

# Annual Report

## Financial Year 2020-21

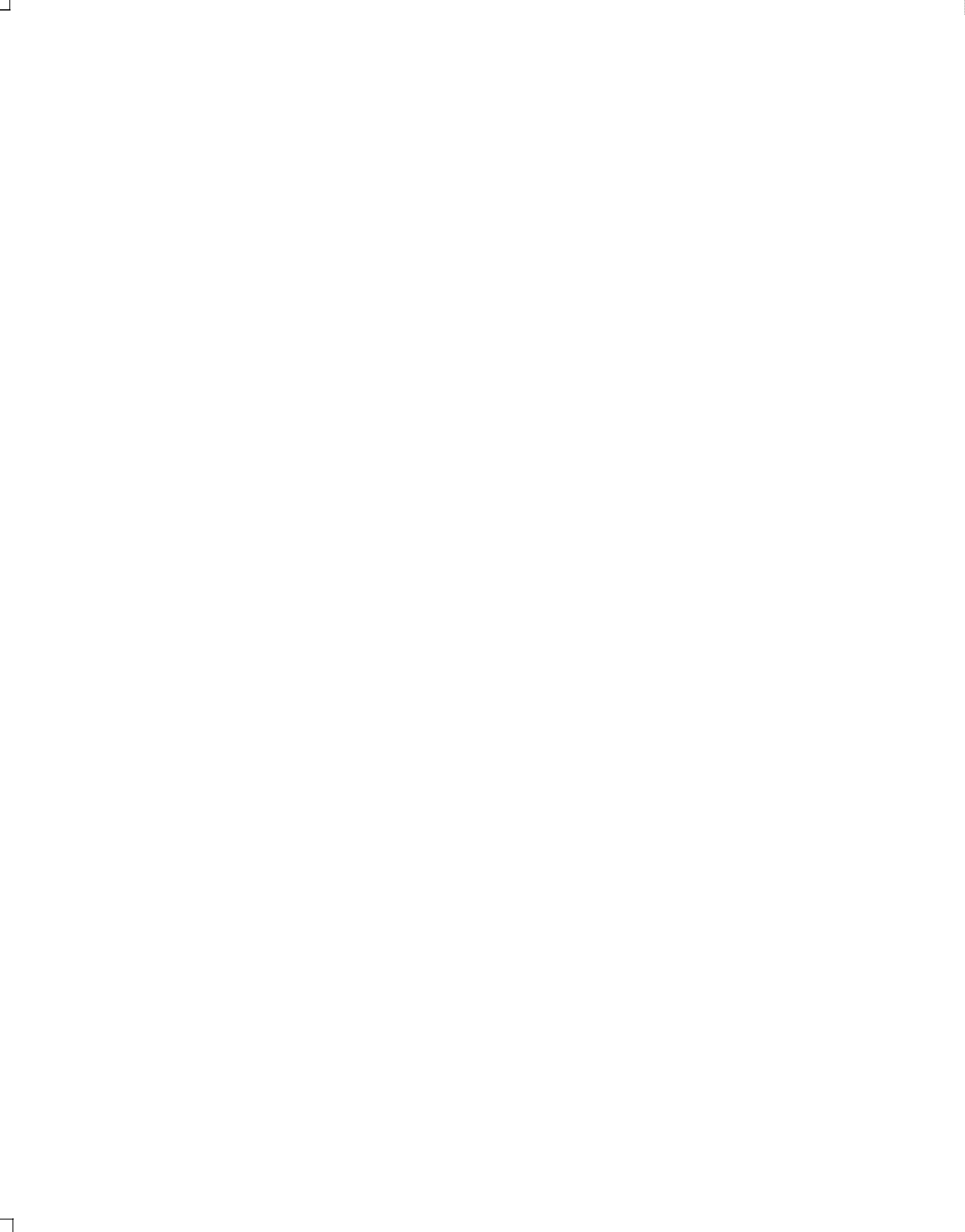


**Refueling Energy, Refueling Life**





**"Visit of Director at CGD Project site for overview of the project implementation"**



# CONTENTS

<b>Description</b>	<b>Page No.</b>
Board of Directors .....	02
Bankers, Auditors, and Registered Office .....	03
Notice to Members .....	05
Directors' Report .....	12
Management Discussion and Analysis Report .....	20
Secretarial Audit Report .....	23
Report on Corporate Governance .....	26
Comments of C & AG .....	31
Independent Auditor's Report .....	43
Balance Sheet and Statement of Profit & Loss .....	51
Cash Flow Statement .....	55

# BOARD OF DIRECTORS



**P. Padmakar**  
Director  
DIN : 08021800



**Neelakantapillai Vijayagopal**  
Director  
DIN : 03621835



**Arun Kumar Singh**  
Director  
DIN : 06646894



**R P Natekar**  
Director  
DIN : 07858989



**Sukhmal Kumar Jain**  
Director  
DIN-09206648



## REGISTERED OFFICE

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

## CORPORATE OFFICE

5th Floor, The IL&FS Financial Centre,  
Plot C-22, G Block,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai, Maharashtra- 400051.

## BANKERS

State Bank of India  
Bank of Baroda  
ICICI Bank  
Kotak Mahindra Bank  
Yes Bank  
Axis Bank  
Indusind Bank

## STATUTORY AUDITOR

M/s. SARA and Associates  
Chartered Accountants

## SECRETARIAL AUDITOR

M/s. Bhandari & Associates  
Company Secretaries





# NOTICE

Notice is hereby given that the 3rd Annual General Meeting of the Members of Bharat Gas Resources Limited will be held at **Shorter Notice** at BPCL Board room, 4th floor, Bharat Bhavan 2, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001, on **Friday, 17th September, 2021, at 12 Noon**, to transact the following Ordinary and Special Businesses:

## A. Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021, the reports of the Board of Directors and Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon.

2. To appoint a Director in place of Shri Rajendra Pushparaj Natekar, Director (DIN-07858989), who retires by rotation Shri Rajendra Pushparaj Natekar being eligible, offer himself for re-appointment.

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

3. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2021-2022, in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution.

**“RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to decide and fix the remuneration of the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2021-2022, as may be deemed fit by the Board.”

## B. Special Business:

4. **Regularization of Appointment of Shri K. Padmakar (DIN-08021800) as Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Rules framed thereunder as amended from time to time, **Shri K. Padmakar**(DIN-08021800), who was appointed by the Board of Directors as an Additional Director with effect from **06th October, 2020**, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

5. **Regularization of Appointment of Shri Sukhmal Kumar Jain (DIN-09206648) as Director.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Rules framed thereunder as amended from time to time, Shri Sukhmal Kumar Jain (DIN-09206648), who was appointed by the Board of Directors as an Additional Director with effect from 06th August, 2021, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

Sd/-  
Bhaviika Jain  
Company Secretary

Place: Mumbai  
Date: 6th August, 2021

**Registered Office:**  
Bharat Bhavan,  
4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001

CIN:U11200MH2018GOI310461  
Phone No: 022-26381635  
E-mail: z\_csgas@bharatpetroleum.in

## NOTES FOR MEMBERS' ATTENTION:

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

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

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

Sd/-  
Bhaviika Jain  
Company Secretary

Place: Mumbai  
Date: 6th August, 2021

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

Following are the explanatory statements in respect of item No. 4 & 5 of the Special Business in the Notice dated 06th August, 2021.

### Item No. 4: Regularization of Appointment of Shri K. Padmakar (DIN-08021800) as Director

**Shri K. Padmakar** was appointed as an Additional Director w.e.f. **06th October, 2020** in pursuant to the Section 161 of the Companies Act, 2013 and applicable rules made thereunder.

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

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

The Board recommends appointment of **Shri K. Padmakar** as Director of the Company. **Shri K. Padmakar** is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

The Board recommends that the said resolution be passed.

### Item No. 5: Regularization of Appointment of Shri Sukhmal Kumar Jain (DIN-09206648) as Director.

**Shri Sukhmal Kumar Jain** was appointed as an Additional Director w.e.f. **06th August, 2021** in pursuant to the Section 161 of the Companies Act, 2013 and applicable rules made thereunder.

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

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

The Board recommends appointment of **Shri Sukhmal Kumar Jain** as Director of the Company. **Shri Sukhmal Kumar Jain** is interested in the Resolution to the extent as it concerns his appointment. No other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Ordinary Resolution.

The Board recommends that the said resolution be passed.

