs.78,542.52) Lakhs for the year ended 31st March 2024, as considered in the Consolidated Financial Statements, in respect of Six Equity Accounted Investees, whose financial statements have not been audited by us and our opinion on the Consolidated financial statement in so far as it relates to the aforesaid subsidiaries and associates is based solely on the audit reports of the other auditors.
3. In the case of one subsidiary namely, BPR JPDA Ltd., the subsidiary's liabilities exceed its total assets by Rs. 5,517.55 Lakhs. The financial statements of this subsidiary have been prepared on a basis other than that of a going concern.

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

Report on Other Legal and Regulatory Requirements

1. As per section 177 (1) of the companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Powers) rules 2014, it is not mandatory for the company to constitute an Audit Committee.
2. The Holding 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.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) As per the notification no. G.S.R 463 (E) dated 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"**;
 - g) As per the notification no. G.S.R 463 (E) dated June 05, 2015, issued by the Government of India, the provisions of section 197 of the Act are not applicable to the government company. Accordingly, we are not required to report on the compliance of section 197 of the Act
 - h) With respect to the other matters to be included in the Auditors' 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 information and according to the explanations given to us:
 - i. The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements (Refer note no. 43 (b) to the consolidated financial statements);
 - ii. The Holding 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 Holding Company during the year ended 31st March 2024.
- iv.
 - a. The Management of the Holding Company and its subsidiaries which companies are incorporated in India, whose financials statements have been audited under the Act, has represented that, to the best of its knowledge and belief, as disclosed in note no. 53 of the consolidated financial statements, no funds other than funding to meet the transactions undertaken in normal course of business and in accordance with the extant regulatory guidelines and internal policies, have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management of the Holding Company and its subsidiaries which companies are incorporated in India, whose financials statements have been audited under the Act, as disclosed in note no. 53 of the consolidated financial statements, no funds other than funding to meet the transactions undertaken in normal course of business and in accordance with the extant regulatory guidelines and internal policies, have been received by the Holding Company and its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the company.
- vi. Based on our examination, which included test checks, the Holding Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024

- i) With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143 (11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For, **NBS & Co**
Chartered Accountants
 Firm Reg No. 110100W

Devdas Bhat
 Partner
 Membership No. 048094
 UDIN: 24048094BKCXUL9270

Place: Mumbai
 Date: - May 4, 2024.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 3 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2024.

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

We have audited the internal financial controls over financial reporting of Bharat PetroResources Limited ("the Holding Company") as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group 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, 2024, 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, **NBS & Co**
Chartered Accountants
Firm Reg No. 110100W

Devdas Bhat
Partner
Membership No. 048094
UDIN: 24048094BKCXUL9270

Place: Mumbai
Date: - May 4, 2024.

Bharat PetroResources Limited
Consolidated Balance Sheet as at 31st March 2024

(Rs. in Lakhs)

Particulars	Note no.	As at 31-Mar-24 (Audited)	As at 31-Mar-23 (Audited)
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	274.88	351.34
(b) Right-of-Use Assets	3a	42.39	107.89
(c) Other Intangible assets	4	5,799.44	7,489.65
(d) Intangible assets under development	5	11,43,254.15	10,58,718.28
(e) Equity accounted investees	6	12,72,169.83	14,80,196.78
(f) Financial Assets			
(i) Loans	7	3,54,895.01	3,27,043.71
(ii) Other non-current financial assets	8	35,215.90	29,948.47
(g) Other non-current assets	9	1,764.81	1,477.93
Total non-current assets		28,13,416.41	29,05,334.05
(2) Current Assets			
(a) Inventories	10	109.70	287.77
(b) Financial Assets			
(i) Trade Receivables	11	1,386.17	192.29
(ii) Cash and cash equivalents	12	1,78,441.09	43,140.46
(iii) Bank Balances other than (ii) above	13	1,131.27	2,254.44
(iv) Loans	14	0.56	1.96
(v) Others	15	2,422.53	705.07
(c) Current Tax assets (net)	16	54.30	20.82
(d) Other current assets	17	1,851.39	15,135.89
Total current assets		1,85,397.01	61,738.70
TOTAL ASSETS		29,98,813.42	29,67,072.75
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	18	10,80,000.00	9,47,500.00
(b) Other equity	19	(7,97,516.57)	(5,19,037.50)
Total equity		2,82,483.43	4,28,462.50
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	18,38,730.88	22,38,275.74
(ii) Lease Liability	3b	3.12	45.14
(b) Provisions	21	12,201.32	2,968.19
(c) Deferred tax liabilities (Net)	36	15.12	24.44
Total non-current liabilities		18,50,950.44	22,41,313.51
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade Payables	22		
(A) total outstanding dues of micro enterprises and small enterprises;		12.12	1.04
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,584.07	1,768.47
(ii) Short Term Borrowings	23	8,33,072.69	2,67,204.93
(iii) Lease Liabilities	3b	41.30	69.41
(iv) Other financial liabilities	24	25,020.00	23,314.77
(b) Other current liabilities	25	65.42	181.80
(c) Provisions	26	4,790.78	4,657.95
(d) Current tax liabilities (net)	27	793.17	98.37
Total Current liabilities		8,65,379.55	2,97,296.74
Total liabilities		27,16,329.99	25,38,610.25
TOTAL EQUITY AND LIABILITIES		29,98,813.42	29,67,072.75
Material Accounting Policy Information	1		
Notes to the financial statements	2-51		

As per our attached report of even date

For and on behalf of
NBS & Co

Chartered Accountants
FRN 110100W

For and on behalf of the Board of Directors
Barnali Barua Tokhi
Managing Director
DIN: 07850177

Kamal Chopra
Director (Finance)
DIN: 09505915

Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024

Srikant Agarwal
Company Secretary

Bharat PetroResources Limited

Consolidated Statement of profit and loss for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	Note no.	For the year 2023-24 (Audited)	For the year 2022-23 (Audited)
I. Revenue from Operations	28	18,819.11	14,591.42
II. Other income	29	17,553.73	10,101.90
III. Total Income (I+II)		36,372.84	24,693.32
IV. Expenses			
Production expenditure	30	3,377.12	3,132.46
Changes in Inventories of Finished Goods	31	178.07	(210.30)
Excise Duty expense		1,136.13	1,723.32
Employee Benefits Expenses	32	1,868.82	1,103.63
Finance costs	33	1,79,653.07	1,14,721.09
Depreciation, Depletion, Amortisation	2, 3a & 4	2,132.04	2,152.44
Other Expenses	34	11,535.76	9,344.48
Total Expenses (IV)		1,99,881.01	1,31,967.12
V. Profit/(loss) before share of profit of equity accounted investees, exceptional items and income tax		(1,63,508.17)	(1,07,273.80)
VI. Exceptional items - Income/ (Expense)	35	(26,769.81)	(1,12,552.28)
VII. Share of profit /(loss) from equity accounted investees (net of tax)		(13,245.88)	1,13,645.32
VIII. Profit/(loss) before Tax		(2,03,523.86)	(1,06,180.76)
IX. Tax expense:	36		
1. Current Tax		791.60	93.33
2. Deferred Tax		(9.32)	(9.36)
X. Profit/(Loss) for the period		(2,04,306.14)	(1,06,264.73)
XI. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		2.91	0.87
(ii) Items that will be reclassified to profit or loss			
(a) Exchange differences on translation of foreign operations		4,366.67	62,471.15
(b) Share of Other comprehensive income of equity accounted investee		(78,542.51)	37,714.77
		(74,172.93)	1,00,186.79
XII. Total comprehensive income for the period		(2,78,479.07)	(6,077.94)
XIII. Earnings per equity share	37		
1. Basic		(2.00)	(1.17)
2. Diluted		(2.00)	(1.17)
Material Accounting Policy Information	1		
Notes to the financial statements	2-51		

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of

NBS & Co

Chartered Accountants
FRN 110100WBarnali Barua Tokhi
Managing Director
DIN: 07850177Kamal Chopra
Director (Finance)
DIN: 09505915Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024Srikant Agarwal
Company Secretary

Bharat PetroResources Limited
Consolidated Statement of Cash flows for the period ended March 31, 2024
(Rs. in Lakhs)

Particulars	For the period ended 31st March, 2024 (Audited)	For the period ended 31st March 2023 (Audited)
A. Cash Flow from Operating Activities		
Profit/(loss) Before Tax from Continuing Operations	(2,03,523.86)	(1,06,180.76)
<i>Adjustments for:</i>		
Exceptional Items		
Share of (profit) / loss from equity accounted investees	13,245.88	(1,13,645.32)
Depreciation, Depletion, Amortisation	2,132.04	2,152.44
(Gain) / Loss on fair valuation of loan	1,813.33	3,026.06
Impairment for Intangible assets under development	5,963.23	1,05,829.34
Interest income	(16,610.59)	(9,924.51)
Provision for bad and doubtful loans & advances	2,846.87	26.11
Net (gain) / loss on sale or disposal of asset	2.81	3.00
Finance costs	1,79,562.76	1,14,630.82
Interest on Lease Liability	3.64	5.61
Other non cash items*	36,357.64	2,01,672.09
Unrealised foreign exchange (gain) / loss	26.19	651.57
Operating Profit / (Loss) before Working Capital changes	21,819.93	1,98,246.45
<i>Working capital adjustments:</i>		
(Increase) / Decrease in Inventories	178.07	(228.08)
(Increase) / Decrease in Trade Receivables	(1,193.88)	599.56
(Increase) / Decrease in Other current financial assets	(4,564.33)	802.28
(Increase) / Decrease in Other non-current financial assets	(3,407.13)	(4,460.06)
(Increase) / Decrease in Other current assets	13,284.50	(6,962.39)
Increase / (Decrease) in Trade Payables	(174.37)	(259.33)
Increase / (Decrease) in Other current financial liabilities	2,087.38	(399.46)
Increase / (Decrease) in Provisions	150.66	77.86
Increase / (Decrease) in Other current liabilities	(113.95)	(690.80)
Cash generated / (used) from operations	28,066.88	1,86,726.03
Income tax (paid) / refunds (net)	(130.28)	(0.77)
Net cash flow from / (used in) operating activities	27,936.60	1,86,725.26
B. Cash Flow from Investing Activities		
Addition to Property, Plant & Equipment	(10.84)	(34.91)
Proceeds from Sale of Property, Plant & Equipment	2.64	3.10
Additions to Intangible assets under development	(77,757.34)	(1,16,744.80)
Additions to Intangible assets	(292.56)	(399.16)
Investment in equity accounted investees	45,326.93	(1,37,474.40)
Dividend from Associates	75,278.30	1,06,114.99
Loans/ Deposits given	(29,663.23)	(45,584.43)
(Placement)/ Maturity of Deposit with banks	(1,024.01)	470.30
Interest Income	16,610.59	9,924.51
Net Cash Flow from/(used) in Investing Activities	28,470.48	(1,83,724.80)

Particulars	For the period ended 31st March, 2024 (Audited)	For the period ended 31st March 2023 (Audited)
C. Cash Flow from Financial Activities		
Proceeds from issue of shares	1,32,500.00	2,20,000.00
Proceeds from long term borrowings from bank	5,27,981.98	7,67,300.98
Repayment of borrowings to Bank	(3,52,518.55)	(7,40,807.37)
Proceeds of borrowings from parent company	-	45,500.00
Repayment of borrowings to parent company	(45,500.00)	(2,19,000.00)
Finance costs	(1,83,493.64)	(1,10,298.74)
Repayment of Lease liability	(76.24)	(64.09)
Net Cash Flow from/(used) in Financing Activities	78,893.55	(37,369.22)
D. Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	1,35,300.63	(34,368.76)
Cash and cash equivalents at the beginning of the period		
Bank Balance	9,587.20	25,492.82
Demand deposits with Banks with original maturity of less than three months	33,553.26	52,016.40
Cash and cash equivalents at the end of the period		
Bank Balance	10,484.82	9,587.20
Demand deposits with Banks with original maturity of less than three months	1,67,956.27	33,553.26
Net Increase/ (Decrease) in Cash and Cash equivalents	1,35,300.63	(34,368.76)
Material Accounting Policy Information	1	
Notes to the financial statements	2-51	
*“Other Non-Cash items” includes foreign exchange adjustments not affecting Cash Flow.		

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of

NBS & Co

Chartered Accountants
FRN 110100WBarnali Barua Tokhi
Managing Director
DIN: 07850177Kamal Chopra
Director (Finance)
DIN: 09505915Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024Srikant Agarwal
Company Secretary

Consolidated Statement of Changes in Equity (SOCIE) for the period ended on March 31, 2024

(Rs. in Lakhs)

(a) Equity share capital	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	9,47,50,00,000	9,47,500	7,27,50,00,000	7,27,500
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	9,47,50,00,000	9,47,500	7,27,50,00,000	7,27,500
Changes in equity share capital during the year	1,32,50,00,000	1,32,500	2,20,00,00,000	2,20,000
Balance at the end of the year	10,80,00,00,000	10,80,000	9,47,50,00,000	9,47,500

(b) Other equity

(Rs. in Lakhs)

Particulars	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
Balance at April 1, 2023	54.93	(6,43,544.52)	1,24,452.08	(5,19,037.50)
Profit/ (Loss) for the year ended	-	(2,04,306.14)	-	(2,04,306.14)
Remeasurement of defined benefit plan	-	2.91	-	2.91
Other comprehensive income for the year ended	-	-	(74,175.84)	(74,175.84)
Reversal of Deferred tax liability on interest free loan	-	-	-	-
Total comprehensive income for the year ended	-	(2,04,303.23)	(74,175.84)	(2,78,479.07)
Transfer to retained earnings from Capital Reserves	(13.91)	13.91	-	-
Balance at 31st March, 2024	41.02	(8,47,833.84)	50,276.24	(7,97,516.57)
Balance at April 1, 2022	69.47	(5,37,295.20)	24,266.16	(5,12,959.56)
Profit/ (Loss) for the year	-	(1,06,264.73)	-	(1,06,264.73)
Remeasurement of defined benefit plan	-	0.87	-	0.87
Other comprehensive income for the year	-	-	1,00,185.92	1,00,185.92
Reversal of Deferred tax liability on interest free loan	-	-	-	-
Loss on extinguishment of interest free loan	-	-	-	-
Total comprehensive income for the year	-	(1,06,263.86)	1,00,185.92	(6,077.94)
Transfer to retained earnings from Capital Reserves	(14.54)	14.54	-	-
Balance at March 31, 2023	54.93	(6,43,544.52)	1,24,452.08	(5,19,037.50)

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

During the financial year 2020-21, BPRL had repaid interest free loan of Rs. 65,000 Lakhs to BPCL. Consequent to the repayment of interest free loan of Rs.65,000 Lakhs to BPCL, an amount of Rs. 36,812.89 Lakhs lying in the Capital Reserve had been extinguished. The closing balance represents the interest component of the interest free loan capitalized in Oil and Gas assets.