### Brief Resume of Director seeking re-appointment at the 3rd Annual General meeting.

Name	Shri Rajendra P Natekar	Shri K. Padmakar	Shri Sukhmal Kumar Jain
Date of Birth	11.08.1962	14.12.1961	16.04.1965
Date of Appointment	07.06.2018	06.10.2020	06.08.2021
Qualifications	M.Com, MBA, ICWA, PGP Max	Masters degree in Personnel Management & Industrial Relations from Tata Institute of Social Sciences, Mumbai.  Bachelor degree in Agriculture from Andhra Pradesh Agricultural University.	B.E. Mechanical, Delhi College of Engineering, P.G. Diploma in Management (Executive Management Program, SPJMIR)

Experience in specific functional areas	He has experience of 34 years in BPCL and its subsidiaries and joint ventures handling different roles and functions across various business areas which includes LPG, I&C, Retail, Treasury and Pricing.	He joined BPCL in the year 1984 and worked across the entire Human Resource Management landscape. He has also held various positions of responsibility encompassing HR Policy and Strategy and was responsible for Organizational Learning & Talent Management. He has played a key role in the design and roll out of Enterprise Resource Planning in BPCL & in the Industrial Relations landscape.	He has 34 years of experience in Oil & Gas Marketing. He had worked extensively in different functions viz, Operations, Logistics & Marketing of LPG Business. He also worked in Retail Strategy function and was in charge of Eastern region in Retail Business. Presently he is in charge of Gas Business unit of BPCL.
Directorship held in other Companies	Director: Bharat Gas Resources Ltd. Sabarmati Gas Limited. Haridwar Natural Gas Private Limited (resigned w.e.f. 30.06.2021)	Chairman & Managing Director: Bharat Petroleum Corporation Ltd.  Director: Bharat Oman Refineries Ltd Bharat Petro Resources Ltd Bharat Gas Resources Ltd.	Director: Central U.P. Gas Limited Goa natural Gas Private Limited Bharat Gas Resources Ltd
Membership/ Chairmanship of Audit Committees	Nil	Nil	Nil
No. of shares held in BGRL	1	-	-

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

Sd/-  
Bhaviika Jain  
Company Secretary

Place: Mumbai  
Date: 06th August, 2021

# FORM NO. MGT-11

## Proxy form

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

CIN: .....

Name of the company: .....

Registered office:.....

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

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

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

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

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



Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## ROUTE MAP OF AGM VENUE



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

Sd/-  
Bhaviika Jain  
Company Secretary

Place: Mumbai  
Date: 06th August, 2021

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors takes pleasure in presenting the 3rd Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2021.

### Financial Highlights and Performance Review:

The important financial highlights on standalone basis for the year 2020-21 are as under:

Particulars	For the year ended 31st March, 2021 (Amount in Rs. Lakh)	For the year ended 31st March, 2020 (Amount in Rs. Lakh)
Revenue from operations	19,491.05	27,335.31
Other Income	419.40	758.58
<b>Total Revenue</b>	<b>19,910.45</b>	<b>28,093.89</b>
Purchase of Stock in Trade	19,405.25	27,301.63
Changes in inventories of finished goods	(3.93)	-
Depreciation and amortization expense	258.27	195.87
Finance Costs	55.44	69.38
Other Expenses	160.85	232.67
<b>Total Expenditure</b>	<b>19,875.88</b>	<b>27,799.55</b>
<b>Profit/(Loss) before tax from continuing operations</b>	<b>34.57</b>	<b>294.34</b>
Income Tax Expense		
- Current Tax	-	75.00
- Deferred Tax	4.70	68.73
- Short/(Excess) provision for earlier years	(5.63)	-
<b>Total Tax Expense</b>	<b>(0.93)</b>	143.73
<b>Profit/ (Loss) after Tax</b>	<b>35.50</b>	<b>150.61</b>



**Business Performance/ Financial Overview:**

Your Company started import of LNG in the year 2019-20 and has imported 89 TMT of LNG in the year 2020-21 which was sold on high sea sale basis.

During the year, the Company has recorded Total Income of Rs.199.10 crores and Profit after Tax of Rs.0.36 crores.

In its third year of operation, the primary activity of BGRL of setting up of City Gas Distribution infrastructure in the 13 Geographical Areas (GAs) authorised to BGRL was executed with full swing. Although there were hiccups in the execution process on account of COVID-19 pandemic in the initial part of the year, BGRL managed to carry forward the project implementation following all the safety protocols and guidelines laid down by the government including local authorities in the respective locations.

Your company has been focused on achieving the dual objective of meeting Minimum Work Program (MWP) Targets of project execution as well as revenue generation by commissioning of commercial operations concurrently.

During the year, pilot project of (Liquefied-to-Compressed Natural Gas) L-CNG Station was commissioned in Shendre, District Aurangabad (Maharashtra). The L-CNG is also known as Virtual pipeline whereby Natural gas would be transported as LNG through tankers instead of conventional gas pipelines. The station is based on the concept of Hub & Spoke model covering supply of CNG for Automobile Segment & PNG for Domestic, Commercial & Industrial Segment Customers. This would help to seed the market as well as result in generation of early revenue for the project

As of June' 2021, pipeline laying work is progressing satisfactorily in all the 11 CGD Geographical Areas (GA) of the 9th CGD bidding round with 2350 Inch-KMs Steel/MDPE pipeline already laid and permissions for laying 1780Kms available. Pipeline laying job would be starting soon in the 2 GAs of 10th bidding round. 38 CNG stations were commissioned by June' 21 and work is in advanced stage in 23 additional CNG stations. Further, BGRL has started commercial sales of CNG in the GAs of Ahmednagar & Aurangabad and Sangli & Satara in 14 Retail Outlets and sold 810 MT CNG during quarter 2021-22.

**Capital Expenditure:**

By 31st March 2021, BGRL had incurred capital expenditure of Rs. 608 crores towards the CGD project implementation.

**Dividend:**

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

**Fixed Deposits:**

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

**Reserves and Surplus:**

The Board of Directors of the Company has decided not to transfer any amount to the Reserve for the year under review.

### **Disclosures Relating to Subsidiaries, Associates and Joint Ventures (JV):**

The Company does not have any subsidiaries, associates and JVs.

### **Directors and key Managerial Personnel:**

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

1. Shri K. Padmakar, Director
2. Shri R. P. Natekar, Director
3. Shri Arun Kumar Singh, Director
4. Shri N. Vijayagopal, Director
5. Shri Sukhmal Kumar Jain, Director
6. Shri. Prashant Kulkarni, CFO
7. Ms. Bhaviika Jain, Company Secretary

Shri. D. Rajkumar, Director of the Company and Shri. R. Ramachandran, Director of the Company have resigned w.e.f. 31st August, 2020.

Shri K. Padmakar, Director of the Company was appointed as an Additional Director w.e.f. 06th October, 2020.

Shri. N. Vijayagopal, Director of the Company has resigned w.e.f. 01st August, 2021.

Shri Sukhmal Kumar Jain, Director of the Company was appointed as an additional Director w.e.f. 06th August, 2021.

Shri. Prashant Kulkarni has been appointed as a Chief Financial Officer of the company in Board meeting held on dated 06.08.2021 in compliance with Section 203 of Companies Act, 2013.

Mr. Bharat Gangani has resigned as Company Secretary w.e.f. 20th December, 2020.

Ms. Bhaviika Jain was appointed as Company Secretary w.e.f. 06th January, 2021.

As required under the Companies Act, 2013, **Shri Rajendra Pushparaj Natekar, Director (DIN-07858989)**, will retire by rotation at the Annual General Meeting, and being eligible, offers himself for re-appointment as Director at the said Meeting.

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

The directors appointed in the Board of BGRL are on nomination by the parent company i.e. Bharat Petroleum Corporation Limited (BPCL)

### **Number of Board Meetings and Annual General Meeting held during Financial Year 2020-2021:**

During the year under review, 7 Board meetings were conducted.

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

Name of Director	Director Identification No.	Board Meetings Attended		Attendance at last AGM (14.08.2020)
		No. of Board meetings held	No. of Board meetings attended	
*Shri. D. Rajkumar	00872597	2	2	Yes
**Shri R. Ramachandran	07049995	2	2	Yes
***Shri K. Padmakar	08021800	5	5	No
Shri. R. P. Natekar	07858989	7	7	Yes
Shri. Arun Kumar Singh	06646894	7	7	Yes
Shri N. Vijayagopal	03621835	7	7	Yes

\*Shri. D. Rajkumar, Director of the Company and \*\*Shri. R. Ramachandran, Director of the Company had resigned w.e.f. 31st August, 2020.

\*\*\*Shri K. Padmakar, Director of the Company was appointed as an additional Director w.e.f. 06th October, 2020.

#### **Board Evaluation:**

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

#### **Vigilance:**

Corporate Vigilance guidelines are applicable to BGRL. BGRL Board has approved the proposal with respect to CVO (Chief Vigilance Officer) of Parent Company overseeing the vigilance function of BGRL. Vigilance Function of the Company is focused towards preventive and proactive vigilance activities for ensuring transparency, fairness and sound business practices. The role of vigilance as constructive contributor in maintaining ethical standards of the organization is well accepted.

#### **Details of Fraud:**

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

#### **Secretarial Standard:**

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

#### **Accounts:**

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

**Auditors:****Statutory Auditors:**

M/s Sara & Associates, Chartered Accountants were appointed as statutory auditors of BGRL for 2020-2021 by Comptroller and Auditor General of India (C&AG) under Section 139 of the Companies Act 2013. They will hold office till the conclusion of the ensuing AGM.

**Secretarial Auditor:**

M/s. Bhandari and Associates, practicing Company Secretaries have been appointed by the Board in its meeting on 22nd March, 2021, as Secretarial Auditor for the financial year 2020-21. The Secretarial Audit Report in form MR-3 for the financial year ended 31st March, 2021 is attached as **Annexure A**.

There are no qualifications, reservations or adverse remarks made by the Practicing Company Secretary in his Secretarial Audit Report except the following observations:

- 1) Company has not appointed Chief Financial Officer (CFO) as required under Section 203 of the Companies Act, 2013.
- 2) Company has not appointed a Woman Director as required under Section 149 of the Companies Act, 2013.
- 3) Company does not have requisite number of Independent Directors on its board as required under Department of Public Enterprises (DPE) guidelines. Further Company has not constituted Audit Committee and Remuneration Committee as required under the DPE guidelines.

In regards to the above 3 points, Company has appointed the Chief Financial Officer of the company in Board meeting held on dated 06.08.2021 in compliance with Section 203 of Companies Act, 2013. BGRL is a Government Company under the Administrative Control of Ministry of Petroleum and Natural Gas (MOP&NG). The nomination/ appointment of all categories of Directors are done by the Government of India in accordance with the DPE guidelines. Accordingly, the subject matter of nomination/appointment of adequate number of Whole Time Directors, and Independent Directors including Woman Directors falls under the purview of the Government of India. The provision of Section 149 of the Companies Act, 2013 will comply once the requisite Directors are appointed by Government of India. After appointment of Independent Director(s), both Audit and Remuneration committee shall be constituted.

**Cost Record and Cost Audit:**

As BGRL did not have adequate operations during the year to get covered under the Companies (Cost Records and Audit) Rules 2014, maintenance of Cost Records and Cost Audit as prescribed under section 148 (1) of the Companies Act 2013 are not applicable for the financial year ended 31st March 2021.

**Audit Remarks:**

The Statutory Auditor's report does not contain any qualification, reservation or adverse remark.

**C&AG AUDIT:**

Comments of the Comptroller and Auditor General of India (C&AG) under section 143 (6) (b) of the Companies Act, 2013 on accounts of the for the year ended 31st March, 2021 is attached as **Annexure C**.

**Director's responsibility statement:**

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

- a. in the preparation of annual accounts for the Financial Year ended 31st March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. 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 at the end of the financial year and of the profit and loss of the Company for the year;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis; and
- e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Extract of Annual Return:**

In accordance with Section 92(3) of the Companies Act, 2013, an extract of the annual return in the prescribed format is enclosed as **Annexure E**.

**Particulars of Loans, Guarantees or Investments Under Section 186 of Companies Act, 2013:**

During the Financial Year ended 31st March 2021, no loans, guarantees or investments as specified under section 186 (2) of the Companies Act, 2013 have been given by the Company.

**Risk Management Policy:**

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

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

**Management Discussion and Analysis:**

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

The forward-looking statements made in the Management Discussions and Analysis Report are

based on certain assumptions and expectations of future events. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

#### **Issue of Shares and Debentures & Buyback of Shares:**

During the Financial Year ended 31st March 2021, Company has issued and allotted Equity Shares of Rs. 600 crores on Right basis to the Parent Company BPCL. No Debentures issue or Buyback of shares has been done by the Company during the Financial Year.

#### **Transactions with related parties:**

During the Financial Year, the Company has entered into contracts and arrangements with related parties, which were in the ordinary course of business and on an arm's length basis. There are no contracts or arrangements made with related parties in terms of Section 188(1) of the Companies Act, 2013

Information on transactions with related parties are provided in **Annexure D** in Form AOC-2 in accordance with Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

#### **Corporate Governance:**

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

Report on Corporate Governance is attached as **Annexure B**

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo:**

##### **(A) Conservation of energy–**

##### **(B) Technology absorption-**

Being in the project execution stage, provisions of the Companies Act, 2013 relating to the conservation of energy and technology absorption are not applicable to BGRL's operations.

##### **(C) Foreign Exchange earnings and outgo:**

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: -

<b>Particulars</b>	<b>Financial Year 2020-2021 (\$ in Million)</b>
<b>Earnings</b>	NIL
<b>Outgo</b>	26.27
<b>Value of Import on CIF basis</b>	26.27

#### **Adequacy of Internal Financial Control:**

Based on the assessment of the Company's internal control over financial reporting, to best of our knowledge and belief, the Company has maintained effective controls over the financial reporting for Financial Year ended 31st March 2021.

**Human Resources, particulars of employees and related disclosures:**

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

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

**Details of Significant Material orders passed by the Regulators/Courts/Tribunal Impacting The Going Concern Status and Company's Operation in Future:**

During the Financial Year ended 31st March 2021, no significant material orders were passed by the regulators/ courts/tribunal impacting the going concern status and Company's future operations.

**Corporate Social Responsibility**

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

**Scheme of merger**

Both BGRL and parent Company BPCL Board have approved the scheme for the merger of BGRL with BPCL during the Financial Year 2020-21. The scheme document has been submitted to MCA for their approval. Approval of merger scheme from MCA is pending.

**Acknowledgements:**

The Directors express their sincere thanks to all the stakeholders and customers of the Company for their continuous support and encouragement. The Directors also acknowledge the support and guidance received from the Ministry of Petroleum & Natural Gas, various Government Departments and the State Governments. The Directors also place on record their appreciation of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

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

Sd/-  
Sukhmal Kumar Jain  
Director  
DIN: 09206648

Sd/-  
R P Natekar  
Director  
DIN: 07858989

Place : Mumbai  
Date : 06th August, 2021

# MANAGEMENT DISCUSSION AND ANALYSIS

This part is based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could differ from those projected in any forward-looking statements. The Company assumes no responsibility to amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation arising out of these forward-looking statements.

## Global Economic Activities

The spread of COVID-19 pandemic with alarming speed, infecting millions and bringing economic activities to near standstill across the globe has inflicted severe humanitarian and economic crisis across the world. The containment measures necessitated imposition of stricter restrictions on travel, transport and economic activity to halt the spread of the virus, which resulted in significant global economic de-growth, triggering a deep global recession wherein labour productivity and manufacturing output was severely affected. As a result, the global economic growth contracted by around 3.6% in 2020-21. Emerging market and developing economies had to manage this crisis with fewer resources, as many are constrained by elevated debt and higher borrowing costs. After the initial setback in 2020, the global GDP rebounded as economies reopened and activities resumed, however, the world continues to battle the pandemic as newer mutants of the virus emerge and countries are compelled to impose intermittent restrictions to contain the subsequent waves of the pandemic. While, the economic stimulus packages and vaccines provide a ray of hope, the extent and efficacy of vaccination and effectiveness of stimulus packages will determine the pathway of global recovery. Nevertheless, uncertainty continues.

## Indian Economic Scenario

The Indian economy shrunk by 7.3% during 2020-21 when compared to the year 2019-20 on the backdrop of the countrywide lockdowns and restrictions imposed on the movement during the pandemic. This is the worst performance of the Indian economy in several decades. The COVID-19 pandemic has posed serious challenges to the economic growth. However, the liquidity measures and economic stimulus packages announced by the government provided support and helped in reviving the economy after the initial downturn. The pandemic has perpetrated supply and demand side shocks to the economy, which are expected to linger on for a while, with consumer demand muted and supply-chains functioning sub-optimally. Government took various measures to offset adverse impact on demand and provide much needed financial support to the sections of society and businesses worst affected by the pandemic. While augmentation of healthcare facilities, policy support, economic reforms and vaccination drive beckons a silver lining, with subsequent waves experienced by many countries including India and pathway of the pandemic uncertain, there are downside risks to the economy. Despite linkages with the global economy, India's macro-economic situation remains intrinsically stable and the country is expected to regain its position as growth engine of **the world once pandemic related difficulties wane.**

## Global Natural Gas Outlook

During the year 2020-21, the northeast Asian LNG spot price averaged at \$5.52/MMBtu, up from \$ 5.04/MMBtu in 2019-20. In India, imported Gas (LNG) price averaged at USD 4.98 per MMBtu in 2020-21. Imported Gas prices in India have bounced back to an average of 7.02/MMBtu during Q1 of 2021-22



During the year 2020, the Natural Gas, production was at 3853 billion cubic meters (bcm) and consumption was at 3822 bcm in the world. Natural Gas consumption has registered de-growth of 2.08%. Reflecting the impact of lockdowns to curb the spread of the coronavirus, consumption in Europe fell by 2.24% (i.e. by 12 bcm), while Asian demand remained relatively strong post Covid-19 recovery. Natural Gas contributed maximum in the energy growth primarily driven by demand in China.

Liquefaction capacity grew by 5.67% to 599 bcm per year, with new plants coming online particularly in the United States of America.