(c) Foreign currency translation reserve

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

As per our attached report of even date

For and on behalf of

NBS & Co

Chartered Accountants
FRN 110100W

For and on behalf of the Board of Directors

Barnali Barua Tokhi
Managing Director
DIN: 07850177

Kamal Chopra
Director (Finance)
DIN: 09505915

Devdas Bhat

Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024

Srikant Agarwal
Company Secretary

Notes to Consolidated Financial Statements for the Year Ended 31st March, 2024

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.

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 04th May, 2024.

1. Statement of Material Accounting Policy Information

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 2024, except for BPRL International Singapore Pte. Ltd., Taas India Pte. Ltd., Vankor India Pte. Ltd., Urja Bharat Pte Ltd., Mozambique LNG1 Hold Co. Ltd. and IBV Brasil Petroleo Ltda whose accounts are drawn for the year ended 31st December 2023, where there are no significant unadjusted transactions or other events that have occurred between 1st January 2024 and 31st March 2024. 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.

1.1. Basis of Consolidation:

1.1.1. Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases. For the purpose of preparing these consolidated financial statements, the financial statements of subsidiaries have been adjusted wherever necessary to align them with the accounting policies adopted by the Company.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Company. Non-controlling interests ("NCI") which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Company's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.1.2. Joint Ventures and Associates

A joint venture is an arrangement in which the Corporation has joint control and has rights to the net assets of the arrangement, rather than the rights to its assets and obligation for its liabilities. An associate is an entity in which the Company has significant influence, but no control or joint control over the financial and operating policies.

Interest in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost which includes transaction cost. Subsequent to initial recognition the consolidated financial statements include the JVCs and associates share of profit or loss and Other Comprehensive Income ("OCI") of such entities until the date on which significant influence or joint control ceases.

For the purpose of preparing these consolidated financial statements, the financial statements of associates/joint ventures have been adjusted wherever necessary to align them with the accounting policies adopted by the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains/losses arising from transactions with such entities are eliminated against the investment to the extent of the Company's interest in the investee.

1.2. Use of Judgement and Estimates

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

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

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

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

1.3. Property, Plant and Equipment

- 1.3.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.3.2. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.
- 1.3.3. Expenditure on Assets other than plant and machinery, not exceeding the threshold limit are charged to revenue.
- 1.3.4. 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.
- 1.3.5. 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.
- 1.3.6. 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 equipment's 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 equipment's 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.
- 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

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.
- x. Gain or loss on sale of interest in a joint operation, is recognized in the Statement of Profit and Loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the Group has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that joint operation.

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 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.
- 1.8.2. 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.

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.

The company has elected not to apply Ind AS 116 to Intangible Assets and not to separate Lease and Non Lease components of composite contract.

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 assets 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 transaction price received or receivable (after including transaction price 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.

As per the Production Sharing Contracts for extracting the Oil and Gas Reserves with Government of India, out of the earnings from the exploitation of reserves after recovery of cost, a part of the revenue is paid to Government of India which is called Profit Petroleum. It is reduced from the revenue from Sale of Products as Government of India's Share in Profit Petroleum.

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 are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 minus, 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.

1.19.4. 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.

1.20. 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.

1.21. Taxes on Income

1.21.1. 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.

1.21.2. Deferred tax

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

Deferred tax assets 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.

1.21.3. 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.

1.22. 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.

1.23. 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.

1.24. 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.

1.25. 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	1.3.3	Rs.	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.3.4	Rs. Lakhs	10
Depreciation at 100 percent in the year of acquisition	1.4.1	Rs.	5,000
Expenditure incurred for creating/acquiring other intangible assets in each case	1.5.2	Rs. Lakhs	50
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.13.1	Rs. Crores	150
Prepaid expenses in each case	1.13.2	Rs. Lakhs	5
Disclosure of Contingent Liabilities and Capital Commitments in each case	1.16.6	Rs. Lakhs	5

Bharat PetroResources Limited
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, 2024:

(Rs. in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at April 1, 2023	477.65	140.41	84.23	702.29
Additions	-	5.55	5.29	10.84
Deletions	1.79	1.85	9.50	13.14
Cost as at March 31, 2024(A)	475.86	144.11	80.02	699.99
Accumulated depreciation as at April 1, 2023	213.21	77.34	60.40	350.95
Depreciation	55.65	16.83	9.37	81.85
Deletions	1.70	1.73	4.26	7.69
Accumulated depreciation as at March 31, 2024 (B)	267.16	92.44	65.51	425.11
Net carrying amount as at 31st March, 2024 (A) - (B)	208.70	51.67	14.51	274.88

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2023:

(Rs. in Lakhs)

Description	Plant and Equipment	Office Equipments	Furniture & Fixtures	Total
Cost as at April 1, 2022	477.65	136.41	60.32	674.38
Additions	-	4.00	30.91	34.91
Deletions	-	-	7.00	7.00
Cost as at March 31, 2023 (A)	477.65	140.41	84.23	702.30
Accumulated depreciation as at April 1, 2022	157.59	59.16	39.01	255.76
Depreciation	55.62	18.18	22.29	96.09
Deletions	-	-	0.90	0.90
Accumulated depreciation as at March 31, 2023 (B)	213.21	77.34	60.40	350.95
Net carrying amount as at March 31, 2023 (A) - (B)	264.44	63.07	23.83	351.34

Bharat PetroResources Limited**Notes forming part of Consolidated Financial Statements****Note 3a Right-of-Use Assets**

i) Following are the changes in the carrying value of Right-of-Use Assets for the year ended March 31st, 2024:

(Rs. in Lakhs)

Description	As at 31-Mar-24	As at 31-Mar-23
Opening cost	160.97	150.71
Additions	2.47	86.27
Deletions	-	(76.01)
Closing cost (A)	163.44	160.97
Opening accumulated amortization	53.09	65.70
Amortization	67.96	63.40
Deletions	-	(76.01)
Closing Accumulated amortization (B)	121.05	53.09
Net carrying value (A) - (B)	42.39	107.89

ii) The following expenses have been charged to Statement of Profit and Loss for the year ended 31st March, 2024:

(Rs. in Lakhs)

Description	As at 31-Mar-24	As at 31-Mar-23
Depreciation expense on right-of-use assets	67.96	63.40
Interest on Lease Liabilities	3.64	5.61
Expenses relating to short term leases	170.75	117.81
Expenses relating to leases of low value items	-	-
Expenses relating to variable lease payments (not included in measurement of lease liabilities)	-	-

iii) Income from Sub leasing of Right-of-use assets recognised in statement of profit and loss during 2023-24 is Nil (2022-23: Nil)

Note 3b Lease liabilities

i) Following are the changes in the carrying value of lease liabilities for the period ended 31st March, 2024:

(Rs. in Lakhs)

Description	As at 31-Mar-24	As at 31-Mar-23
Opening balance	114.55	86.76
Additions	2.47	86.27
Add : Interest on lease liabilities	3.64	5.61
Less : Payments/Reduction	(76.24)	(64.09)
Closing Carrying value	44.42	114.55

Classification of closing carrying value	As at 31-Mar-24	As at 31-Mar-23
Current lease liability	41.30	69.41
Non-current lease liability	3.12	45.14

(Rs. in Lakhs)

As at 31st March, 2024	Contractual Cash Flows				
	Upto 1 year	1-3 years	3-5 years	More than 5 years	Total
Cash outflows	41.30	3.12	-	-	44.42

(ii) Total Cash outflow for leases during the period ended 31st March 2024 is Rs. 76.24 Lakhs (22-23: Rs. 64.09 Lakhs)

(iii) Income from Sub leasing of Right-of-use assets recognised in statement of profit and loss during the period ended 31st March 2024 is Rs. Nil (22-23: Rs. NIL)

(iv) Maturity Analysis of Lease Liabilities is as per Ind AS 116 Leases

Bharat PetroResources Limited
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, 2024:

(Rs. in Lakhs)

Description	Computer Software	Oil and Gas assets *	Total
Cost as at April 01, 2023	133.71	29,569.81	29,703.52
Transfer from Intangible asset under development	-	292.56	292.56
Additions	-	-	-
Cost as at March 31, 2024 (A)	133.71	29,862.37	29,996.08
Accumulated amortization as at April 1, 2023	88.99	22,124.88	22,213.87
Amortization	23.33	1,959.44	1,982.77
Accumulated depreciation as at March 31, 2024 (A)	112.32	24,084.32	24,196.64
Net carrying amount as at 31st March, 2024 (A) - (B)	21.39	5,778.05	5,799.44

Following are the changes in the carrying value of other intangible assets for the year ended March 31, 2023:

(Rs. in Lakhs)

Description	Computer Software	Oil and Gas assets *	Total
Cost as at April 1, 2022	133.71	29,170.65	29,304.36
Transfer from Intangible asset under development	-	399.16	399.16
Additions	-	-	-
Cost as at March 31, 2023 (A)	133.71	29,569.81	29,703.52
Accumulated amortization as at April 1, 2022	65.66	20,155.32	20,220.98
Amortization	23.33	1,969.56	1,992.89
Accumulated amortization as at March 31, 2023 (B)	88.99	22,124.88	22,213.87
Net carrying amount as at March 31, 2023 (A) - (B)	44.72	7,444.93	7,489.65

* In respect of CY-ONN-2002/2, the block entered into Development Phase in F.Y. 2016-17. Subsequent to the approval of Field Development Plan (FDP) for 140 sq.km of block area, the Management Committee had made an application for Petroleum Mining Lease (PML) to the Government of Tamil Nadu. Government of Tamil Nadu vide letter dated 6th March 2024 has granted PML for a period of twenty years with effect from 16th October 2015

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements
Note 5 Intangible Assets Under Development

(Rs. in Lakhs)

Description	As at 31-Mar-24	As at 31-Mar-23
Exploratory Wells-in-Progress:		
Acquisition Cost	156.23	144.75
Exploration Cost		
- Geological & Geophysical Cost	11,067.94	10,868.75
- Drilling Cost	71,280.05	65,628.34
- General & Administrative Cost	8,132.46	7,629.08
	90,636.68	84,270.92
Provisions for Exploratory Wells-in-progress		
- Opening balance	(77,234.05)	(69,439.01)
- (Provision) / reversal	(3,674.28)	(2,892.27)
- Write off	-	-
- Foreign exchange fluctuation	(932.20)	(4,902.77)
- Closing balance	(81,840.53)	(77,234.05)
Exploratory Wells-in-Progress (A)	8,796.15	7,036.87
Development Wells-in-Progress:		
- Opening balance	11,75,325.07	10,65,658.63
- Transferred from Exploratory Wells-in-Progress	-	-
- Expenditure during the period	83,699.16	1,09,666.44
	12,59,024.23	11,75,325.07
Less: Provision for Development Wells-in progress		
- Opening balance	(1,23,799.86)	(25,765.56)
- (Provision) / reversal	17.60	(98,034.30)
- Foreign exchange fluctuation	(1,374.35)	-
- Closing balance	(1,25,156.61)	(1,23,799.86)
Development Wells-in-Progress (B)	11,33,867.62	10,51,525.21
Capital Stores (C)*	590.38	156.20
Total (A+B+C)	11,43,254.15	10,58,718.28

*During the FY 2022-23, Stores & Spares amounting to Rs. 156.20 Lakhs were classified under Inventories. Considering the nature of the Stores & Spares items, the same has been re-classified as Capital Stores under "Intangible Assets Under Development".

Ageing schedule as on 31st March 2024

(Rs. in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,193.44	2,588.58	1,407.37	3,197.13	9,386.51
Projects temporarily suspended	82,342.41	11,632.14	1,19,619.76	9,20,273.30	11,33,867.64

Ageing schedule as on 31st March 2023

(Rs. in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,588.58	1,407.37	928.16	2,268.97	7,193.07
Projects temporarily suspended	11,632.14	1,19,619.76	1,84,505.29	7,35,768.02	10,51,525.21

Note: The ageing of CWIP includes expenditure incurred during the period and foreign exchange fluctuations.

Exploratory wells in progress

All the blocks under exploration phase are operating within their Petroleum Exploration License (PEL) validity period, except for block AA-ONN-2010/3 for which the validity period expired on May 17, 2023. Considering the challenges associated with drilling efforts in the block, Operator has sought a special dispensation from Ministry of Petroleum & Natural Gas (MoPNG) through Directorate General of Hydrocarbon (DGH) for an extension in validity period by 3 years. DGH has confirmed that the request is currently under their consideration. The carrying value of the asset is Rs 5,160.82 Lakhs as at 31st March 2024.

Projects temporarily suspended

Considering the evolution of the security situation in the north of the Cabo Delgado province in Mozambique, the Operator (i.e. Total E & P Mozambique Area 1 Limitada) has declared Force Majeure on 22 April 2021. Currently, the Project remains in preservation mode with no Project personnel on site until such time the Government of Mozambique has restored and maintained in a sustainable and verifiable manner the peace, security and stability in the Cabo Delgado Province.

There are certain incremental cost related to the suspension and Force Majeure pertaining to the above project which are abnormal costs and not an integral part of bringing the asset into the working condition. Accordingly, these costs amounting to Rs. 26,769.81 Lakhs (March 31, 2023 : 18,697.55 Lakhs) incurred during the year have been expensed off.

Borrowing cost capitalised

During the year ended March 31, 2024, the Group has capitalised interest cost of Rs. 3,548.68 Lakhs till December 31, 2023 (March 31, 2023: Rs. 3,149.06 Lakhs) at a capitalisation rate of 7.24% p.a for foreign blocks. No amount has been capitalised in respect of Indian blocks (March 31, 2023: 7.31% for Indian blocks and 4.73% for foreign blocks).

Based on the current outlook, the Nunukan PSC has marginal prospectivity from subsurface point of view. Accordingly an impairment provision of Rs.3,548.68 Lakhs has been created for the above borrowing cost capitalized (Previous Year : Rs. 2,905.05 Lakhs) and capitalisation of borrowing cost has been suspended from January 01, 2024.

Consequent to the declaration of Force Majeure in relation to Offshore Area 1, Rovuma Basin, Mozambique project, no interest has been capitalized during the current year in respect of the said project.

Impairment

The provision for impairment is Rs. 2,06,997.14 Lakhs as at March 31, 2024 (as at March 31, 2023 Rs. 2,01,033.91 Lakhs) for Blocks CY-ONN/2004/02, RJ/ONN/2005/1, CB-ONN-2010/11, CB-ONN/2010/08, MB/OSDSF/B127E/2016, MB/OSDSF/B15/2016, RJ/ONDSF/SADEWALA/2016, RJ/ONDSF/BAKHRITIBBA/2016, CY-ONHP-2017/1, JPDA 06-103, Offshore Area 1 Rovuma Basin Mozambique and Nunukan PSC Tarakan Basin, Indonesia.