### **Natural Gas in India**

Around 60.64 bcm of natural gas was consumed during 2020-21, as against consumption of 64.14 bcm in 2019-20. India has imported 32861 MMSCM of Natural Gas marking a decline of 3% in the year 2020-21.

Demand for LNG in industrial sector is witnessing reasonable growth. Compressed Natural Gas and Piped Domestic Natural Gas are also growing on the price advantage factor over other fuels. LNG driven heavy vehicle segment is now expanding in the country due to its relative cost advantage and by setting up LNG dispensing retail outlets on the National and Major Highways by Oil Marketing Companies.

### **City Gas Distribution (CGD) Network**

Government has put strong emphasis on expansion of City Gas Distribution (CGD) network coverage across the country for making natural gas available to public at large. PNGRB, after completion of 10th CGD bidding round has authorised setting up of CGD network in about 229 Geographical Areas, spread across 27 States/Union Territories covering 52.8% of India's geographical area and 70% of the population. The growth of CGD coverage has the potential to attract a total investment of more than Rs. 1.20 Lakh crores in the gas value chain

with generation of about 3 Lakh employment opportunities in coming years.

### **Liquid Natural Gas (LNG) Infrastructure**

To meet the increased gas demand in the country, different entities are importing Liquefied Natural Gas (LNG) from global gas markets. The import of LNG is currently being carried out at five LNG terminals on the West Coast (viz. Dahej, Hazira, Mundra, Dabhol & Kochi) and at Ennore terminal set up by IOCL. These LNG terminals have re-gassification capacity of about 42.5 MMTPA. Additional terminals are being developed in both East and West coasts at locations like Chhara, Jaffrabad, Jaigarh, Dhamra, etc. Thus, India would have a considerable capacity to receive and re-gasify LNG both on the East and West Coasts. These new terminals are being matched by increase in pipeline capacity connecting Southern as well as Eastern parts of India. This increased infrastructure will help increase natural gas consumption considerably.

### **Company initiative**

BGRL has been authorised by the PNGRB to develop CGD at 13 Geographical Areas (GAs) (won in the 9th and 10th bidding rounds of CGD networks) spread across 7 states namely, Maharashtra, Odisha, Karnataka, Madhya Pradesh, Uttar Pradesh, Himachal Pradesh and Jharkhand.

BGRL is developing the projects at a fast pace, however, the progress was intermittently affected due to Covid 19 pandemic. The operations have resumed gradually with the lifting of lockdowns and Company will be making all-out efforts to complete CGD implementation as per the schedule.

The total capital expenditure projection of these 13 GAs over a span of 25 years is approx Rs.11,560 crores. The process of Detailed Feasibility study as well as Financial Appraisal of these 13 GAs have been completed and approved by Board. Further, the process of submission of financial closure for these 13 GAs has also been concluded.

BGRL is also looking for a suitable alternate location having expeditious connectivity schedule to gas grid pipeline on the East Coast for setting up of a LNG terminal.

### **Long Term LNG Supply Agreement**

With a view to meet the growth in LNG demand, BGRL has executed the following LNG Long Term Supply Agreements:

i) 0.10 MMTPA LNG with M/s. Ras Laffan LNG Company (3), Qatar for the period upto 2028.

ii) 1.0 MMTPA LNG with M/s. Mozambique LNG1 Company Pte Ltd (MozLNG) starting in 2025-26 for a period of 15 years.

However, considering the proposed disinvestment of BPCL announced by Govt. of India, it is proposed to amalgamate BGRL into its parent company BPCL with the objective of streamlining of the corporate structure and consolidation of assets and liabilities; more efficient utilization of capital for enhanced development; growth of consolidated business in one entity and achieve cost savings through legal entity rationalization and consolidation of support functions, business processes etc. The Board of Directors of BGRL and BPCL have on 22.03.2021 approved the scheme of amalgamation of BGRL with BPCL.

### **Opportunities, Threats, Risks and Concerns.**

Natural Gas being a cleaner fuel has seen increased acceptance and adoption over the past years. As such, there are ample opportunities for scaling up of Natural Gas/LNG business. The Government of India has committed to reduce country's Carbon emission by 35% in 2030 from 2005 level. One of the areas identified for achieving this target is by increasing the composition of Natural Gas in the primary energy basket from 6.2% to 15% by 2030. Government is determined to extend

Natural Gas supply coverage to more than 70% of the country's population thus ensuring further growth opportunities. Industrial and Commercial organizations, in order to cut Carbon emissions, are extensively using and shifting to Natural Gas to meet their energy needs. Considering the aforesaid scenario, BGRL plans to expand infrastructure in CGD segment across the Geographical Areas and is executing the projects in full swing.

The volatility experienced in the natural gas prices is affecting final investment decision for new LNG Terminals worldwide.

The adoption of natural gas varies across industrial sectors and depends upon the economics as against alternate fuels. One of the potential major users of Natural Gas was the Power sector, which is not materializing on account of availability of cheaper alternative fuels. However, focus is being laid to explore new uses of natural gas in Transport, Mining and Bunkering sectors to develop the ecosystem for higher consumption of Natural Gas.

With the objective of leveraging opportunities while mitigating risks, BGRL is constantly monitoring the market demand and supply positions, as well as the prices at which both purchase and sale is taking place. Efforts are made to maintain balance between customers' contracted quantity in line with long term and spot purchase for managing the price volatility in global market.

In the backdrop of growing environmental concerns and increasing inclination to switch to cleaner fuels, Natural Gas outlook continues to remain robust globally, including in India which is moving in the direction of becoming a gas based economy. BGRL together with its parent company BPCL is well placed and fully geared to enhance its presence in the growing Natural Gas market in the country.

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To  
The Members,  
Bharat Gas Resources Limited  
CIN : U11200MH2018GOI310461

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Gas Resources Limited** (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder#;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings#;
- (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#;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015#;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014#;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008#;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

#The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Company are given below:

- vi) Guidelines on Corporate Governance for Central Public Sector Enterprises (DP Guidelines), vide their OM. No. 18(8)/2005-GM dated 14th May, 2010 as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

- 1) Company has not appointed Chief Financial Officer (CFO) as required under section 203 of the Act.
- 2) Company has not appointed Woman Director as required under section 149 of the Act.
- 3) Company does not have requisite number of the Independent Directors on its board as required under DPE guidelines. Further, Company has not constituted Audit Committee and Nomination and Remuneration Committee as required under DPE guidelines.

**We further report that -**

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

**We further report that during the audit period the company has undertaken following events/actions–**

- (i) Board of Directors of the Company at its meeting held on 17th December, 2020 has accorded its 'in-principle' approval for the transfer of entire business of the Company including the city gas distribution business, RLNG sourcing agreements to Bharat Petroleum Corporation Limited by way of amalgamation subject to submission of a detailed scheme of amalgamation to the Board for final approval.
- (ii) Board of Directors of the Company at its meeting held on October 26, 2020, December 17, 2020 and March 22, 2021 has issued 10,00,00,000, 15,00,00,000 and 35,00,00,000 Equity Shares respectively to existing shareholders by way of Rights Issue and subsequently the allotment was made.

**FOR BHANDARI & ASSOCIATES**

Company Secretaries

Sd/-

Manisha Maheshwari

Partner

FCS No. 30224; CP No. : 11031

UDIN: A030224C000614544

Place: Mumbai

Date: July 12, 2021

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report

To,  
The Members,  
BHARAT GAS RESOURCES LIMITED  
CIN: U11200MH2018GOI310461

Our Secretarial Audit Report for the Financial Year ended on March 31, 2021 of even date is to be read along with this letter.

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

**FOR BHANDARI & ASSOCIATES**  
Company Secretaries

Sd/-  
Manisha Maheshwari  
Partner

FCS No. 30224; CP No. : 11031  
UDIN: A030224C000614544

Place: Mumbai  
Date: July 12, 2021

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Code of Governance

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

### Board of Directors:

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

As on 31st March, 2021, the BGRL Board comprised 4 Directors represented by all Non-Executive Directors as per nomination of BPCL.

During the Financial Year 2020-2021, all meetings of the Board and the Annual General Meeting were chaired by the Chairman.

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

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

#### 1. Board Meetings:

Seven Board Meetings were held during the Financial Year 2020-21 on the following dates:

27/05/2020	04/08/2020	26/10/2020	19/11/2020
17/12/2020	27/01/2021	22/03/2021	

The Company has followed all identified provisions requiring compliance.