Out of the above provision, impairment of Rs. 3,710.23 Lakhs (previous year: Rs.2,908.95 Lakhs) has been recognised in the statement of profit and loss towards Nunukan PSC, the recoverable value of the asset being Nil as on March 31, 2024 and March 31, 2023. During the previous year, impairment provision of Rs. 97,661.68 Lakhs was recognised towards Offshore Area 1, Rovuma Basin Mozambique project.

Further, an impairment reversal of Rs.53.55 Lakhs has been recognised in the statement of profit and loss under the head ""Other Income"" (31st March, 2023: Rs.355.94 Lakhs of impairment provision) in respect of the company for the year ended 31st March 2024 towards impairment of blocks CB-ONN-2010/11, CY/ONN/2004/2 & JPDA 06-103.

The Company had a Non-Operator Participating Interest of 20% in JPDA 06-103 block in Timor Leste. The exploration activity was suspended because of the uncertainty arising out of arbitration proceedings by Timor Leste Government against Government of Australia with regard to the 'Certain Maritime Arrangements in Timor Sea', (CMATS) Treaty. The consortium submitted formal request to Autoridade Nacional do Petroleo e Minerais (ANPM) of Timor Leste, the Regulator towards termination of Production Sharing Contract (PSC) without any claim or penalty. However, ANPM insisted on completion of exploration activity. The regulator terminated the PSC on 15th July 2015. The Operator on 01st December, 2022 informed that a final accounting of the Joint Account has occurred and the Operating Committee has, by circular resolution, formally approved the termination of the Joint Operating Agreement (JOA). The Operator also informed that on 19th October 2022, a Deed of Settlement and Release was executed between certain consortium members. BPR JPDA Limited has settled all outstanding obligations to the Operator and a Deed of Accession dated March 18, 2024 was executed to enable BPR JPDA Limited to join the Deed of Settlement & Release. The Operator has confirmed receipt of the payment towards settlement of outstanding obligations, however the sign off from the compliant parties on the Deed of Accession is awaited. Accordingly, an amount of Rs.35.95 lakhs, being reversal of expenditure recognised during previous financial years, has been accounted during the current year with corresponding reversal in impairment provision for Exploratory Wells-in-progress. The Company does not expect to recover any amount from the underlying intangible asset under development and hence entire carrying amount is recognised as impairment loss. Accordingly, the Financial Statements of BPR JPDA Limited have been prepared on ""other than going concern"" basis.

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, 2024 is Rs. 79,938.74 Lakhs (year ended March 31, 2023: Rs. 127,145.66 Lakhs).

Additionally the Group has in FY 2023-24, paid cash calls towards capital expenditure amounting to Rs. 17,931.46 Lakhs (FY 2022-23 Rs. 44,092.94 Lakhs) for blocks held by IBV in which the group holds 63.24% stake, Rs NIL Lakhs (FY 2022-23 Rs. NIL 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 Rs. 9,921.49 Lakhs (FY 2022-23 Rs. 19,040.83 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, 2024.

Note 6 Equity accounted investees

Information of interest of the Group in its equity accounted investees:

(Rs. in Lakhs)

	Note reference	March 31, 2024	March 31, 2023
Interest in Joint Ventures	See Note (A) below	12,36,659.03	14,54,281.16
Interest in Associates	See Note (B) below	35,510.80	25,915.62
	Total	12,72,169.83	14,80,196.78

[A] Interest in Joint Ventures

List of material Joint Ventures of the Group

Sr No	Name	Country of Incorporation	Principal Place of Business	Proportion of Ownership Interest	
				March 31, 2024	March 31, 2023
1	IBV (Brasil) Petroleo Ltda. ^	Brazil	Brazil	63.24%	61.36%
2	Taas India Pte. Ltd. @	Singapore	Russia	33.00%	33.00%
3	Vankor India Pte. Ltd. @	Singapore	Russia	33.00%	33.00%
4	Falcon Oil & Gas BV *	Netherlands	UAE	30.00%	30.00%
5	Urja Bharat Pte. Ltd. #	Singapore	UAE	50.00%	50.00%

^ During FY 2021-22, Quotaholders resolution for Capital Reduction of IBV has been approved and the amendment to Articles of Association has been approved by JUCERJA on 20 December 2021 reflecting the capital reduction, effective 19.10.2021. Consequently, BPRL Ventures BV's paid up and subscribed equity in IBV has become 60.88%. On 27 December, 2022, there was a further increase in capital of IBV and consequently shares were issued to BPRL Ventures BV, which resulted in increase in paid up and subscribed equity in IBV to 61.36%. On 8 August, 2023, there was a further increase in capital of IBV and consequently shares were issued to BPRL Ventures BV, which resulted in increase in paid up and subscribed equity in IBV to 63.24%. Considering the provisions of Brazilian Civil Code and Articles of Association, BPRL Ventures BV has joint control with the JV partner over IBV, and hence it has been accounted for as Joint Venture as on 31 March 2024.

The above percentage is as per IBV AoA ammendment done. However, based on the remittance upto Mar-24, the approx paid up capital would be 64.04% considering the amount for which AoA ammendment is pending

@ TAAS India Pte. Ltd. and Vankor India Pte. Ltd. are special purpose vehicles (SPVs) formed by subsidiaries of BPRL, Indian Oil Corporation Limited and Oil India Limited 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 and Indian Oil Corporation Limited has acquired 10% PI from Supreme Petroleum Council (UAE) 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.

The following table comprises the financial information of the Group's material Joint Venture and their respective carrying amount.

(Rs. in Lakhs)

As at March 31, 2024*	IBV (Brasil) Petroleo Ltda. #	TAAS India Pte. Ltd.**	Vankor India Pte. Ltd.**	Falcon Oil & Gas BV	Urja Bharat Pte Ltd.
1) Non-current Assets	8,40,856.95	4,25,725.72	7,54,369.02	7,18,535.66	1,24,687.32
2) Current Assets					
Cash and cash equivalents	425.61	3,74,187.07	3,06,000.16	93,507.03	2,894.40
Other Assets	1,581.60	622.92	-	1,21,872.51	1,213.21
Total Current Assets	2,007.21	3,74,809.99	3,06,000.16	2,15,379.54	4,107.61
3) Non-current liabilities					
Financial liabilities (excluding trade and other payable)	4,70,330.00	16.07	-	-	-
Other liabilities	-	-	-	2,46,903.62	-
Total Non-current liabilities	4,70,330.00	16.07	-	2,46,903.62	-
4) Current liabilities					
Financial liabilities (excluding trade and other payable)	36,502.28	2,208.12	404.60	48,485.66	-
Other liabilities	12.85	4.90	1,180.89	67,617.23	18,885.28
Total current liabilities	36,515.13	2,213.02	1,585.49	1,16,102.89	18,885.28
Net Assets (100%)	3,36,019.03	7,98,306.62	10,58,783.69	5,70,908.69	1,09,909.65
Group's share of net assets	2,12,498.43	2,63,441.18	3,49,398.62	1,71,272.61	54,954.81
Consolidation adjustment	1,83,431.04	-	-	-	1,662.34
Carrying amount of interest in joint venture	3,95,929.47	2,63,441.18	3,49,398.62	1,71,272.61	56,617.15
Total	12,36,659.03				
Revenue	-	-	-	9,36,969.70	-
Share of Profit in Equity Accounted Investees		1,37,095.78	1,00,302.44	-	-
Depreciation and amortization	-	36.85	99.07	42,124.61	-
Finance costs	-	-	3.57	2,757.24	-
Income tax expense	-	1,809.12	9,880.40	5,60,294.94	-
Profit/ (Loss) for the year (100%)	(1,70,736.00)	95,895.29	79,579.69	54,842.43	(346.72)
Other comprehensive income for the year (100%)	6,610.97	(91,354.61)	(1,58,302.62)	-	-
Total Comprehensive income for the year (100%)	(1,64,125.03)	4,540.69	(78,722.93)	54,842.43	(346.72)
Group's share of profit/ (Loss)	(86,574.00)	31,644.94	26,261.30	16,452.73	(173.36)
Dividends received by the Group	-	49,273.07	26,005.23	11,425.77	-

* 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, 2023 based on audited financial statements and hence financial information presented in respect of these entities is as at December 31, 2023.

As on 31st December 2023, the quotholding in IBV which has increased to 63.24% with effect from 9th August 2023.

** BPRL International Singapore Pte Ltd, holds investments in joint ventures, Vankor India Pte Ltd and Taas India Pte Ltd, with interests in the Russian Federation as disclosed in Note 6 of the financial statements. Consequent to the commencement of special military operations in Ukraine by the Russian Federation, sanctions have been imposed by the United States of America, the European Union and numerous other countries on the Russian government. As at the date of these financial statements, the operations of the joint ventures' investments in Russia, namely JSC Vankorneft and TYNGD LLC, were not immediately affected by the sanctions. Due to restrictions imposed by Russian Government on repatriation of funds to Singapore (for now valid till 30th September 2024), the dividend declared by JSC Vankorneft and TYNGD LLC are held by Vankor India Pte Ltd and Taas India Pte Ltd in Rubles in Russia, however the amounts are available for use by the Group in Russia.

Management of Vankor India Pte Ltd and Taas India Pte Ltd has consulted its legal advisor and assessed that the sanctions imposed on Russia had no adverse effect on the Company's investment in the Russia Federation in the immediate term. The management of these companies has also engaged an external valuer and determined that no impairment is required for these investments as the valuation report indicated that the recoverable amounts exceeded the carrying amounts of these investments as at 31 December 2023. Accordingly, management of these companies is of the view that the going concern basis is appropriate in the preparation of the financial statements as Company is profitable and has sufficient funds to meet its obligations as and when they fall due.

IBV had announced on September 30, 2008 the discovery of the Wahoo field, block BM-C-30, in the pre-salt layer at Campos Basin. IBV held 35.714 % Participating Interest (PI) with remaining PI stake being held by PetroRio (Operator).

Operator issued an Exclusive Operations notice to IBV on 21st October 2021 in relation to development of Wahoo commercial discovery in the Concession. IBV had initiated Arbitration against the Operator in International Chamber of Commerce, London. On 12th April 2024, IBV has received the final award of the Arbitration proceedings and the decision is in favour of PetroRio. The Arbitration award enables the Operator to proceed with exclusive operation in relation to Wahoo commercial discovery in the Concession while IBV remains a partner in balance area of the Concession. IBV is in discussion with its lawyers to finalise further course of action on the matter.

Currently IBV estimates low chances for development of the balance areas and accordingly provision for impairment amounting to Rs.84,656.49 lakhs has been recognised.

The following table comprises the financial information of the Group's material Joint Venture and their respective carrying amount.

(Rs. in Lakhs)					
As at 31st March, 2023*	IBV (Brasil) Petroleo Ltda.	TAAS India Pte. Ltd.	Vankor India Pte. Ltd.	Falcon Oil & Gas BV	Urja Bharat Pte Ltd.
1) Non-current Assets	10,59,516.00	5,10,063.74	8,99,251.02	6,39,196.40	1,05,804.05
2) Current Assets					
Cash and cash equivalents	3,382.68	5,44,701.48	4,37,740.85	1,01,236.26	9,261.11
Other Assets	1,405.15	2,007.70	-	1,15,623.83	4,022.88
Total Current Assets	4,787.83	5,46,709.18	4,37,740.85	2,16,860.09	13,283.99
3) Non-current liabilities					
Financial liabilities (excluding trade and other payable)	4,36,837.22	53.21	-	-	-
Other liabilities	-	-	34.67	1,96,040.37	-
Total Non-current liabilities	4,36,837.22	53.21	34.67	1,96,040.37	-
4) Current liabilities					
Financial liabilities (excluding trade and other payable)	61,959.25	1,198.86	441.41	37,022.90	-
Other liabilities	31.47	-	545.94	76,646.64	20,031.21
Total current liabilities	61,990.72	1,198.86	987.35	1,13,669.54	20,031.21
Net Assets (100%)	5,65,475.89	10,55,520.85	13,35,969.85	5,46,346.58	99,056.83
Group's share of net assets	3,46,976.00	3,48,321.88	4,40,870.05	1,63,903.97	49,528.41

As at 31st March, 2023*	IBV (Brasil) Petroleo Ltda.	TAAS India Pte. Ltd.	Vankor India Pte. Ltd.	Falcon Oil & Gas BV	Urja Bharat Pte Ltd.
Consolidation adjustment	1,04,680.85	-	-	-	-
Carrying amount of interest in joint venture	4,51,656.85	3,48,321.88	4,40,870.05	1,63,903.97	49,528.41
Total	14,54,281.16				
Revenue	-	-	-	10,79,332.78	-
Share of Profit in Equity Accounted Investees		57,039.49	39,002.52	-	-
Depreciation and amortization	-	20.66	94.00	36,708.74	-
Finance costs	-	-	7.12	2,976.45	-
Income tax expense	-	739.78	4,835.67	6,68,114.79	-
Profit/ (Loss) for the year (100%)	1,46,900.97	8,821.25	14,900.98	58,394.10	(413.21)
Other comprehensive income for the year (100%)	12,987.22	48,759.74	31,833.31	-	-
Total Comprehensive income for the year (100%)	1,59,888.19	57,580.99	46,734.28	58,394.10	(413.21)
Group's share of profit/ (Loss)	90,138.44	2,911.01	4,917.32	17,518.23	(206.60)
Dividends received by the Group	-	41,471.42	64,643.57	20,764.35	-

* 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, 2022 based on audited financial statements and hence financial information presented in respect of these entities is as at December 31, 2022.

[B] Interest in Associates

(Rs. in Lakhs)

Particulars	Mozambique LNG1 Hold Co. Ltd	
	As at March 31, 2024	As at March 31, 2023
Aggregate carrying amount in its interest in Associates	35,510.80	25,915.62
Share of Profit or loss from Associates	(857.49)	(1,633.08)
Share of Other Comprehensive Income from Associates	-	-
Share of Total Comprehensive Income from Associates	-	-

The Group holds 10% equity stake in Mozambique LNG1 Hold Co. Ltd which is incorporated in UAE and has its principal place of business in Singapore, UAE and Mozambique. For consolidation purpose, the group has considered unaudited financial results of Mozambique LNG1 Holding Company Ltd. as at December 31, 2023.

Bharat PetroResources Limited

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

Note 7 Loans	As at 31-Mar-24	As at 31-Mar-23
<i>(Unsecured unless otherwise stated)</i>		
Loan to Joint Ventures considered good		
Loan to IBV Brasil Petroleo Ltda.	2,04,768.58	2,03,727.62
Loan to JPDA Ltd.	-	-
Loan to Empresa Nacional de Hidrocarbonetos (Mozambique)*	1,50,120.90	1,23,308.46
Loan to employees (secured)**	5.53	7.63
	3,54,895.01	3,27,043.71

* 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 Pl.

ENH Loan is subject to interest at the rate of 9% p.a.compounded 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. compounded annually.

The repayment for the ENH Loan including interest (31st March 2024: Rs. 31,987.12 Lakhs (31st March, 2023 : Rs. 20,377.92 Lakhs)), will start once full repayment of EPC carry is made, post which ENH Loan amounts, including interest, shall be repaid from 80% of ENH Revenue.

** Dues from Directors is Rs. 5.53 Lakhs (31st March, 2023: Rs. 7.63 Lakhs) and Dues from Officer is Rs. NIL (31st March, 2023: Rs. Nil Lakhs). It is a financial asset whose carrying value approximates fair value.

(Rs. in Lakhs)

Note 8 Other non-current financial assets	As at 31-Mar-24	As at 31-Mar-23
Security deposits	14.30	13.76
Fixed deposits with banks with more than twelve months maturity*	2,459.59	312.41
Advance towards Shares **	32,742.01	29,622.30
	35,215.90	29,948.47

* Includes deposits pledged with government authorities Rs.16 Lakhs (31st March, 2023: Rs.16 Lakhs), margin money with bank towards bank guarantee given to government authorities in respect of Oil & Gas blocks of Rs. 2,349.92 Lakhs (31st March, 2023: Rs.289.30 Lakhs) and accrued interest thereon (net of TDS) of Rs. 94.67 lakhs (31st March, 2023: Rs. 7.11 Lakhs)"

** Advance towards shares to be issued in Mozambique MOF Company S.A. and Mozambique LNG Marine Terminal Company S.A.

(Rs. in Lakhs)

Note 9 Other non-current assets	As at 31-Mar-24	As at 31-03-2023
Claims - Considered good		
Service Tax/ GST/Others *	1,750.31	1,458.40
Prepaid Expenses	14.50	19.53
Total	1,764.81	1,477.93

* Includes an amount of Rs. 1,747.43 Lakhs (31st March 2023: Rs. 1,455.52 Lakhs) being BPRL's share of Service Tax / GST on royalty paid under protest by Operator. Also refer notes (a) and (c) under note 43(b).

(Rs. in Lakhs)

Note 10 Inventories	As at 31-Mar-24	As at 31-03-2023
Finished Goods*	109.70	287.77
	109.70	287.77

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

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements
(Rs. in Lakhs)

Note 11 Trade Receivables	As at 31-Mar-24	As at 31-03-2023
Considered Good - Unsecured	1,386.17	192.29
	1,386.17	192.29

(Rs. in Lakhs)

Particulars	Outstanding for the following from due date of payments as at 31st March, 2024							Total
	Unbilled	Not Due	Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	-	834.73	376.06	175.37	-	-	-	1,386.17

(Rs. in Lakhs)

Particulars	Outstanding for the following from due date of payments as at 31st March, 2023							Total
	Unbilled	Not Due	Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	-	192.29	-	-	-	-	-	192.29

(Rs. in Lakhs)

Note 12 Cash and cash equivalents	As at 31-Mar-24	As at 31-Mar-23
Balances with Banks:		
On Current Account	10,484.82	9,587.20
Demand deposits with Banks with original maturity of less than three months	1,67,956.27	33,553.26
	1,78,441.09	43,140.46

(Rs. in Lakhs)

Note 13 Other Bank balances	As at 31-Mar-24	As at 31-Mar-23
Fixed deposits with banks maturing in next twelve months*	1,131.27	2,254.44
	1,131.27	2,254.44

* It pertains to margin money with bank against bank guarantee given to government authorities towards bidding/ MWP in respect of Oil & Gas blocks of Rs. 1,086.06 lakhs (31st March, 2023: Rs. 2,117.74 Lakhs) and accrued interest thereon (net of TDS) of Rs. 45.21 lakhs (31st March, 2023: Rs. 136.70 Lakhs).

(Rs. in Lakhs)

Note 14 Loans	As at 31-Mar-24	As at 31-Mar-23
Loan to employees (secured)*	0.56	1.96
	0.56	1.96

* Dues from Directors is Rs.0.56 Lakhs, (31st March 2023: Rs.1.96 Lakhs)

Bharat PetroResources Limited

Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

Note 15 Other current financial assets	As at 31-Mar-24	As at 31-Mar-23
Receivable from consortium partners	15,262.55	14,044.67
Less: Provision	(14,031.51)	(13,786.93)
Security deposits	35.67	21.70
Other receivables	1,462.84	829.12
Less: Provision	(307.02)	(403.49)
	2,422.53	705.07

(Rs. in Lakhs)

Note 16 Current Tax assets (net)	As at 31-Mar-24	As at 31-Mar-23
TDS Receivable	54.30	20.82
	54.30	20.82

(Rs. in Lakhs)

Note 17 Other current assets	As at 31-Mar-24	As at 31-Mar-23
Prepaid Expense	81.90	135.48
Cenvat/GST Credit	448.05	436.22
Advance paid to operators	4,134.61	14,564.19
Less: provision	(2,813.17)	-
	1,851.39	15,135.89

(Rs. in Lakhs)

Note 18 Equity Share Capital	As at 31-Mar-24	As at 31-Mar-23
Authorised		
15,00,00,00,000 (31st March, 2023: 15,00,00,00,000) equity shares	15,00,000.00	15,00,000.00
Issued, subscribed and paid-up		
10,80,00,00,000 (31st March, 2023: 9,47,50,00,000) equity shares fully paid-up	10,80,000.00	9,47,500.00
Total	10,80,000.00	9,47,500.00

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

Reconciliation of No. of Equity Shares

	As at 31-Mar-24	As at 31-Mar-23
A. Opening Balance	9,47,50,00,000	7,27,50,00,000
B. Shares Issued	1,32,50,00,000	2,20,00,00,000
C. Closing Balance	10,80,00,00,000	9,47,50,00,000

Details of shareholders holding more than 5% shares

Name of shareholder	As at 31-Mar-24	As at 31-Mar-23
	No. of shares	No. of shares
Bharat Petroleum Corporation Ltd	10,79,99,99,940	9,47,49,99,940
Percentage of holding	100% #	100% #
# 60 shares held by others		

Shares held by promoters as at 31st March 2024

Promoter Name	No. of shares	% of total shares	% Change during the period
Bharat Petroleum Corporation Ltd (BPCL)	10,79,99,99,940	100%	13.98%
Smt Chanda Negi jointly with BPCL	10	*	0%
Shri Pankaj Kumar jointly with BPCL	10	*	0%
Shri U.S.N. Bhat jointly with BPCL	10	*	0%
Shri Sundharavadhanan jointly with BPCL	10	*	0%
Shri Ashwin C. Rao jointly with BPCL	10	*	0%
Smt Teresa Naidu jointly with BPCL	10	*	0%

Shares held by promoters as at 31st March 2023

Promoter Name	No. of shares	% of total shares	% Change during the period
Bharat Petroleum Corporation Ltd (BPCL)	9,47,49,99,940	100%	30.24%
Smt Chanda Negi jointly with BPCL	10	*	0%
Shri Pankaj Kumar jointly with BPCL	10	*	0%
Shri U.S.N. Bhat jointly with BPCL	10	*	0%
Shri Sundharavadhanan jointly with BPCL	10	*	0%
Shri Ashwin C. Rao jointly with BPCL	10	*	0%
Smt Teresa Naidu jointly with BPCL	10	*	0%

* Insignificant percentage

(Rs. in Lakhs)

Note 19 Other Equity	As at 31-Mar-24	As at 31-Mar-23
(a) Retained earnings		
Opening balance	(6,43,544.51)	(5,37,295.19)
Add : Profit/(Loss) for the year as per Statement of Profit and Loss	(2,04,306.14)	(1,06,264.73)
Add : Remeasurements of Defined Benefit Plans (net of tax)	2.91	0.87
Add/ (Less) : Reversal of deferred tax liability on extinguishment of interest free loan	-	-
Add/ (Less) : Transfer from equity component of loan	13.91	14.54
Closing balance	(8,47,833.84)	(6,43,544.51)
(b) Capital reserve		
Opening balance	54.93	69.47
Add/ (Less): Transfer made during the period to retained earnings	(13.91)	(14.54)
Add/ (Less): Loss on extinguishment of interest free loan	-	-
Closing balance	41.02	54.93

Note 19 Other Equity	As at 31-Mar-24	As at 31-Mar-23
(c) Foreign currency translation reserve		
Opening balance	1,24,452.08	24,266.16
Add/ (Less) : Effect of foreign exchange rate variations during the period	(74,175.84)	1,00,185.92
Closing balance	50,276.24	1,24,452.08
Total Other Equity	(7,97,516.57)	(5,19,037.50)

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 and reversal of deferred tax liability on extinguishment of interest free loan as mentioned below.

(b) Capital reserves

During the financial year 2020-21, BPRL had repaid interest free loan of Rs. 65,000 Lakhs to BPCL. Consequent to the repayment of interest free loan of Rs.65,000 Lakhs to BPCL, an amount of Rs. 36,812.89 Lakhs lying in the Capital Reserve had been extinguished. The closing balance represents the interest component of the interest free loan capitalized in Oil and Gas assets.

(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.

(Rs. in Lakhs)

Note 20 Borrowings	As at 31-Mar-24	As at 31-Mar-23
Unsecured		
Term Loan from Parent Company	-	45,500.00
Term Loans from banks	14,25,069.04	16,96,610.51
Bonds	4,13,661.84	4,96,165.23
	18,38,730.88	22,38,275.74

a) Term Loan from banks

	Rs. in Lakhs*	Maturity in F.Y.	Rate of Interest
Term Loan from Banks (backed by Guarantee from parent company, BPCL)	5,21,086.88	2027-28	SOFR + Margin
	5,79,448.61	2026-27	
	3,33,495.60	2025-26	

b) Bonds

	Rs. in Lakhs*	Maturity in F.Y.	Rate of Interest
Bonds	4,13,942.11	2026-27	4.375%

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.

* These figures represent non current portion of gross amount to be repaid on maturity in respect of Loans / Bonds.

c) Project Finance

Bharat PetroResources Limited (BPRL), through its wholly owned overseas subsidiary BPRL Ventures Mozambique B.V holds 10% Participating Interest (PI) in Mozambique Offshore Area-1 Rovuma Basin. BPRL Ventures Mozambique B.V, along with other Concessionaires, have finalized senior debt financing of USD 14.9 billion for the two train LNG project on 15 July 2020 for which Final Investment Decision (FID) was announced in June 2019. The Project has satisfied all the conditions precedent for the first debt drawdown of the project financing, which was finalized by the Project in July 2020. An additional amount of debt financing of USD 0.5 Billion was arranged during the year 2022. The senior debt financing of USD 15.4 Billion comprises of Export Credit Agencies (the "ECA") Direct Loans, ECA Covered Facilities, Commercial Bank Facilities and a Loan Facility with the African Development Bank.

(Rs. in Lakhs)

Note 21 Provisions	As at 31-Mar-24	As at 31-Mar-23
Provision for employee benefits	129.04	93.64
Provision for abandonment	12,072.28	2,874.55
	12,201.32	2,968.19

(Rs. in Lakhs)

Note 22 Trade Payables	As at 31-Mar-24	As at 31-Mar-23
Total outstanding dues of micro enterprises and small enterprises* (A)	12.12	1.04
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Due to Parent Company	412.02	461.30
- Others	1,172.05	1,307.17
(B)	1,584.07	1,768.47
	1,596.19	1,769.51

* Refer note 44 for details of Dues to Micro, Small and Medium Enterprises

(Rs. in Lakhs)

Particulars	Outstanding for the following from due date of payments as at 31st March, 2024						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME-Undisputed	-	12.12	-	-	-	-	12.12
(ii) Others-Undisputed	844.05	4.62	321.73	0.78	0.02	0.85	1,172.05
(iii) Dues to parent company-Undisputed	357.15	-	32.88	21.99	-	-	412.02

(Rs. in Lakhs)

Particulars	Outstanding for the following from due date of payments as at 31st March, 2023						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME-Undisputed	-	1.04	-	-	-	-	1.04
(ii) Others-Undisputed	761.90	272.24	265.74	0.02	6.43	0.85	1,760.50
(iii) Dues to parent company-Undisputed	319.89	141.41	-	-	-	-	461.30

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

Note 23 Short Term Borrowings	As at 31-Mar-24	As at 31-Mar-23
Unsecured		
Current maturities of non current Borrowings		
Banks	7,48,453.35	2,67,204.93
Bonds	84,619.34	-
	8,33,072.69	2,67,204.93

* Interest rate applicable on the borrowings is SOFR + Margin.

(Rs. in Lakhs)

Note 24 Current - Other financial liabilities	As at 31-Mar-24	As at 31-Mar-23
Due to Operators	747.12	1,026.83
Interest accrued but not due on borrowings	21,078.22	21,460.42
Security/Earnest Money deposits	61.43	103.95
Other Financial Liabilities		
- Others	2,783.93	536.37
Accrual for expenses	1.30	0.70
Employee benefit obligation	348.00	186.50
	25,020.00	23,314.77

(Rs. in Lakhs)

Note 25 Other current liabilities	As at 31-Mar-24	As at 31-Mar-23
Statutory Dues Payable	65.42	181.80
	65.42	181.80

(Rs. in Lakhs)

Note 26 Provisions	As at 31-Mar-24	As at 31-Mar-23
Current		
Provision for Liquidated Damages	4,584.58	4,439.99
Provision for abandonment	202.72	202.72
Provision for employee benefits	3.48	15.24
	4,790.78	4,657.95

Movements in provisions - includes Non current and current	Liquidated Damages	Abandonment	Employee Benefits	Total
Balance as at 1 April 2023	4,439.99	3,077.26	108.88	7,626.13
Provisions made during the year	86.43	9,198.74	23.64	9,308.81
Provisions utilised/ reversed during the year	-	(30.97)	-	(30.97)
Foreign exchange fluctuation	58.16	29.96	-	88.13
Balance as at 31 March 2024	4,584.58	12,275.00	132.52	16,992.10

Movements in provisions - includes Non current and current	Liquidated Damages	Abandonment	Employee Benefits	Total
Balance as at 1 April 2022	3,920.98	2,924.39	53.26	6,898.63
Provisions made during the year	185.88	175.81	55.62	417.31
Provisions utilised/ reversed during the year	-	(22.94)	-	(22.94)
Foreign exchange fluctuation	333.13	-	-	333.13
Balance as at 31 March 2023	4,439.99	3,077.26	108.88	7,626.13

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.

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.

(Rs. in Lakhs)

Note 27 Current tax liabilities (net)	As at 31-Mar-24	As at 31-Mar-23
Provision for taxation	793.17	98.37
	793.17	98.37

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

Note 28 Revenue from Operations	For the year 2023-24	For the year 2022-23
Sales of products (Gross)	13,525.17	15,166.35
Less: Government of India's Share in Profit Petroleum	1,301.26	1,002.05
Sales of products (Net)	12,223.91	14,164.30
Other Operating Revenue *	6,595.20	427.12
	18,819.11	14,591.42

* During the period ended 31st March 2024, an amount of Rs. 6,595.20 Lakhs has been recognized as Other Operating Revenue towards services provided to group companies. Out of the total income recognised as Other Operating Revenue, an amount of Rs.4932.72 lakhs pertain to services provided by the company during the period March 2019 to March 2023.