Particulars of Directors including their attendance at the Board/Shareholders Meetings during the financial year 2020-2021:

Names of the Directors	Attendance Board Meetings held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorships held in other Public Limited Companies	Memberships held in Committees
	No.of Meetings Attended	%			
Shri. K. Padmakar	5	100	No	<b>Chairman &amp; Managing Director:</b> Bharat Petroleum Corporation Ltd.  <b>Director:</b> Bharat Oman Refineries Ltd Bharat Petro Resources Ltd Bharat Gas Resources Ltd.	<b>Member:</b> Stakeholder's Relationship Committee – Bharat Petroleum Corporation Limited
Shri R. P. Natekar	7	100	Yes	<b>Director:</b> Bharat Gas Resources Ltd. Sabarmati Gas Limited. Haridwar Natural Gas Private Limited (resigned w.e.f. 30.06.2021)	-
Shri Arun Kumar Singh	7	100	Yes	<b>Chairman &amp; Director:</b> Indraprastha Gas Ltd  <b>Director:</b> Bharat Petroleum Corporation Limited – Director (Marketing) with Additional Charge of Director (Refineries)  Petronet LNG Ltd Bharat Oman Refineries Ltd Bharat Gas Resources Ltd.	-

Shri N Vijayagopal	7	100	Yes	<b>Director:</b> Bharat Petroleum Corporation Limited – Director (Finance) Bharat Petro Resources Ltd. Bharat Oman Refineries Ltd. Ratnagiri Refinery and Petrochemicals Ltd – Bharat Gas Resources Ltd.	<b>Member:</b> Stakeholder’s Relationship Committee – Bharat Petroleum Corporation Limited
-----------------------	---	-----	-----	---	---

#### Board Committees:

**A) Audit Committee:**

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

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

**B) Nomination and Remuneration Committee:**

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

**C) Stakeholders’ Relationship Committee:**

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

**D) Corporate Social Responsibility Committee:**

The provision of Section 135 of the Companies Act 2013, Corporate Social Responsibility provisions are not applicable, hence this committee is not constituted.

**E) Risk Management Committee:**

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

**F) Separate Meeting of Independent Directors:**

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

**2. Remuneration to Directors:**

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



### 3. General Body Meetings:

The 2nd General Body Meeting was held on 14th August, 2020 at 12 Noon at BPCL Board room, 4th floor, Bharat Bhavan 2, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001.

### 4. General Shareholders'/ Members' Information:

<b>Annual General Meeting : Date, Time and Venue</b>	17th September, 2021 at 12 Noon at the Registered office of the Company at BPCL Board room, 4th floor, Bharat Bhavan 2, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001.
<b>Financial Calendar</b>	BGRL follows the Financial year from 1st April 2020 to 31st March 2021.
<b>Shareholding Pattern</b>	BPCL along with its nominees is holding entire paid up equity share capital of 9086200000 Equity Shares of Rs.10 each in the Company.
<b>Location</b>	Registered Office BPCL Board room, 4th floor, Bharat Bhavan 2, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400 001.
	<b>Corporate Office :</b> 5th Floor, The IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra- 400051.
<b>CIN</b>	U11200MH2018GOI310461

### 5. Management Discussion & Analysis Report

MDA Report is given in a separate section.

# CERTIFICATE ON CORPORATE GOVERNANCE

To,

**The Members of**

**Bharat Gas Resources Limited**

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

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

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

In our opinion and to the best of our information and according to the explanation given to us by the management, We hereby certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Ministry of Heavy Industries and Public Enterprises as aforesaid except that the Company has not appointed any Independent Director in the Board of the Company and not constituted Audit Committee and Nomination & Remuneration Committee due to non-appointment of Independent Directors.

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

**For Ragini Chokshi & Co.  
(Company Secretaries)**

**Sd/-**

**Ragini Chokshi**

**M.No- F2390**

**C.P. No- 1436**

**UDIN: F002390C000653172**

Place: Mumbai

Date: 19/07/2021

## 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 GAS RESOURCES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

The preparation of financial statements of Bharat Gas Resources Limited for the year ended 31st March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated **7 May 2021**.

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

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

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

Sd/-  
C.M. Sane  
Director General of Commercial Audit, Mumbai

Place: Mumbai  
Date: 02 July 2021

## FORM NO. AOC-2

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

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

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

S. No	Name of the Related Party	Nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Transaction Value for FY 2020-21 (Rs. Lakh)	Dates of Board Approval	Amount paid as Advance (Rs. Lakh)
1	Bharat Petroleum Corporation Limited	Holding Company	Receiving of services	2020-2021	BG Commission Charges	305.10	NA	-
2			Receiving of services	2020-2021	Reimbursement of expenses including Salaries and Others	4,660.55	NA	-
3			Sale	2020-2021	Sale of RLNG	19,442.69	NA	-
4			Sale	2020-2021	Sale of CNG	71.72	NA	-

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

## Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2021

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

### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	<b>U11200MH2018GOI310461</b>
ii.	Registration Date	7 <sup>th</sup> June, 2018
iii.	Name of the Company	<b>BHARAT GAS RESOURCES LIMITED</b>
iv.	Category / Sub-Category of the Company	Public Company Limited by Shares/ Government company
v.	Address of the Registered office and contact details	Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, P.B.No.688, Mumbai 400001 Phone: 022-26381635 Email: z_csgas@bharatpetroleum.in
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>NSDL DATABASE MANAGEMENT LIMITED</b> 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India.  Tel.: 91-22-2499 4200

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Bharat Petroleum Corporation Limited Bharat Bhavan, 4&6, Currimbhoy Road, Ballard Estate, Mumbai 400 001, India.	L23220MH1952GOI008931	Holding	100	2(46)
Company does not have Subsidiary and Associate Company.					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A) Promoter</b>									
1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	30,86,19,994	--	30,86,19,994	100	90,86,19,994	--	90,86,19,994	100	194.41
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	06	06	--	--	06	06	--	--
<b>Sub-total(A)(1):-</b>	<b>30,86,19,994</b>	<b>06</b>	<b>30,86,20,000</b>	<b>100</b>	<b>90,86,19,994</b>	<b>06</b>	<b>90,86,20,000</b>	<b>100</b>	<b>194.41</b>
<b>2) Foreign</b>	-	-	-	-	-	-	-	-	-
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B) Public Shareholding</b>									
1) Institutions									





C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30,86,19,994	06	30,86,20,000	100	90,86,19,994	06	90,86,20,000	100	194.41

#### ii. Share holding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Bharat Petroleum Corporation Limited (BPCL)	30,86,19,994	100	NIL	90,86,19,994	100	NIL	194.41
2.	Shri Rajendra Pushparaj Natekar	1	--	NIL	1	--	NIL	NIL
3.	Shri Neelakantapillai Vijayagopal	1	--	NIL	1	--	NIL	NIL
4.	Shri C. Rajeev	1	--	NIL	1	--	NIL	NIL
5.	Shri S. K. Agrawal	1	--	NIL	1	--	NIL	NIL

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
6.	Smt. Teresa Naidu	0	--	NIL	1	--	NIL	100
7.	Shri Ashwin Rao	0	--	NIL	1	--	NIL	100
8.	Shri M. Venugopal	1	--	NIL	0	--	NIL	(100)
9.	Shri Suresh Nair	1	--	NIL	0	--	NIL	(100)
	<b>Total</b>	<b>30,86,20,000</b>	<b>100</b>	<b>NIL</b>	<b>90,86,20,000</b>	<b>100</b>	<b>NIL</b>	<b>100</b>

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (As on 01/04/2020) Bharat Petroleum Corporation Limited	30,86,19,994	100	90,86,19,994	100
	Shri Rajendra Pushparaj Natekar	01	--	01	--
	Shri Neelakantapillai Vijayagopal	01	--	01	--
	Shri C. Rajeev	01	--	01	--
	Shri S. K. Agrawal	01	--	01	--
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i. Shri M. Venugopal jointly with BPCL (Decrease on transfer 26.10.2020)	01	--	0	(100)
	ii. Shri Suresh Nair jointly with BPCL (Decrease on transfer 26.10.2020)	01	--	0	(100)
	iii. Smt. Teresa Naidu jointly with BPCL (Increase on transfer 26.10.2020)	0	--	01	100
	iv. Shri Ashwin Rao jointly with BPCL (Increase on transfer 26.10.2020)	0	--	01	100
	At the End of the year	30,86,20,000	100	90,86,20,000	100

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

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

## V. INDEBTEDNESS

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option					

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

B. Remuneration to other Directors: **Not Applicable.**

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

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary. (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--	--
5	Others, please specify	--	92,500	--	--
6	Total		92,500		

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :Nil

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

# INDEPENDENT AUDITORS' REPORT

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

## Opinion

We have audited the accompanying financial statements of Bharat Gas Resources Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statement, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Secretarial Report, Management Discussion and Analysis, Director's Report including Annexure to Director's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report there on.

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 statement our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statement that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act and other accounting principal generally accepted in India.

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

In preparing the financial statement, 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.

### **Auditors' Responsibilities for the Audit of the Financial Statement**

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

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

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.



2. The Comptroller and Auditor-General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in “Annexure-B”.
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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. In view of exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of directors, are not applicable to the Company;
  - f. In view of exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in “Annexure C”. Our report expresses an unmodified opinion on the adequacy and operative effectiveness of the Company’s internal financial controls over financial reporting.
- (B) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position in its financial statements
  - ii. The company has a long term contract; however no provision for material foreseeable losses is required to be made with respect to the contract.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S A R A & Associates**

Chartered Accountants

Firm Registration No: 120927W

Sd/-

**Alok Bairagra**

Partner

Membership No: 105153

Mumbai, 7th May, 2021

UDIN: 21105153AAAAFO1875

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF BHARAT GAS RESOURCES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- i. (a) According to the information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situations of all fixed assets;  
  
(b) According to the information and explanations given to us, the majority of Fixed Assets of the Company are under construction/ implementation phase, the Company will conduct the physical verification after completion of construction / implementation of the same.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, inventory comprising of Liquefied natural gas (LNG) and Compressed Natural Gas (CNG) has been physically verified by the management during the year and no material discrepancies were noticed.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of the Clause 3(iii)(a),(b)&(c) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us the company has not given/made any loans, investments, guarantees, and security accordingly provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified.
- vi. According to the information and explanations given to us, the clause 3(vi) of the Order regarding maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, duty of excise, value added tax, goods & service tax, cess and any other statutory dues with the appropriate authorities and no such dues are outstanding for more than six months from the date they become applicable.  
  
(b) According to the information and explanations given to us, no disputed dues are payable by the Company on account of Income tax/ Sales tax / Duty of Custom/ Goods & Service Tax.

- viii. In our opinion, and according to the information and explanations given to us, the Company has not borrowed any money from financial institutions, banks or debenture holders. Accordingly, the clause 3(viii) of the Order is not applicable to the Company.
- ix. According to the information and explanations given to us, the Company has not raised any fund by way of public offer, further public offer (including debt instruments) and term loans. Accordingly, the Clause 3(ix) of the order are not applicable to the company.
- x. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Corporation. Accordingly, clause 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per paragraph 3(xii) of the Order is not required.
- xiii. According to the information and explanations 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 financial statement as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanation given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per paragraph 3(xv) of the Order is not required.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For S A R A & Associates**

Chartered Accountants

Firm Registration No: 120927W

Sd/-

**Alok Bairagra**

Partner

Membership No: 105153

Mumbai, 7th May, 2021

UDIN: 21105153AAAAFO1875

## ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the Members of Bharat Gas Resources Ltd. On the financial statements as on and for the year ended 31st March, 2021)

Sr. No.	Directions	Auditor's Comments
1)	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company is processing accounting transactions through IT system. The Company has not processed any transaction outside IT system.
2)	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	There were no case of restructuring of an existing loan or waiver / write off of debts / loans / interest etc. made by lenders to the Company during the period under audit.
3)	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	The Company has not received funds from any central / state agencies during the period under audit.

### For S A R A & Associates

Chartered Accountants

Firm Registration No: 120927W

Sd/-

**Alok Bairagra**

Partner

Membership No: 105153

Mumbai, 7th May, 2021

UDIN: 21105153AAAAFO1875

# ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 3(g) under "Report on Other Legal and Regulatory Requirements" section of our report of even date,

## 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 Gas Resources Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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, 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 statement, 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 statement 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 statement 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 statement.

## 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 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For S A R A & Associates

Chartered Accountants

Firm Registration No: 120927W

Sd/-

**Alok Bairagra**

Partner

Membership No: 105153

Mumbai, 7th May, 2021

UDIN: 21105153AAAAFO1875

# BHARAT GAS RESOURCES LIMITED

## Balance Sheet as at March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at Mar 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	2	5,689.63	1,064.83
Capital work-in-progress	2	55,062.60	23,426.43
Other Intangible assets		-	-
Financial Asset			
(i) Loans	3	789.27	384.03
Deferred Tax Asset	21	353.12	357.82
Other non-current assets	4	46.84	20.41
<b>Total Non-current Assets</b>		<b>61,941.46</b>	<b>25,253.52</b>
<b>Current Assets</b>			
Inventories		3.93	-
Financial Assets			
(i) Cash and cash equivalents	5	38,953.36	12,734.79
(ii) Other financial assets	6	25.62	16.81
Other current assets	7	284.20	283.45
<b>Total Current Assets</b>		<b>39,267.11</b>	<b>13,035.05</b>
<b>Total - Assets</b>		<b>1,01,208.57</b>	<b>38,288.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	8 (a)	90,862.00	30,862.00
Other Equity	8 (b)	(852.22)	(887.72)
<b>Total Equity</b>		<b>90,009.78</b>	<b>29,974.28</b>
<b>Non-current Liabilities</b>			
Financial Liabilities	14 (b)	987.14	992.68
Long-term provisions		-	-
Liabilities for Tax (Net)		-	-
Deferred tax liabilities (Net)		-	-
<b>Total Non-current Liabilities</b>		<b>987.14</b>	<b>992.68</b>

<b>Balance Sheet (Contd.)</b>			
<b>Current liabilities</b>			
Financial Liabilities			
(i) Trade payables	9	79.77	48.33
(ii) Other financial liabilities	10	9,961.71	7,257.78
Short-term provisions		-	-
Liabilities for Current Tax (Net)		-	-
Other current liabilities	11	170.17	15.50
<b>Total Current Liabilities</b>		<b>10,211.65</b>	<b>7,321.61</b>
<b>Total - Liabilities</b>		<b>11,198.79</b>	<b>8,314.29</b>
<b>Total Equity and liabilities</b>		<b>1,01,208.57</b>	<b>38,288.57</b>

For and on behalf of the Board of Directors

As per our report of even date attached  
**For M/s S A R A & Associates**  
Chartered Accountants  
FRN: 120927W

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

Sd/-  
**N. Vijayagopal**  
**Director**  
**DIN: 03621835**

Sd/-  
**Bhaviika Jain**  
**Company Secretary**  
Place : Mumbai  
Date : 7th May 2021

Sd/-  
**Alok Bairagra**  
**Partner**  
Membership No : 105153  
Place of signing: Mumbai



# BHARAT GAS RESOURCES LIMITED

## Statement of Profit and Loss for the period ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	Year Ending Mar 31, 2021	Period Ending March 31, 2020
Revenue from Operations		19,491.05	27,335.31
Other Income	12	419.40	758.58
<b>Total Income</b>		<b>19,910.45</b>	<b>28,093.89</b>
<b>Expenses</b>			
Purchases of Stock in Trade		19,405.25	27,301.63
Changes in inventories of finished goods		(3.93)	-
Depreciation and amortisation expense	2	258.27	195.87
Finance Costs		55.44	69.38
Other expenses	13	160.85	232.67
<b>Total Expenses</b>		<b>19,875.88</b>	<b>27,799.55</b>
<b>Profit before exceptional items and tax</b>		<b>34.57</b>	<b>294.34</b>
Exceptional Items		-	-
<b>Profit before tax from continuing operations</b>		<b>34.57</b>	<b>294.34</b>
Income tax Expense	21		
- Current Tax		-	75.00
- Deferred tax liability		4.70	68.73
- Short / (Excess) provision of earlier years		(5.63)	-
<b>Total Tax Expense</b>		<b>(0.93)</b>	<b>143.73</b>
<b>Profit for the Period</b>		<b>35.50</b>	<b>150.61</b>

Particulars	Note No.	Year Ending Mar 31, 2021	Period Ending March 31, 2020
<b>Earnings per equity share for profit from continuing operation</b> Basic and diluted earnings per share (in Rs.)	18	0.01	0.07

**For and on behalf of the Board of Directors**

As per our report of even date attached  
**For M/s S A R A & Associates**  
Chartered Accountants  
FRN: 120927W

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

Sd/-  
**N. Vijayagopal**  
Director  
DIN: 03621835

Sd/-  
**Bhaviika Jain**  
**Company Secretary**  
Place : Mumbai  
Date : 7th May 2021

Sd/-  
**Alok Bairagra**  
**Partner**  
Membership No : 105153  
Place of signing: Mumbai

# BHARAT GAS RESOURCES LIMITED

## Statement of Cash flows for the period ended March 31, 2021

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	Year Ending March 31, 2021		Period Ending March 31, 2020	
A	<b>Cash Flow from Operating Activities</b>				
	<b>Profit before income tax</b>		34.57		294.34
	Adjustments for Non Cash Item:		310.26		265.56
	Adjustments for Cash Item (Ind AS adjustment)		(222.45)		(257.63)
	Advance for Equity share pending application		-		-
	<b>Operating Profit Before Working Capital Changes</b>		<b>122.38</b>		<b>302.27</b>
	<b>Change in operating assets and liabilities</b>				
	(Increase)/Decrease in Trade and Other Receivables	(445.16)		(696.60)	
	Increase/(Decrease) in Trade and Other Payables	2,890.04		6,327.13	
	<b>Cash Generated from Operations</b>		<b>2,567.26</b>		<b>5,932.80</b>
	<b>Net cash inflow from operating activities</b>		<b>2,567.26</b>		<b>5,932.80</b>
B	<b>Cash flow from investing activities</b>				
	Purchase for Property, Plant and Equipment (incl under construction)	(36,348.69)		(22,662.86)	
	<b>Net cash outflow from investing activities</b>		<b>(36,348.69)</b>		<b>(22,662.86)</b>
C	<b>Cash flow from financing activities</b>				
	Proceeds from Issue of Share Capital	60,000.00		14,000.00	
	<b>Net cash in flow from financing activities</b>		<b>60,000.00</b>		<b>14,000.00</b>
D	<b>Net increase/(decrease) in cash &amp; cash Equivalents (A+B+C)</b>		<b>26,218.57</b>		<b>(2,730.06)</b>

<b>Cash &amp; Cash Equivalents as at beginning of the Period</b>		<b>12,734.79</b>		15,464.85
<b>Cash &amp; Cash Equivalents as at end of the Period</b>				
Cash balance with Banks - in current Accounts	2,253.11		935.79	
Deposits with maturity of less than three months	36,700.25		11,799.00	
		<b>38,953.36</b>		<b>12,734.79</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>26,218.57</b>		<b>(2,730.06)</b>
The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Cash Flow Statement. Brackets indicate cash outflow deduction.				