(Rs. in Lakhs)

Note 28(a) Quantitative Details of Revenue	For the year 2023-24	For the year 2022-23
Product		
Crude Oil* Unit (in MT)	27,771.69	26,674.84
Value (Rs. In Lakhs)	13,418.13	14,326.76
Natural Gas** Unit (in MTOE)	405.97	4,011.63
Value (Rs. In Lakhs)	107.04	839.59

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

Gas offtake had been discontinued from Madanam field in block CY-ONN-2002/2 from 15th August 2022 based on the judgement of National Green Tribunal (Southern Zone, Chennai) dated 5th August 2022 against the Gas buyer, consequent to which the buyer had invoked Force Majeure provisions under the Gas Sales agreement and had stopped drawal of gas. Pursuant to favourable order received by Gas buyer from Honourable Supreme Court for operationalising Madanam/Memathur gas pipeline, Gas offtake has recommenced on 30th December 2023.

(Rs. in Lakhs)

Note 29 Other Income	For the year 2023-24	For the year 2022-23
Interest Income on instruments measured at amortised cost	16,610.59	9,924.51
Interest earned in current accounts	253.22	128.99
Miscellaneous Income	242.10	48.40
Foreign Exchange fluctuations (net)	447.82	-
	17,553.73	10,101.90

(Rs. in Lakhs)

Note 30 Production expenditure	For the year 2023-24	For the year 2022-23
Operating expenditure	1,857.35	1,294.34
Royalty	1,519.77	1,838.12
	3,377.12	3,132.46

(Rs. in Lakhs)

Note 31 Changes in Inventories of Finished Goods	For the year 2023-24	For the year 2022-23
Value of Opening Stock of:		
Finished Goods	287.77	77.47
Less: Value of Closing Stock of:		
Finished Goods	109.70	287.77
	178.07	(210.30)

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements

(Rs. in Lakhs)

Note 32 Employee Benefits Expense	For the year 2023-24	For the year 2022-23
Salaries and wages	1,521.81	765.09
Payment towards PF and other Funds	208.71	182.80
Welfare expenses	138.30	155.74
	1,868.82	1,103.63

(Rs. in Lakhs)

Note 33 Finance Cost	For the year 2023-24	For the year 2022-23
Interest Expense	1,83,111.44	1,17,779.88
Less: Amounts included in the cost of qualifying assets	(3,548.68)	(3,149.06)
Interest on lease liabilities	3.64	5.61
Other Finance Costs	86.67	84.66
	1,79,653.07	1,14,721.09

(Rs. in Lakhs)

Note 34 Other Expenses	For the year 2023-24	For the year 2022-23
Irrecoverable Taxes	335.40	278.62
Loss on Fair valuation of Loan	1,813.33	3,026.06
Provision for bad and doubtful loans & advances*	2,846.87	26.11
Impairment for Intangible assets under development	3,692.63	3,264.89
Repairs and maintenance :		
Machinery	1.20	0.85
Others	51.67	31.31
Insurance	-	0.74
Rent Rates and taxes	324.84	204.28
Legal and Professional Fees	1,329.97	769.75
Liquidated Damages	38.92	103.96
Travelling and Conveyance	308.02	266.70
Advertisement	-	16.63
Bank Charges	50.56	43.73
Printing & Stationery	10.88	13.08
Software Expenses	124.65	140.82
Postage, Telephone etc.	21.15	20.52
Electricity Charges	10.34	15.08
Payment to Auditors		
For Audit Fees	347.95	320.81
For Certification	1.10	1.70
Foreign Exchange fluctuations (net)	26.18	651.57
Loss on disposal / sale of asset	2.81	3.00
Block expense charged off *	106.21	67.29
Other Expenses	91.08	76.98
	11,535.76	9,344.48

* In respect of expenditure pertaining to blocks under relinquishment/ relinquished.

Bharat PetroResources Limited**Notes forming part of Consolidated Financial Statements****Note 35 Exceptional items - Expense/ (Income)**

(i) Considering the evolution of the security situation in the north of the Cabo Delgado province in Mozambique, the Operator (i.e. Total E & P Mozambique Area 1 Limitada) has declared Force Majeure on 22 April 2021. There are certain incremental cost related to the suspension and force Majeure, which are abnormal costs and not an integral part of bringing the asset into the working condition as intended by the management. Accordingly, such costs incurred till 31st March 2024 have been expensed off in the Statement of Profit & Loss and disclosed under exceptional items.

(Rs. in Lakhs)

Particulars	For the year 2023-24	For the year 2022-23
Project Cost expensed off	26,769.81	18,697.55
Interest expensed off (Note ii)	-	-
Impairment for Intangible assets under development (Note iii)	-	93,854.73
Total	26,769.81	1,12,552.28

(ii) During the FY 2022-23, Interest amounting to Rs. 51,739.39 Lakhs was expensed-off on account of suspension of capitalisation of borrowing costs relating to Mozambique project and was disclosed as "Exceptional Items". The same has now been re-classified under "Finance Costs" as the same is in the nature of finance costs.

(iii) The Group has considered the general business conditions and other relevant factors on estimate of future crude oil prices, production and expenditure estimates based on internal and external information / indicators. Based on the assessment, the Company has carried out impairment testing as at 31st March, 2024 in respect of its Cash Generating Units (CGUs). For Oil and Gas assets, the expected future cash flows are estimated using Operator's / internal estimate of production, expenditure, reserves volumes and long term crude oil & natural gas prices.

During the year ended on 31 March 2023, impairment loss of Rs. 93,854.73 Lakhs was recognised for Offshore Area 1, Rovuma Basin, Mozambique project in the statement of profit and loss under the head "Exceptional Items". The recoverable amount of Rs.12,30,384.13 Lakhs as at 31 March 2023 was based on value in use and was determined at the level of the CGU. In determining value in use for the CGU, the cash flows were discounted at a rate of 13.4% on a pre-tax basis.

Note 36 Deferred Tax**(Rs. in Lakhs)**

31-Mar-24	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Assets / (Liabilities)					
Oil & Gas Assets	(14.28)	3.62	-	-	(10.66)
Other Intangible assets	(10.16)	5.70	-	-	(4.46)
	(24.44)	9.32	-	-	(15.12)

(Rs. in Lakhs)

31-Mar-23	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability)
Deferred tax Liability					
Oil & Gas Assets	(18.06)	3.78	-	-	(14.28)
Other Intangible assets	(15.74)	5.58	-	-	(10.16)
	(33.80)	9.36	-	-	(24.44)

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 Rs. 2,64,340.82 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.

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements

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:

(Rs. in Lakhs)

	March 31, 2024		March 31, 2023	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	10,575.35	2024-25	349.71	2023-24
Business loss	14,769.00	2025-26	10,575.35	2024-25
Business loss	2,557.66	2026-27	14,769.00	2025-26
Business loss	11,024.52	2027-28	2,557.66	2026-27
Business loss	18,303.48	2028-29	11,024.52	2027-28
Business loss	7,435.30	2029-30	18,303.48	2028-29
Business loss	-	2030-31	7,435.30	2029-30
Business loss	-	2031-32	-	2030-31
Unabsorbed depreciation	131.98	No expiry date	807.97	No expiry date

Note 1: Previous year figures have been restated as per tax returns filed during the year, wherever applicable.

Bharat PetroResources Limited

Notes forming part of Consolidated Financial Statements

Note 36 Tax Expense/ Deferred Tax reconciliation

(a) Amounts recognised in profit and loss

(Rs. in Lakhs)

	For the year ended	
	March 31, 2024	March 31, 2023
Current tax expense		
Current period	791.60	93.33
Deferred tax expense / (benefit)		
Origination and reversal of temporary differences	(9.32)	(9.36)
Tax expense / (benefit) recognised in the income statement	782.28	83.97

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2024			For the year ended March 31, 2023		
	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	4,366.67	-	4,366.67	62,471.15	-	62,471.15
(b) Share of Other comprehensive income of equity accounted investee	(78,542.51)	-	(78,542.51)	37,714.77	-	37,714.77
	(74,175.84)	-	(74,175.84)	1,00,185.92	-	1,00,185.92

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(loss) before Tax	(2,03,523.86)	(1,06,180.76)
Tax using the Company's domestic tax rate (Current year and Previous Year 26.00%)	(52,916.21)	(27,607.00)
Tax effect of:		
Differences in the tax rate of foreign jurisdictions*	(2,789.18)	1,573.25
Tax losses for which no deferred income tax was recognised	34,623.91	19,538.52
Expenses not deductible for tax purposes	13,616.20	35,512.54
Deductible expenses on which no deferred income tax is recognised	(239.62)	(273.63)
Effect of result of equity-accounted investee presented net of tax	8,497.93	(28,649.78)
Income not chargeable to tax	(10.75)	(9.92)
Tax expense as per Statement of Profit & Loss	782.28	83.97

* The subsidiaries BPRL International BV (Netherlands) and BPRL International Singapore Pte Ltd. (Singapore) operate in a tax jurisdiction with different tax rates.

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements
Note 37 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
(Rs. in Lakhs)

	31-Mar-24	31-Mar-23
Profit / (loss) attributable to equity holders of the parent	(2,04,306.14)	(1,06,264.73)

ii. Weighted average number of ordinary shares

	31-Mar-24	31-Mar-23
Issued ordinary shares at the beginning of the year	9,47,50,00,000	7,27,50,00,000
Shares issued and allotted during the year	1,32,50,00,000	2,20,00,00,000
Weighted Average Number of shares issued during the year	73,12,15,847	1,80,21,91,781
Weighted average number of shares	10,20,62,15,847	9,07,71,91,781
Basic and Diluted earnings per share (Rs.)	(2.00)	(1.17)

Bharat PetroResources Limited**Notes forming part of Consolidated Financial Statements****Note 38 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:

(Rs. in Lakhs)

Sr No	Particulars	For the year 2023-2024	For the year 2022-2023
1	Provident Fund	86.76	74.53
2	Gratuity	35.73	31.12
3	Leave encashment	69.12	64.75
4	Super Annuation (NPS)	85.41	73.16
	Total	277.03	243.56

(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)

Sr No	Particulars	For the year 2023-2024	For the year 2022-2023
1	Provident Fund	11.85	11.92
2	Superannuation (including gratuity)	17.77	15.43
	Total	29.62	27.35

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**(Rs. in Lakhs)**

Particulars	Gratuity - Unfunded	
	2023-24	2022-23
a) Reconciliation of balances of Defined Benefit Obligations		
Defined Benefit Obligation at the beginning of the Period	11.10	13.54
Interest Cost	0.83	0.65
Current Service Cost	2.43	2.43
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
Benefit paid directly by employer	-	(4.64)
Actuarial (Gains)/ Losses on obligation		
- Changes in financial Assumptions	0.03	(0.14)
- Experience adjustments	(2.94)	(0.72)
Defined Benefit Obligation at the end of the Period	11.44	11.10
b) Amount recognised in Balance sheet	11.44	11.10

(Rs. in Lakhs)

Particulars	Gratuity - Unfunded	
	2023-24	2022-23
c) Amount recognised in Statement of Profit and Loss		
Current Service Cost	2.43	2.43
Interest Cost	0.83	0.65
Past Service Cost	-	-
Expenses for the year	3.25	3.07
d) Amount recognised in Other Comprehensive Income		
Remeasurements:		
Actuarial (Gains)/ Losses		
- Changes in financial Assumptions	0.03	(0.14)
- Experience adjustments	(2.94)	(0.72)
Total	(2.91)	(0.87)
e) Major Actuarial Assumptions		
Rate of Discounting	7.16%	7.27%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate during Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

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	11.45	11.10
Delta Effect of +1% Change in Rate of Discounting	(0.10)	(0.75)
Delta Effect of -1% Change in Rate of Discounting	0.10	0.92
Delta Effect of +1% Change in Rate of Salary Increase	0.10	0.90
Delta Effect of -1% Change in Rate of Salary Increase	(0.10)	(0.76)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.00)	(0.10)
Delta Effect of -1% Change in Rate of Employee Turnover	0.00	0.11

g) Maturity Analysis of the Benefit Payments

Projected Benefits payable in future years from date of reporting are as follows:	
1st following year	0.32
2nd following year	11.92
3rd following year	-
4th following year	-
5th following year	-
Years 6 to 10	-
Sum of 11 years and above	-

(C) Other long-term employee benefits:

The charge towards leave encashment for the year ended March 31, 2024 is Rs. 8.1 Lakhs (31st March, 2023: Rs.45.29 Lakhs).

Bharat PetroResources Limited

Notes forming part of Consolidated Financial Statements

Note 39 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.

March 31, 2024	Carrying amount			Fair value				(Rs. in Lakhs)
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	1,78,441.09	1,78,441.09	-	-	-	-
Other Bank Balances	-	-	1,131.27	1,131.27	-	-	-	-
Loan to joint venture *	2,04,768.58	-	-	2,04,768.58	-	-	2,04,768.58	2,04,768.58
Security deposit	-	-	49.97	49.97	-	-	-	-
Trade Receivables	-	-	1,386.17	1,386.17	-	-	-	-
Loans to employees	-	-	6.09	6.09	-	-	-	-
Other non current financial asset ^	-	-	1,85,336.80	1,85,336.80	-	-	-	-
Other current financial asset	-	-	2,386.86	2,386.86	-	-	-	-
	2,04,768.58	-	3,68,738.25	5,73,506.83	-	-	2,04,768.58	2,04,768.58
Financial liabilities								
Bonds	-	-	4,13,661.84	4,13,661.84	-	-	-	-
Term loans - Unsecured	-	-	14,25,069.04	14,25,069.04	-	-	-	-
Trade Payables	-	-	1,596.19	1,596.19	-	-	-	-
Short Term Borrowings	-	-	8,33,072.69	8,33,072.69	-	-	-	-
Lease Liabilities	-	-	44.42	44.42	-	-	-	-
Other current liabilities	-	-	25,020.00	25,020.00	-	-	-	-
	-	-	26,98,464.18	26,98,464.18	-	-	-	-

(Rs. in Lakhs)

March 31, 2023	Carrying amount				Fair value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Cash and cash equivalents	-	-	43,140.46	43,140.46	-	-	-
Other Bank Balances	-	-	2,254.44	2,254.44	-	-	-
Loan to joint venture *	2,03,727.62	-	-	2,03,727.62	-	-	2,03,727.62
Loan to joint venture	-	-	-	-	-	-	-
Security deposit	-	-	35.46	35.46	-	-	-
Trade Receivables	-	-	192.29	192.29	-	-	-
Loans to Employees	-	-	9.59	9.59	-	-	-
Other non current financial asset ^	-	-	1,53,256.93	1,53,256.93	-	-	-
Other Current financial asset	-	-	669.61	669.61	-	-	-
	2,03,727.62	-	1,99,558.78	4,03,286.40	-	-	2,03,727.62
Financial liabilities							
Bonds	-	-	4,96,165.23	4,96,165.23	-	-	-
Term loans - Unsecured	-	-	17,42,110.51	17,42,110.51	-	-	-
Trade payables	-	-	1,769.51	1,769.51	-	-	-
Short Term Borrowings	-	-	2,67,204.93	2,67,204.93	-	-	-
Lease Liabilities	-	-	114.55	114.55	-	-	-
Other current liabilities	-	-	23,314.77	23,314.77	-	-	-
	-	-	25,30,679.50	25,30,679.50	-	-	-

* 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 + Margin for the tenure of 50 years. 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 Reals. Face value of the equity shares of IBV (Brasil) Petroleo Ltda. is 1 Brazilian Real. Interest is payable in the year subsequent in which IBV makes profit and Interest is payable for that year not for prior years. As it does not meet the definition of amortised cost 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 34).

^ Includes an amount of Rs. 32,742.01 lakhs pertaining to Advance towards shares to be issued in Mozambique MOF Company S.A. and Mozambique LNG Marine Terminal Company S.A. shall be fair valued at the time of receipt of shares.

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 2024: 1 BRL) Credit spread (31 March 2024: 2.58%)	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.

Particulars	Loan to joint venture
Opening Balance (1 April 2022)	1,89,720.15
Change due to Gain/ (Loss) in fair valuation	(3,026.06)
Change due to FCTR	(584.32)
Change due to the effect of foreign exchange fluctuations	17,617.85
Closing Balance (31 March 2023)	2,03,727.62
Opening Balance (1 April 2023)	2,03,727.62
Change due to Gain/ (Loss) in fair valuation	(1,813.33)
Change due to FCTR	(325.82)
Change due to the effect of foreign exchange fluctuations	3,180.11
Closing Balance (31 March 2024)	2,04,768.58

Sensitivity analysis

For the fair values of loan to joint venture, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

(Rs. in Lakhs)

Significant unobservable inputs	31st March, 2024		31st March, 2023	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Credit spread (10% movement)	(2,234.78)	2,088.43	(5,597.76)	5,691.44
Share price (10% movement)	13,295.18	(12,690.81)	29,502.71	(29,609.93)

Bharat PetroResources Limited

Notes forming part of Consolidated Financial Statements

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.

Cash and cash equivalents

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

Other Bank balance - Fixed Deposits with Bank

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

Loans

Loans to joint venture companies do not carry any significant credit risk.

Receivables from joint ventures

The Group has receivables from joint ventures at period end. However, credit risk for these receivables are considered to be insignificant.

Trade Receivable

Major customer being a public sector Oil & Gas Marketing company having highest credit rating and is considered to be good.

Other receivables

The credit worthiness of receivables from others is evaluated by the management on an ongoing basis and is considered to be good except for an amount of Rs.14,338.53 Lakhs (previous year: Rs. 14,190.42 Lakhs), for which provision has been created (Refer Note 15).

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

Bharat PetroResources Limited**Notes forming part of Consolidated Financial Statements****Note 39 Financial instruments – Fair values and risk management (continued)****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.

(Rs. in Lakhs)

March 31, 2024	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	14,25,069.04	16,56,647.24	65,384.71	10,56,148.34	5,35,114.18	-
Bonds (Long term)	4,13,661.84	4,64,650.02	18,109.97	4,46,540.05	-	-
Short term loan from Banks / Bonds	8,33,072.69	8,65,023.81	8,65,023.81	-	-	-
Trade Payables	1,596.19	1,596.19	1,596.19	-	-	-
Other financial liabilities	25,020.00	25,020.00	25,020.00	-	-	-

March 31, 2023	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	16,96,610.51	19,84,162.99	1,12,184.47	12,37,859.75	6,34,118.77	-
Term loan from parent company	45,500.00	59,360.17	3,958.50	7,917.00	47,484.67	-
Bonds	4,96,165.23	5,79,296.43	21,731.38	43,462.76	5,14,102.30	-
Short term loan from banks	2,67,204.93	2,78,364.18	2,78,364.18	-	-	-
Trade Payables	1,769.51	1,769.51	1,769.51	-	-	-
Other financial liabilities	23,314.77	23,314.77	23,314.77	-	-	-

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements
Note 39 Financial instruments – Fair values and risk management (continued)
iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates 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.

Currency risk

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

The Group has not taken derivative instruments to hedge the foreign currency risk and strives to achieve asset liability offset of foreign currency exposure. Also, the Group continuously monitors the fluctuation in currency risk and ensures that the 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, 2024 and March 31, 2023 are as below:

(Rs. in Lakhs)

March 31, 2024	Total	USD	EUR	MZN	SGD
Financial assets					
Non-current financial assets - Loans	3,54,889.48	3,54,889.48	-	-	-
Other non-current financial assets	32,742.01	32,742.01	-	-	-
Cash and cash equivalents	1,60,650.55	1,55,189.92	17.16	4.19	5,439.27
Other Current financial asset	1,067.73	1,049.19	-	5.89	12.65
Net exposure for assets	5,49,349.77	5,43,870.61	17.16	10.08	5,451.93
Financial liabilities					
Non Current financials Liabilities - Borrowings	18,38,730.88	18,38,730.88	-	-	-
Current financials Liabilities - Borrowings	8,33,072.69	8,33,072.69	-	-	-
Non Current financials Liabilities - Lease Liabilities	2.43	-	-	-	2.43
Trade Payables	997.16	599.36	324.98	5.89	66.93
Current financials Liabilities - Lease Liabilities	37.79	-	-	-	37.79
Other Current financial liabilities	21,337.34	21,337.34	-	-	-
Net exposure for liabilities	26,94,178.29	26,93,740.27	324.98	5.89	107.15
Net exposure (Assets - Liabilities)	(21,44,828.52)	(21,49,869.67)	(307.82)	4.19	5,344.78

(Rs. in Lakhs)

March 31, 2023	Total	USD	EUR	MZN	SGD
Financial assets					
Non-current financial assets - Loans	3,27,036.08	3,27,036.08	-	-	-
Other non-current financial assets	29,622.30	29,622.30	-	-	-
Cash and cash equivalents	37,909.97	37,858.19	8.49	2.03	41.27
Other Current financial asset	206.52	192.30	-	-	14.22
Net exposure for assets	3,94,774.87	3,94,708.87	8.49	2.03	55.48
Financial liabilities					
Non Current financials liabilities - Borrowings	21,92,775.74	21,92,775.74	-	-	-
Current financials liabilities - Borrowings	2,67,204.93	2,67,204.93	-	-	-
Non Current financials liabilities - Lease liabilities	42.57	-			42.57
Trade Payables	527.08	243.97	238.83	-	44.28
Current financials Liabilities - Lease Liabilities	66.51	-			66.51
Other Current financial liabilities	21,785.63	21,785.63	-	-	-
Net exposure for liabilities	24,82,402.46	24,82,010.27	238.83	-	153.36
Net exposure (Assets - Liabilities)	(20,87,627.59)	(20,87,301.40)	(230.34)	2.03	(97.88)

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.

Effect on Profit or Loss (before tax) Rs. In lakhs	Strengthening/ Weakening %	March 31, 2024		March 31, 2023	
		Strengthening	Weakening	Strengthening	Weakening
USD	3%	(64,496.09)	64,496.09	(62,619.04)	62,619.04
EURO	2%	(6.16)	6.16	(4.61)	4.61
MZN	5%	0.21	(0.21)	0.10	(0.10)
SGD	3%	160.34	(160.34)	(2.94)	2.94
		(64,341.69)	64,341.69	(62,626.48)	62,626.48

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements
Note 39 Financial instruments – Fair values and risk management (continued)
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 20 of these financial statements.

Exposure to Interest Rate Risk
(Rs. in Lakhs)

Carrying Amount	March 31, 2024	March 31, 2023
Fixed-rate instruments		
Financial assets - measured at amortised cost	3,29,271.49	1,68,568.77
Financial liabilities - measured at amortised cost	(4,98,281.18)	(4,96,165.23)
	(1,69,009.69)	(3,27,596.46)
Variable-rate instruments		
Financial Assets - measured at Fair Value through profit & loss	2,04,768.58	2,03,727.62
Financial liabilities - measured at amortised cost	(21,73,522.39)	(20,09,315.44)
	(19,68,753.81)	(18,05,587.82)

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.

(Rs. in Lakhs)

Cash flow sensitivity (net)	Profit or loss	
	100 bps increase	100 bps decrease
March 31, 2024		
Variable-rate instruments	(19,687.54)	19,687.54
Cash flow sensitivity (net)	(19,687.54)	19,687.54
March 31, 2023		
Variable-rate instruments	(17,964.48)	17,964.48
Cash flow sensitivity (net)	(17,964.48)	17,964.48

The Group has following exposure to SOFR as at 31st March 2024:

Facility	Pricing (SOFR + Margin)*	Maturity Year	Amount (USD Mn)	Amount (INR Lakhs)
Term Loan Facilities	SOFR + Margin (166 bps to 210 bps)	2024-25	900	7,50,365.10
Term Loan Facilities	SOFR + Margin (105 bps)	2025-26	400	3,33,495.60
Term Loan Facilities	SOFR + Margin (90 to 120 bps)	2026-27	695	5,79,448.61
Term Loan Facilities	SOFR + Margin (100 bps)	2027-28	625	5,21,086.88
		Total	2,620	21,84,396.18

* In March 2021, the Financial Conduct Authority (FCA), UK had confirmed that all London Interbank Offered Rate (LIBOR) settings will either cease to be provided by any administrator or no longer be representative:

- immediately after 31st December 2021, in the case of all Sterling, Euro, Swiss Franc and Japanese Yen settings, and the 1-week and 2-month US Dollar settings; and
- immediately after 30th June 2023, in the case of the remaining US dollar settings.

Accordingly, during the year all of the Facility Agreements of the Group have been transitioned from LIBOR to Secured Overnight Financing Rate (SOFR).

Commodity Risk

The Group has 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, 2024, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Note 40 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 41 Going Concern

The financial statements of the Group are prepared on a going concern basis. The Group has incurred a net loss of Rs. 278,479 Lakhs during the year ended 31st March, 2024 and, as of that date, the company's accumulated losses is Rs. 847,834 Lakhs and net worth is Rs. 282,483 Lakhs. The management of the Company is of the opinion that no material uncertainty exists and the going concern basis is appropriate in the preparation of the financial statements based on the capital management assessment as mentioned in note no. 40

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements
Note 42 Related party transactions
A. Parent entity

The group is controlled by the following entity:

Name	Type	Place of incorporation/ Principal place of Business	Ownership interest as on	
			31-Mar-24	31-Mar-23
Bharat Petroleum Corporation Limited	Immediate and Ultimate parent entity	India	100%	100%

Both Bharat PetroResources Limited and Bharat Petroleum Corporation Limited are Government-related entity.

B. Joint ventures and associates

Interest in joint ventures and associates are set out below:

Name	Type	Place of incorporation/ Principal place of Business	Ownership interest as on	
			31-Mar-24	31-Mar-23
IBV (Brasil) Petroleo Ltda. #	Joint Venture	Brazil	63.24%	61.36%
Taas India Pte Ltd @	Joint Venture	Incorporated in Singapore having operations in Russia	33%	33%
Vankor India Pte Ltd @	Joint Venture	Incorporated in Singapore having operations in Russia	33%	33%
Falcon Oil & Gas BV @@	Joint Venture	Incorporated in Netherlands having operations in UAE	30%	30%
Moz LNG1 Holding Company Ltd @@@	Associate	Incorporated in UAE having operations in Singapore, UAE & Mozambique	10%	10%
Mozambique LNG1 Company Pte Ltd @@@	Associate	Singapore	10%	10%
Moz LNG1 Financing Company Ltd @@@	Associate	UAE	10%	10%
Mozambique LNG 1 Co. Financing, LDA @@@	Associate	Mozambique	10%	10%
LLC TYNGD ##	Associate	Russia	9.87%	9.87%
JSC Vankorneft ###	Associate	Russia	7.89%	7.89%
Urja Bharat Pte Ltd. ####	Joint Venture	Incorporated in Singapore having operations in UAE	50%	50%

During the year, stake in IBV (Brasil) Petroleo Ltda. has increased from 61.36% to 63.24%. Considering, BPRL Ventures BV's joint control with the JV partner over IBV, it has been consolidated as Joint Venture as on 31st March 2024.

@ 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.

@@@ Mozambique LNG1 Company Pte. Ltd., Moz LNG1 Financing Company Ltd. And Mozambique LNG 1 Co. Financing, LDA are the Wholly owned Subsidiaries of Moz LNG1 Holding Company Ltd., 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 G Krishnakumar, appointed Director w.e.f. 23rd March 2023

Shri V. R. K. Gupta, appointed Director w.e.f. 12th January, 2022

Shri Sanjay Khanna, appointed Director w.e.f. 7th September 2022

Smt Barnali Barua Tokhi, appointed Managing Director w.e.f 7th February, 2023

Shri Kamal Chopra, appointed Director & CFO w.e.f. 21st February, 2022

Shri Krishnakant Joshi, appointed Director w.e.f 25th July 2022

Shri Rajendra Kumar, Government Director upto 18th May 2023

Shri Kapil Verma, appointed as Government Director w.e.f 18th May 2023

Smt Sarita Aggarwal, Company Secretary upto 6th November, 2023

Shri Srikant Agarwal Company Secretary w.e.f. 29th March, 2024

The Company is a Public Sector Undertaking under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG). As per the MCA notification dated July 5, 2017, the Company is exempt from appointment of Independent Director under the Companies Act, 2013. However MoP&NG vide its letter dated 12.07.2019 and 21.10.2019 nominated appointment of Shri Ajay Kadmawala and Smt Mona Jaiswal as Independent Directors on the Company's Board. Further, tenure of Shri Ajay Kadmawala and Smt. Mona Jaiswal have completed on 11th July 2022 and 20th October 2022, respectively. The Company has requested MoP&NG for nominating Independent Directors on Company's Board, however, the new Independent Directors are yet to be appointed.