**For and on behalf of the Board of Directors**

As per our report of even date attached  
**For M/s S A R A & Associates**  
Chartered Accountants  
FRN: 120927W

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

Sd/-  
**N. Vijayagopal**  
**Director**  
**DIN: 03621835**

Sd/-  
**Bhaviika Jain**  
**Company Secretary**  
Place : Mumbai  
Date : 7th May 2021

Sd/-  
**Alok Bairagra**  
**Partner**  
Membership No : 105153  
Place of signing: Mumbai

# BHARAT GAS RESOURCES LIMITED

## Statement of Changes in Equity (SOCIE)

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares (In Lakhs)	Amount (INR in Lakhs)	No. of Shares (In Lakhs)	Amount (INR in Lakhs)
<b>(a) Equity Share Capital</b>				
Balance at the beginning of the period	3,086.20	30,862.00	1,600.00	1,600.00
Changes in equity share capital during the period	6,000.00	6,000.00	1,486.20	14,862.00
<b>Balance at the end of the period</b>	<b>9,086.20</b>	<b>90,862.00</b>	<b>3,086.20</b>	<b>30,862.00</b>

Particulars	As at March 31, 2021		As at March 31, 2020	
	Retained earnings	Advance for Equity Share pending application	Retained earnings	Advance for Equity Share pending application
<b>(b) Other equity</b>				
Balance at the beginning of the period	(887.72)	-	(1,038.33)	-
Profit/(Loss) for the period	35.50	-	150.61	-
Transactions for the period	-	-	-	-
<b>Balance at the end of the period</b>	<b>(852.22)</b>	<b>-</b>	<b>(887.72)</b>	<b>-</b>

For and on behalf of the Board of Directors

As per our report of even date attached  
**For M/s S A R A & Associates**  
Chartered Accountants  
FRN: 120927W

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

Sd/-  
**N. Vijayagopal**  
**Director**  
**DIN: 03621835**

Sd/-  
**Bhaviika Jain**  
**Company Secretary**  
Place : Mumbai  
Date : 7th May 2021

Sd/-  
**Alok Bairagra**  
**Partner**  
Membership No : 105153  
Place of signing: Mumbai

# BHARAT GAS RESOURCES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021

### Company Overview

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

The company is engaged in the business of natural gas.

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

### 1. Statement of Significant Accounting Policies

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

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

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

**Authorisation of Financial Statements:** The Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors in its meeting held on 7th May 2021.

#### 1.1. Use of Judgement and Estimates

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

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

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

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

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

## 1.2. Property, plant and equipment

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

## 1.3. Depreciation

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

- 1.3.1. Plant & Machinery at Retail Outlets (other than Storage tanks and related equipments) are depreciated over a useful life of 15 years based on the technical assessment.
- 1.3.2. Computer equipments are depreciated over a period of 3 years and Mobile phones are depreciated over a period of 2 years based on internal assessment. Electronic and electrical equipments provided to management staff under furniture on hire scheme are depreciated over a period of 4 years as per internal assessment. Other furniture items provided to management staff are depreciated over a period of 6 years as per internal assessment.
- 1.3.3. Solar Panels are depreciated over a period of 25 years based on the technical assessment of useful life and applicable warranty conditions.
- 1.3.4. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition.
- 1.3.5. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.
- 1.3.6. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 1.3.7. Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.
- 1.3.8. Immovable assets constructed on leasehold land, useful life as per Schedule II or lease period of land (including renewable/likely renewable period) whichever is earlier is considered.

#### **1.4. Intangible Assets**

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



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

## **1.5. Investment Property**

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

## **1.6. Borrowing costs**

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

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

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

## **1.8. Leases**

**1.8.1.** 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. Corporation shall reassess whether a contract is, or contains, a lease if the terms and conditions of the contract are changed.

### **1.8.2. As a Lessee**

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the Corporation'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 Corporation has elected not to apply Ind AS 116 to Intangible assets and not to separate Lease and Non lease components of composite contract.

### **1.8.3. As a Lessor**

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

### **1.8.4. 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.

Corporation 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.

### **1.8.5. 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.

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

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

## **1.10. Inventories**

- 1.10.1. Inventories are stated at cost or net realisable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and are determined on the following basis:
- Traded goods and finished products are determined on First in First out basis
  - Other raw materials, packages, and stores and spares are determined on weighted average basis.
  - The cost of Stock-in-Process is determined at raw material cost plus cost of conversion.
- 1.10.2. Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.
- 1.10.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.
- 1.10.4. The net realisable value of finished goods and stock in trade are based on the inter-company transfer prices and final selling prices (applicable at the location of stock) for sale to oil marketing companies and retail consumers respectively.
- 1.10.5. Raw Materials held for use in the production of finished goods are not written down below cost except in cases where raw material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.
- 1.10.6. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

## **1.11. Revenue Recognition**

### **1.11.1. Sale of goods**

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

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

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

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

### 1.11.2. Construction contracts

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

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

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

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

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

- 1.11.3. Interest income is recognised using effective interest rate (EIR) method.
- 1.11.4. Dividend is recognised when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.
- 1.11.5. Income from sale of scrap is accounted for on realisation.
- 1.11.6. Claims other than subsidy claims on LPG and SKO from Government of India are booked when there is reasonable certainty of recovery.

### 1.12. Classification of Income / Expenses

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

### 1.13. Employee Benefits

#### 1.13.1. Short-term employee benefits

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

#### 1.13.2. Post-employment benefits

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

#### 1.13.3. Other long-term employee benefits

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

## **1.14. Foreign Currency Transactions**

### **1.14.1. Monetary items:**

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

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

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

### **1.14.2. Non – Monetary items:**

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

## **1.15. Investment in Subsidiaries, Joint Ventures and Associates**

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

## **1.16. Government Grants**

1.16.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

1.16.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

1.16.3. Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

## **1.17. Provisions, Contingent Liabilities and Capital Commitments**

1.17.1. 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.

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

1.17.3. 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.

1.17.4. 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.

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

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

### 1.18. Fair Value measurement

- 1.18.1. The Company measures certain financial instruments at fair value at each reporting date.
- 1.18.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.
- 1.18.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.
- 1.18.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.
- 1.18.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
  - **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs)
- 1.18.6. When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- 1.18.7. If there is no quoted prices in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.
- 1.18.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

## 1.19. Financial Assets

### 1.19.1. Initial recognition and measurement

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

### 1.19.2. Subsequent measurement

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

#### **Debt instruments at amortised cost**

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

The asset is held within a business model whose objective is

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

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

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

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

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

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

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

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

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

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

### **Equity investments**

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

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

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

#### **1.19.3. De-recognition**

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

The rights to receive cash flows from the asset have expired, or

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

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

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

#### **1.19.4. Impairment of financial assets**

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

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



## 1.20. Financial Liabilities

### 1.20.1. Initial recognition and measurement

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

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

### 1.20.2. Subsequent measurement

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

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

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

#### **Financial Liabilities at amortised cost**

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

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

### 1.20.3. 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.

## 1.21. 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.

## 1.22. 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.

## **1.23. Taxes on Income**

### **1.23.1. Current Tax**

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

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

### **1.23.2. Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

## **1.24. Earnings per share**

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

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

## **1.25. Classification of Assets and Liabilities as Current and Non-Current:**

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

## **1.26. Cash and Cash equivalents**

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

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheques and drafts on hand, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 1.27. Cash Flows

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

### 1.28. 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
Allocation of other expenses to projects costing in each case	1.2.3	INR Crores	5
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.2.5	INR	1,000
Capitalisation of spare parts meeting the definition of Property, Plant and Equipment in each case	1.2.6	INR Lakhs	1
Depreciation at 100 percent in the year of acquisition	1.3.4	INR	5,000
Expenditure incurred for creating/acquiring other intangible assets in each case	1.4.5	INR Lakhs	50
Income / expenditure (net) in aggregate pertaining to prior year(s)	1.12.1	INR Crores	50
Prepaid expenses in each case	1.12.2	INR Lakhs	1
Disclosure of Contingent liabilities and Capital Commitments in each case	1.17.6	INR Lakhs	5