D. Transactions with related parties**a) Key management personnel compensation****(Rs. in Lakhs)**

	31-Mar-24	31-Mar-23
Short-term employee benefits	133.62	146.66
Post-employment benefits	20.12	14.07
Other long-term benefits	1.21	2.76

b) The nature wise transactions with the above related parties are as follows:

(Rs. in Lakhs)

Nature of Transactions	Parent company		Joint venture		Key Management Personnel	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Money received towards share capital	1,32,500.00	2,20,000.00				
Loan received	-	45,500.00				
Repayment of loan	45,500.00	2,19,000.00				
Reimbursement of expenses	2,389.67	1,975.99				
Rent expenses	202.43	141.40				
Interest payment on loan	1,509.60	3,814.81				
Guarantee given on behalf of the group	5,46,742.50	7,14,341.42				
Guarantee Commission paid	10,554.67	6,521.17				
Transfer of employee loan balance					-	6.69
<u>Money remitted towards investment in share capital</u>						
Urja Bharat Pte Ltd.			37,920.19	72,954.82		
IBV (Brasil) Petroleo Ltda.			9,921.49	19,040.83		
MOZ LNG1 Holding Company Ltd			17,931.46	44,092.94		
<u>Dividend Received</u>			10,067.23	9,821.06		
Taas India Pte Ltd			86,704.07	1,26,879.34		
Vankor India Pte Ltd			49,273.07	41,471.42		
Falcon Oil & Gas BV			26,005.23	64,643.57		
<u>Capital repayment</u>			11,425.77	20,764.35		
Taas India Pte Ltd			79,384.39	-		
Vankor India Pte Ltd			38,323.50	-		
<u>Recovery of deputed employee cost</u>			41,060.89	-		
Urja Bharat Pte Ltd.			-	33.87		
<u>Rendering of services</u>						
Taas India Pte Ltd			6,595.20	427.12		
Vankor India Pte Ltd			250.68	248.90		
Urja Bharat Pte Ltd.			186.70	178.22		
<u>Interest on Loan given</u>			6,157.82	-		
Key Managerial Personnel			-	-	0.20	-
<u>Loan Given</u>					0.20	-
Key Managerial Personnel					11.00	-
<u>Loan recovered</u>					11.00	
Key Managerial Personnel			-	-	11.56	0.28
					11.56	0.28

c) Outstanding Balances

(Rs. in Lakhs)

	As At	
	31-Mar-24	31-Mar-23
Parent company		
Loan payable	-	45,500.00
Other payables	413.42	461.30
Guarantee given on behalf of the group	20,04,068.44	15,34,887.57
Other receivables	9.56	-
Income from services to Group Companies		
Taas India Pte Ltd	63.03	62.16
Vankor India Pte Ltd	51.17	44.89
Recovery of deputed employee cost		
Urja Bharat Pte Ltd.	824.76	81.10
Joint Ventures		
Loan Receivable - IBV (Brasil) Petroleo Ltda. at fair value	2,04,768.58	2,03,727.62
Key Management Personnel		
Loan given	6.09	9.09

E. Transactions with Government related Entities:

In accordance with paragraph 25 of Ind AS 24 - Related Party Disclosures, the company is exempt from the disclosure requirements in relation to the related party transactions and outstanding balances including capital commitments, with:

- (a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- (b) another entity that is a related party because of the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

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.

Bharat PetroResources Limited

Notes to the consolidated financial statements

Note 43 Contingent Liabilities and Commitments

(a) Capital Commitments

Based on the estimation by the Management, BPRL's share of Minimum Work Programme (MWP) commitments as on the reporting date amounted to Rs. 9,054.73 Lakhs. (31st March, 2023: Rs. 5,314.26 Lakhs). Company has provided Bank Guarantees to Director General of Hydrocarbon (DGH) to the extent of Rs. 3,205.99 Lakhs (31st March, 2023: Rs.2,354.67 Lakhs) towards MWP.

The Group's share of MWP commitments in Equity Accounted Investees as on the reporting date amounted to Rs. 44,799.74 Lakhs (USD 53.9 Mn) (31st March, 2023: Rs. 51,559.25 Lakhs (USD 62.28 Mn)).

(b) Contingent Liabilities:

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

(a) As per the audited block statements of NELP-IV/CY/ONN/2002/2 for FY 2022-23, ONGC (Operator of the block) has paid a sum of Rs. 3,638.15 lakhs under protest towards service tax/ GST liability against royalty paid to Government of Tamil Nadu for the period 1st April 2016 to 31st March 2023 and disclosed the same as contingent liability. Considering the additional liability of Rs. 729.78 Lakhs as advised by ONGC, the total contingent liability as on 31st March 2024 amounts to Rs.4,367.93 lakhs. (All figures are at 100% Block level, of which BPRL's share is 40%)

(b) Tata Projects Limited (TPL) has initiated arbitration proceedings in respect of block NELP-IV/CY/ONN/2002/2 for an estimated amount of Rs. 8,800 Lakhs (31st March, 2023 Rs. 8,800 Lakhs), as advised by ONGC who is the Operator of the block, which is currently ongoing. (All figures are at 100% Block level, of which BPRL's share is 40%).

(c) In case of Block NELP-VI/CY/ONN/2004/2, a contingent liability of Rs. 1.28 Lakhs (31st March, 2023 Rs. 1.28 Lakhs) has been considered for GST on royalty paid under protest. ONGC is the Operator of the block. (All figures are at 100% Block level, of which BPRL's share is 20%).

(d) BPRL Ventures Mozambique BV, as a Concessionaire, has provided Guarantee to the lenders for an amount equal to its share of the Senior Debt Secured Obligations in respect of Mozambique Project Finance. As on March 31, 2024, the BPRL Ventures Mozambique B.V.'s share of drawdown under Project finance is Rs. 23,953.32 Lakhs (USD 28.73 Mn) (March 31, 2023 : Rs. 23,620.92 Lakhs (USD 28.73 Mn))

(e) 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 Rs. 1,00,048.68 Lakhs (USD 120 Mn) (March 31, 2023 : Rs. 99,343.45 Lakhs (USD 120 Mn)) in one case, while in others it is not quantifiable.

(f) As part of a Share Sale Agreement (SSA) entered between Encana Corporation & 749793 Alberta Limited as the Vendor and Bharat PetroResources Limited (BPRL) & Videocon Industries Limited (VIL) as the Purchasers, the acquisition cost for the assets in Brazil was negotiated with a condition that a Contingent Payment of USD 10 Million shall be payable to Encana Corporation jointly & severally upon Commercial Discovery in BM-C-30 Concession. M/s Ovinativ (erstwhile Encana Corporation) has demanded contingent payment of USD 10 Million as per the Share Sale Agreement citing announcement of Declaration of Commerciality by M/s PetroRio (Operator of BM-C-30 concession). Ovinativ has initiated arbitration proceedings at International Chamber of Commerce (ICC) in New York, against BPRL and the proceedings are ongoing.

It may be noted that PetroRio has proceeded with Declaration of Commerciality (DOC) on exclusive operation basis, which has been disputed by IBV at International Chamber of Commerce (ICC) in London. The ICC has dismissed IBV's challenge on 11.04.2024 and further course of action is being deliberated.

(g) BPRL as per the terms of a Share Purchase Agreement (SPA) entered into for acquiring stake in Vankorneft asset in Russia,

has issued a Performance Guarantee to Rosneft Oil Company guaranteeing the performance and payment obligations of Vankor India Pte Ltd (VIPL, a special purpose JV of the Group set up for acquiring the asset) under the Corporate Agreement executed between VIPL and Rosneft Oil Company. The Performance Guarantee has been issued by the Parent Companies of SPV JV Partners namely BPRL, Oil India Limited and Indian Oil Corporation Limited, on a joint and several basis. An inter-se principal agreement has also been entered amongst the Parent Companies as a counter-guarantee arrangement to each other. The outflows that may arise under this performance guarantee or the inter-se agreement are not quantifiable.

Note 44 Micro, Small and Medium Enterprises

To the extent Group has received intimation from the “suppliers” regarding their status under the Micro, Small and Medium Development Act, 2006, the details are provided as under:

(Rs. in Lakhs)

	31-Mar-24	31-Mar-23
Amount Due at the period end		
- Principal	12.12	1.04
- 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 period end	-	-

Note 45 Details of Reserves

Group's share of proved reserves for the block CY-ONN-2002/2 as at 31st March 2024 is given below:

Project	Details	Crude Oil (MMm3)	Gas (MMm3)
CY-ONN-2002/2	Opening	Crude Oil (MMm3)	Gas (MMm3)
	Addition/(Reduction)	0.24	49.32
	Production	(0.00)	0.02
	Closing	0.03	11.02

MMm3 = Million Cubic Meters

Note 46 Financial year end of subsidiary

For consolidation purpose, the group has considered financial results of BPRL International Singapore Pte. Ltd. as at December 31, 2023 based on audited financial statements and hence financial information presented in respect of these entities is as at December 31, 2023.

Note 47 Changes in liabilities arising from financing activities

(Rs. in Lakhs)

	Current - Other financial liabilities		Total
	Interest accrued but not due on borrowings (Current)	Borrowings (Current and Non-current borrowings)	
As at April 1, 2022	13,979.28	24,50,814.97	24,64,794.25
Cash Flows	(1,10,298.74)	(1,49,546.56)	(2,59,845.30)
Non Cash Changes	1,17,779.88	2,04,212.26	3,21,992.14
As at March 31, 2023	21,460.42	25,05,480.67	25,26,941.09
Cash Flows	(1,83,493.64)	1,33,753.89	(49,739.75)
Non Cash Changes	1,83,111.44	32,569.02	2,15,680.46
As at March 31, 2024	21,078.22	26,71,803.57	26,92,881.79

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements
Note 48 Interest in Joint Operations

The Group has participating interest in the nature of Production Sharing Contracts (PSC)/Revenue Sharing Contracts (RSC) 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/RSC, 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) The Group's share of the assets, liabilities, income and expenditure have been recorded under respective heads based on the audited financial statements for blocks CB/ONN/2010/8 and CB/ONHP/2017/9 (previous year: CB/ONN/2010/8 and CB/ONHP/2017/9).

(ii) There is no expenditure incurred in CY/ONDSF/KARAIKAL/2016 (previous year: Nil expenditure).

(iii) Out of the remaining five Indian Blocks (previous year six), the Company has received nil (previous year nil) audited financial statements as at 31st March, 2024. Unaudited financial statements for two blocks (previous year two) and billing statements (Statement of Expenses) for remaining three blocks (previous year three) have been received from the operator for the period upto 31st March, 2024. The assets, liabilities, income & expenses are accounted on the basis of of such statments received.

During the previous year 2022-23, the Company's share of assets, liabilities, incomes and expenses were accounted based on unaudited financial statements / billing statements for six blocks. During current year 2023-24, the audited financial statements / billing statements for 2022-23 have been received for these blocks and necessary adjustments have been made in the books of accounts for the difference between the unaudited and audited financial statements / billing statements.

(iv) In respect of block outside India (Block 32 - relinquished during 2020-21 and which is under liquidation); the assets, liabilities, income and expenditure have been incorporated on the basis of billing statements as at 31st March 2024 (previous year: assets, liabilities, income and expenditure have been incorporated on the basis of unaudited financial statements as at 31st March 2023).

(v) In respect of blocks in Mozambique and Indonesia 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 2024.

Details of the Participating Interest (PI) held by BPRL and its subsidiaries in blocks are as under:

	Name	Country	31st March 2024	31st March 2023
Operatorship:				
NELP – IX	CB/ONN/2010/8 @	India	25%#	25%#
OALP	CB-ONHP-2017/9	India	60%	60%
DSF	CY/ONDSF/KARAIKAL/2016	India	100%	100%
Non-Operatorship				
NELP – IV	CY/ONN/2002/2	India	40%	40%
NELP – VI	CY/ONN/2004/2	India	20%	20%
NELP – IX	CB/ONN/2010/11	India	25%*	25%*
NELP – IX	AA/ONN/2010/3	India	20%	20%
OALP	AA-ONHP2017/12	India	10%	10%
Blocks outside India	JPDA 06-103	Australia / Timor	0%	20%
Blocks outside India	Offshore Area, Rovuma Basin	Mozambique	10%	10%
Blocks outside India	Nunukan PSC, Tarakan Basin	Indonesia	12.5%##	12.5%##

NELP - New Exploration Licensing Policy

OALP - Open Acreage Licensing Policy

DSF - Discovered Small Fields

@ under relinquishment

* BPRL Share 29.41% in development phase.

BPRL Share 50% in development phase.

Pursuant to the cash call payment default of Videocon Indonesia Nunukan Inc. (VINI), the Operator in accordance to the Joint Operating Agreement has submitted the documents for assignment of 23.0% PI from VINI to the other partners in the block for regulatory approval.

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

Particulars	(Rs. in Lakhs)	
	31-Mar-24	31-Mar-23
Property, plant and equipment	63.00	67.72
Other Intangible assets	5,778.04	7,444.92
Intangible asset under development *	12,51,215.25	11,61,934.32
Other Non-Current Assets	1,763.61	260.66
Current Assets including financial assets **	5,190.33	16,645.70
Cash and Bank Balances	1,529.63	173.38
Current & Non Current Liabilities/Provisions including financial liabilities	20,413.41	9,091.01
Expenses	31,567.33	23,410.32
Income	23,467.78	23,237.91

* Includes Rs. 2,06,997.14 Lakhs (previous year Rs.2,01,033.91 Lakhs) which has been provided for by the Group.

** Includes Rs. 14,031.51 Lakhs (previous year Rs. 13,786.93 Lakhs) which has been provided for by the Group.

Bharat PetroResources Limited
Notes forming part of Consolidated Financial Statements
Note 49 Segment reporting
A. Basis for segmentation

The Group has following four reportable segments based on geography. Details of the segments are as follows:

- India
- Mozambique
- Brazil
- 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.

(Rs. in Lakhs)

For the year ended 31st March, 2024	Reportable segments				
Particulars	India	Mozambique	Brazil	Singapore	Total Segments
Revenue					
External Customers	18,819.11	-	-	-	18,819.11
Total Revenue	18,819.11	-	-	-	18,819.11

Segment profit / (loss) before tax	19,792.11	(16,383.43)	(86,574.00)	35,872.42	(47,292.90)
Segment profit / (loss) before tax includes:					
Interest expense	1,596.79	-		25,498.01	27,094.79
Depreciation, Depletion, Amortisation	2,065.48	-		66.56	2,132.04
Share of profit/ (loss) of equity accounted investees		(857.49)	(86,574.00)	57,732.88	(29,698.61)
Project Cost expensed off		26,769.81			26,769.81
<i>Material non-cash items other than depreciation, depletion, amortisation</i>					
Impairment losses on non financial assets	-	-	-	-	-
Segment assets	44,926.40	14,51,851.68	3,95,929.47	8,26,807.42	27,19,514.98
<i>Segment assets include:</i>					
Investment in equity accounted investees	-	35,510.80	3,95,929.47	6,69,456.95	11,00,897.22
Loan to Empresa Nacional de Hidrocarbonetos (Mozambique)		1,50,120.90			
Capital expenditure during the year	2,649.41	67,544.79		(52.91)	70,141.29
Receivable from operator		488.82			
Segment liabilities	22,026.22	738.93	-	4,25,391.18	4,48,156.32

For the year ended 31st March, 2023	Reportable segments				
Particulars	India	Mozambique	Brazil	Singapore	Total Segments
Revenue					
External Customers	14,591.42	-	-	-	14,591.42
Total Revenue	14,591.42	-	-	-	14,591.42
Segment profit / (loss)	5,171.58	(1,57,131.74)	90,138.44	(17,691.48)	(79,513.21)
Segment profit / (loss) before tax includes:					
Interest expense	3,656.07	51,739.39		25,569.92	80,965.37
Depreciation, Depletion, Amortisation	2,075.36	-		77.08	2,152.44
Share of profit/ (loss) of equity accounted investees		(1,633.08)	90,138.44	7,621.73	96,127.09
Project Cost expensed off		18,697.55			18,697.55
<i>Material non-cash items other than depreciation, depletion, amortisation</i>					-
Impairment losses on non financial assets	372.62	93,854.73	-	-	94,227.35
Segment assets	97,309.58	13,15,725.33	4,51,656.85	8,69,295.01	27,33,986.77
Segment assets include:					
Investment in equity accounted investees	-	25,915.62	4,51,656.85	8,38,720.34	13,16,292.81
Loan to Empresa Nacional de Hidrocarbonetos (Mozambique)		1,23,308.46			1,23,308.46
Capital expenditure during the year	3,228.68	19,700.83		13.52	22,943.02
Receivable from operator		10,271.52			
Segment liabilities **	56,262.19	570.48	-	5,07,201.68	5,64,034.35

** As at 31st March 2023, Segment Liability for Mozambique included an amount of Rs. 1,191,088.71 Lakhs towards loans obtained by BPRL International BV. During the current year, the same has been disclosed under "Unallocated Liabilities" to more appropriately reflect the nature of the liability. Accordingly, the previous years' figures have been regrouped.

C. Reconciliations of information on reportable segments to Ind AS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Revenue		
Total revenue for reportable segments	18,819.11	14,591.42
Revenue for other segments	-	-
Total revenue as per Statement of profit and Loss	18,819.11	14,591.42
(b) Profit / (loss) before tax		
Total profit / (loss) before tax for reportable segments	(47,292.90)	(79,513.21)
Unallocated amounts:		
– Other expenses / income	(1,56,230.97)	(26,667.55)
Total profit before tax from operations as per Statement of profit and Loss	(2,03,523.86)	(1,06,180.76)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(c) Assets		
Total assets for reportable segments	27,19,514.98	27,33,986.77
Other unallocated amounts	2,79,298.44	2,33,085.97
Total assets as per balance sheet	29,98,813.42	29,67,072.75
(d) Liabilities		
Total liabilities for reportable segments	4,48,156.32	5,64,034.35
Other unallocated amounts	22,68,173.67	19,74,575.90
Total liabilities as per balance sheet	27,16,329.99	25,38,610.25

Note 50 Capex Reporting as per guidelines issues by Department of Petroleum and Natural Gas (MoPNG)

A Memorandum of Understanding (MoU) is entered between the Parent Company and the Government of India for the purpose of performance assessment. According to MoU guidelines issued by DPE, the amount of Capex incurred by the Parent Company and its proportionate share of Capex by its Subsidiaries (Group), Joint Ventures and Associates during the Financial year 2023-24 shall be as follows.

Particulars	Amount (Rs. Lakhs)
Capital expenditure of Group (BPRL and Subsidiaries) as per Consolidated Financial statements.	74,412.16
Proportionate share of Capital expenditure of JVs & Associates	(11,213.11)
TOTAL	63,199.05

Note: Capital expenditure for this purpose has been computed as per MoU Guidelines considering the additions in Property, Plant & Equipment; Intangible Assets, Investment property and movements during the year in Construction Work in Progress (CWIP); Intangible Assets Under Development (IAUD) & Capital Advances.

Bharat PetroResources Limited**Notes forming part of Consolidated Financial Statements****Note 51 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Joint Ventures.**

Sr. 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		(Rs. Lakhs)
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	
<u>Parent</u>	Bharat PetroResources Limited	92%	2,59,942.21	102%	(2,07,600.29)	0%	2.91	75%	(2,07,597.38)	
<u>Subsidiaries</u>										
<i>Indian</i>										
1	Bharat PetroResources JPDA Limited	-2%	(5,517.55)	0%	150.59	0%	-	0%	150.59	
<i>Foreign</i>										
1	BPRL International Singapore Pte Limited	112%	3,16,357.71	-18%	35,872.42	109%	(81,037.50)	16%	(45,165.08)	
2	BPRL International B.V.	54%	1,53,402.81	126%	(2,57,098.76)	-9%	6,861.66	90%	(2,50,237.10)	
	Intra Group Elimination	-156%	(4,41,701.75)	-110%	2,24,369.90			-81%	2,24,369.91	
Total		100%	2,82,483.43	100%	(2,04,306.14)	100%	(74,172.93)	100%	(2,78,479.07)	

Note 52 Impact of accounting policy differences:

"The Group has adjusted the group member's financial statements to ensure conformity with the Group's accounting policies. The adjustments have been in respect of following areas:

- Oil and gas exploration and evaluation expenditure,
- Accounting of financial assets,
- Accounting of foreign exchange differences on foreign currency borrowings.

The net impact of the above adjustments during the year is increase in loss by Rs. 76,405.72 Lakhs (Previous year Rs. 30,271.80 Lakhs) and corresponding decrease in assets.

Note 53 Utilization of borrowed funds and equity:

During the financial year ended March 31, 2024, other than funding to meet the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines and internal policies as applicable:

- a) The Group has not granted any advance/ loans or investments or provided guarantee or security or the like to any other person(s) or entities with an understanding,

whether recorded in writing or otherwise, to further lend/invest/ provide guarantee or security or the like to any other person on behalf of the company.

b) The Group has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the company shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/ entities.

Note 55 Exchange Rate

Exchange rate as at March 31, 2024 - 1 USD = INR 83.37, 1 GBP = INR 105.23, 1 SGD = INR 61.78 & 1 MZN = INR 1.31

Average Exchange Rate for the period April 2024 - March 2024 - 1 USD = INR 82.8, 1 GBP = INR 103.55, 1 SGD = INR 61.77 & 1 MZN = INR 1.26

Exchange rate as at March 31, 2023 - 1 USD = INR 82.26, 1 GBP = INR 101.87, 1 SGD = INR 61.76 & 1 MZN = INR 1.28

Average Exchange Rate for the period April 2022 - March 2023 - 1 USD = INR 79.03, 1 GBP = INR 100.71, 1 SGD = INR 58.91 & 1 MZN = INR 1.21

Note 56 Figures of March 31, 2023 have been regrouped wherever necessary, to conform to current year presentation.

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of

NBS & Co

Chartered Accountants
FRN 110100W

Barnali Barua Tokhi
Managing Director
DIN: 07850177

Kamal Chopra
Director (Finance)
DIN: 09505915

Devdas Bhat
Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024

Srikant Agarwal
Company Secretary

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

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	Investments	Turnover (#)	Profit/(Loss) before taxation (#)	Provision for taxation (#)	Profit/(Loss) after taxation (#)	Proposed Dividend (#)	Rs. In Lakhs USD in Millions	
															% of shareholding	
1	BPRL International B.V.	26-Mar-08	NA	INR	6,91,903.32	(10,00,853.65)	20,46,070.54	23,55,012.53	5,21,178.59	-	(2,56,763.65)	-	(2,56,763.65)	-	-	
2	BPRL International Singapore Pte. Ltd. ^	12-May-16	NA	INR	2,79,761.49	8,860.21	7,99,072.76	5,10,451.06	6,40,062.77	-	34,781.48	(788.04)	33,993.44	-	-	100%
				USD	336.59	10.66	961.39	614.14	770.08	-	41.93	(0.95)	40.98	-	-	100%
3	Bharat PetroResources JPDA Ltd.	28-Oct-06	NA	INR	6,000.00	(11,517.55)	7.95	5,525.50	-	-	150.59	-	150.59	-	-	100%##

Exchange rate:

As on 31st March, 2024 - 1US\$ = INR 83.3739
As on 31st December, 2023 - 1US\$ = INR 83.1164
As on 31st March, 2023 - 1US\$ = INR 82.2169
As on 31st December, 2022 - 1US\$ = INR 82.7862
As on 31st March, 2022 - 1US\$ = INR 75.8071

The above figures are as per respective Financial Statements prepared as per IND-AS, except in the case of BPRL International Singapore Pte Ltd, where the figures are as per Singapore Financial Reporting Standards- International (SFRS-I)

**Loss of BPRL International B.V. is a consolidated loss i.e. including profit/losses of its wholly owned subsidiaries i.e. 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 using closing exchange rate as on 31 December 2023.

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

In respect of BPRL International B.V. and BPRL International Singapore Pte Ltd., the figures are converted from USD to INR considering closing/ average exchange rate.

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 LNG 1 Holding Company Ltd	Urja Bharat Pte. Ltd.
1	Latest Audited Balance Sheet	31-Dec-23	31-Dec-23	31-Dec-23	31-Mar-24	31-Dec-23	31-Dec-23
2	Date on which the Associate or Joint Venture was associated or acquired	18-Sep-08	23-May-16	20-May-16	06-Feb-18	07-May-19	12-Feb-19
3	Shares of Associate/Joint Ventures held by the company on the year end:						
	Number	2985895516 shares of BRL 1 each	355653048 shares of USD 1 each	510976520 shares of USD 1 each	30 shares of USD 1 each	46243260 shares of USD 1 each	67000000 shares of USD 1 each
	Amount of Investment in Associates/Joint Venture (Rs. In Lakhs)	5,11,812.35	2,95,606.01	4,24,705.29	1,60,853.54	38,435.73	55,687.99
	Extent of Holding %	63.24%	33%	33%	30%	10%	50%
4	Description of how there is significant influence	63.24% 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 (Rs. In Lacs)*	3,95,929.47	2,63,441.18	3,49,398.62	1,71,272.61	35,510.80	56,617.15
7	Profit / (Loss) for the year						
i	Considered in Consolidation (Rs. In Lacs)	(86,574.00)	31,644.94	26,261.30	16,452.73	(857.49)	(173.36)
ii	Not Considered in Consolidation	-	-	-	-	-	-

*The Net worth is as per the audited Consolidated Financials of BPRL

- Names of associates or joint ventures which are yet to commence operations - NIL
- 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

For and on behalf of the Board of Directors

NBS & Co

Chartered Accountants
FRN 110100W

Devdas Bhat

Partner
Membership No.: 048094
Place: Mumbai
Date: 04th May, 2024

Barnali Barua Tokhi
Managing Director
DIN: 07850177

Srikant Agarwal
Company Secretary

Kamal Chopra
Director (Finance)
DIN: 09505915

NOTICE TO THE MEMBERS

Notice is hereby given that the 17th Annual General Meeting of the members of Bharat PetroResources Limited will be held on **20th August 2024 at 1100 hrs** through Video-Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following Ordinary and Special Business:-

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 31st March 2024, the reports of the Board of Directors, the Statutory Auditors and the Comptroller and Auditor General of India thereon.
2. To appoint a director in place of Shri Kamal Chopra, Director (DIN No. 09505915) who retires by rotation. Shri Kamal Chopra, 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 2024-25 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2024-25, as may be deemed fit by the Board."

Special Business

4. To ratify the remuneration of Cost Auditors for the financial year ending 31st March 2025 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice, to be paid to the Cost Auditors appointed by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending 31st March 2025, be and is hereby ratified."

Registered Office:
Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai - 400 001
Date: 29.07.2024
Tel: 022-24188600
Fax: 022-22713874
CIN No U23209MH2006GOI165152
Website : www.bharatpetroresources.in

By Order of the Board of Directors
For Bharat PetroResources Limited
Sd/-
(Srikant Agarwal)
Company Secretary

Notes:-

1. The Ministry of Corporate Affairs ("MCA") has, vide its circular dated 5th May, 2022 read together with circulars dated 28th December, 2022, 13th January, 2021, 8th April, 2020, 13th April, 2020 and 5th May, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, 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 hereto.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice.

6. In compliance with the aforesaid MCA and DPE Circulars, Notice of the AGM along with the Annual Report 2023-24 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 2023-24 will also be available on the Company's website www.bharatpetroresources.in
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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 Dialling Options. VC Dialling options is as follows::

VC Meeting Dialing Options

Join Zoom Meeting

<https://bharatpetroleum.zoom.us/j/97925620872?pwd=GwC1dWCgQbb2X9FemGRFqA1sy8DejE.1>

Meeting ID: 979 2562 0872

Passcode: 190219

Join by SIP

• 97925620872@zoomcrc.com

Join by H.323

• 162.255.37.11 (US West)

• 162.255.36.11 (US East)

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 technical assistance before or during the AGM, can contact Shri Mukund M. Rajan at 9869123692.

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.in from 16.08.2024 (0900 hrs IST) to 19.08.2024 (1500 hrs 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.

Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4 To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2025.

The Board of Directors has, approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending 31st March 2025, as per the following details:

Name of Cost Auditor	Activities	Audit Fees (Rs)
M/s.G.R.Kulkarni	BPRL's activities where cost records are to be maintained	₹ 50,000/- (Audit fees plus XBRL Filing fees) plus applicable taxes and reasonable out of pocket expenses

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board, has to be ratified by the Members of the Company.

Accordingly, ratification by the Members is sought for the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2025 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for ratification by the Members

Registered Office:

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

Date: 29.07.2024

Tel: 022-24188600

Fax: 022-22713874

CIN No U23209MH2006GOI165152

Website : www.bharatpetroresources.in

By Order of the Board
For Bharat PetroResources Limited
Sd/-
(Srikant Agarwal)
Company Secretary

Annexure to the Notice dated 29.07.2024**Details of Directors retiring by rotation / seeking appointment / re-appointment at the Meeting**

Shri Kamal Chopra	
Age	55 years
Qualification	C.A., LL.B.
Experience (including expertise in specific functional area) / Brief Resume	He has 31 years of post-qualification experience including 28 years in Exploration & Production (E&P) industry. He has worked on various domestic and international E&P projects and has also been involved in acquisition of several of them. He has worked across various spectrums of management and finance including corporate governance, risk management, planning and valuation of projects, fund raising, project management, financial reporting etc.
Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Shri Kamal Chopra who was appointed as an Executive Director at the Board Meeting held on 21st February 2022, is liable to retire by rotation.
Date of first appointment on the Board	21.02.2022
Shareholding in the Company as on March 31, 2024	Nil
Relationship with other Directors / Key Managerial Personnel	Not related
Number of meetings of the Board attended during the financial year (2023-24)	14 (Fourteen)
Directorships of other Boards as on March 31, 2024	Bharat PetroResources JPDA Ltd
Membership / Chairmanship of Committees of other Boards as on 31st March 2024	Nil

Registered Office:
 Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai - 400 001
 Tel: 022-24188600
 Fax: 022-22713874
 CIN No U23209MH2006GOI165152
 Website : www.bharatpetroresources.in
 Date: 29.07.2024
 Place : Mumbai

By Order of the Board
 For Bharat PetroResources Limited

Sd/-
 (Srikant Agarwal)
 Company Secretary



Notes:



BHARAT PETRORESOURCES LIMITED

Regd. Office : Bharat Bhavan,
4& 6, Currimbhoy Road,
Ballard Estate, Mumbai _400 001