# BHARAT GAS RESOURCES LIMITED

## Notes to the financial statements

(All amounts in INR Lakhs, unless otherwise stated)

### Note 2 :- Plant, Property & Equipment

Particulars	Gross			Depreciation		Net Carrying Value	
	As at 31/03/2020	Addition	As at 31/03/2021	Upto 31/03/2020	For the year	Upto 31/03/2021	As at 31/03/2020
<b>1) Tangible Block</b>							
<b>Land</b>							
(a) Freehold Land	-	543.79	543.79	-	-	-	-
Plant & Equipments	-	3,899.83	3,899.83	-	54.95	54.95	-
Furniture & Fixtures	69.38	19.29	88.67	5.72	7.76	13.48	63.66
Office Equipments	36.83	13.39	50.22	6.54	8.70	15.24	30.29
Tanks & Pipelines	-	68.05	68.05	-	1.48	1.48	-
Right-of-use Assets	1,180.93	437.28	1,618.21	210.05	283.94	493.99	970.88
<b>Total of 1</b>	<b>1,287.14</b>	<b>4,981.63</b>	<b>6,268.77</b>	<b>222.31</b>	<b>356.83</b>	<b>579.14</b>	<b>1,064.83</b>
<b>2) Capital Work-in-progress</b>							
Capital Work-in-progress	23,426.43	31,636.17	55,062.60	-	-	-	23,426.43
<b>Total 2</b>	<b>23,426.43</b>	<b>31,636.17</b>	<b>55,062.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,426.43</b>
<b>3) Total (1+2)</b>	<b>24,713.57</b>	<b>36,617.80</b>	<b>61,331.37</b>	<b>222.31</b>	<b>356.83</b>	<b>579.14</b>	<b>24,491.26</b>
<b>Previous Year</b>	<b>843.33</b>	<b>23,870.24</b>	<b>24,713.57</b>	<b>-</b>	<b>222.31</b>	<b>222.31</b>	<b>843.33</b>

\* Depreciation amounting to INR 98.56 lakhs has been capitalised in FY 2020-21 (For PY 2019-20, the depreciation capitalised is INR 26.44 lakhs)

**Note 3: Loans**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Security Deposit	789.27	384.03
<b>Total</b>	<b>789.27</b>	<b>384.03</b>

**Note 4: Other non-current assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	-	0.02
Receivable from revenue authorities		
- TDS Receivable (Net of provision for tax)	46.59	20.14
- VAT Recoverable	0.25	0.25
<b>Total</b>	<b>46.84</b>	<b>20.41</b>

**Note 5: Cash and cash equivalents**

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	2,253.11	935.79
- Deposits with maturity of less than three months	36,700.25	11,799.00
Cash on hand	-	-
<b>Total</b>	<b>38,953.36</b>	<b>12,734.79</b>

**Note 6: Other Financial Assets**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Interest Receivable on Bank Deposits	25.62	16.81
<b>Total</b>	<b>25.62</b>	<b>16.81</b>

**Note 7: Other Current assets**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured considered good</b>		
Prepaid Expenses	-	0.02
Other Recoverable	283.20	282.43
Other Advances	1.00	1.00
<b>Total</b>	<b>284.20</b>	<b>283.45</b>

**8 (a): Equity Share capital**

(i)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
2,30,00,00,000 equity shares of Rs. 10 each	2,30,000.00	2,30,000.00
Issued, subscribed and paid-up *		
90,86,20,000 equity shares of Rs. 10 each fully paid-up	90,862.00	30,862.00

\* The Company is having issued, subscribed and paid up share capital as on 31.03.2021, Rs. 908.62 crores (90.862 crores shares of Rs. 10/- each).

**Terms/ rights attached to equity shares**

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

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

Particulars	As at Mar 31, 2021 (Nos in lakhs)	Percentage held As at Mar 31, 2021	As at Mar 31, 2020 (Nos in lakhs)	Percentage held As at Mar 31, 2020
Bharat Petroleum Corporation Limited (including those held through nominees of BPCL)	9,086.20	100%	3,086.20	100%

**(iii) Reconciliation of No. of Equity Shares**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Opening Balance	3,086.20	1,600.00
Shares Issued *	6,000.00	1,486.20
<b>Closing Balance</b>	<b>9,086.20</b>	<b>3,086.20</b>

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

Particulars	As at Mar 31, 2021 (Nos in lakhs)	Percentage held As at Mar 31, 2021	As at Mar 31, 2020 (Nos in lakhs)	Percentage held As at Mar 31, 2020
Bharat Petroleum Corporation Limited (including those held through nominees of BPCL)	9,086.20	100%	3,086.20	100%

**8 (b) Other Equity**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>(i) Retained Earnings</b>		
Opening Balance	(887.72)	(1,038.33)
Net profit for the period	35.50	150.61
	(852.22)	(887.72)
Items of other comprehensive income recognised directly in retained earnings	-	-
<b>Closing Balance</b>	<b>(852.22)</b>	<b>(887.72)</b>
<b>(ii)</b>		
Advance for Equity Share pending application	-	-
	-	-
<b>TOTAL OTHER EQUITY</b>	<b>(852.22)</b>	<b>(887.72)</b>

**Note 9: Trade Payables**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Due to Others	79.77	48.33
Dues to Micro and Small Enterprises	-	-
<b>Total</b>	<b>79.77</b>	<b>48.33</b>

**Note 10: Other Financial Liabilities**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Current		
Security/Earnest Money Deposits	726.45	45.33
Due to Others	520.91	28.86
Dues to Micro and Small Enterprises	782.45	0.59
Other Liabilities	7,931.90	7,183.00
<b>Total</b>	<b>9,961.71</b>	<b>7,257.78</b>

**Note 11: Other Current liabilities**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Statutory Liabilities	170.17	15.50
<b>Total</b>	<b>170.17</b>	<b>15.50</b>

**Note 12: Other income**

Particulars	Year Ending Mar 31, 2021	Period Ending Mar 31, 2020
Interest income from Bank deposits	415.27	756.50
Interest on Income Tax Refund	0.68	-
Interest income from Financial Assets recognised at amortised cost	3.45	1.20
Liquidated damages	-	0.88
<b>Total other income</b>	<b>419.40</b>	<b>758.58</b>



**Note 13: Other expenses**

Particulars	Year Ending Mar 31, 2020	Period Ending Mar 31, 2019
Professional & Legal Expenses	23.45	134.50
Rent, Rates & Taxes	1.76	15.39
Repairs and Maintenance	48.96	44.51
Compression Charges	29.75	-
Transportation Charges	25.13	-
Commission expenses	3.59	16.93
Other Expenses	7.66	6.85
Software Expenses	7.14	-
Postage & Courier Exp. & Telephone Exp.	3.23	3.64
Printing & Stationery	1.98	2.91
Utility Expenses	3.09	3.17
Bank Charges	0.39	0.05
Remuneration to auditors	4.72	4.72
<b>Total Expenses</b>	<b>160.85</b>	<b>232.67</b>

**Note 13(a) Details of remuneration to auditors**

Particulars	Year Ending Mar 31, 2021	Period Ending Mar 31, 2020
<b>Remuneration to Auditors</b>	-	-
<b>As auditor:</b>	-	-
Audit fee	4.72	4.72
<b>Total Expenses</b>	<b>4.72</b>	<b>4.72</b>

**Note 14: (a) Leases****A. Leases as a Lessee**

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

Particulars	Gross Block						Depreciation				Net Carrying Amount	
	As at 01-04-20	Ind AS 116 Transition Impact	Additions	Reclassifications / Deductions On Account Of Conclusion	As at 31-03-21	Up to 31-03-20	For the Year	Reclassifications / Deductions On Account Of Conclusion	Up to 31-03-21	As at 31-03-21	As at 31-03-20	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1 Land	-	-	192.19	-	192.19	-	-	-	-	192.19	-	
2 Buildings including Roads	1,180.93	-	245.09	-	1,426.02	210.05	283.94	-	493.99	932.03	970.88	
3 Plant and Equipments	-	-	-	-	-	-	-	-	-	-	-	
4 Tanks and Pipelines	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>1,180.93</b>	-	<b>437.28</b>	-	<b>1,618.21</b>	<b>210.05</b>	<b>283.94</b>	-	<b>493.99</b>	<b>1,124.22</b>	<b>970.88</b>	
Previous Year	-	-	-	-	-	-	-	-	-	-	-	

b) The following expenses have been charged to Statement of Profit and Loss during FY 20-21

Interest on Lease Liabilities	55.44
Expenses relating to short term leases	-
Expenses relating to leases of low value items	-
Expenses relating to variable lease payments (not included in measurement of lease liabilities)	-

c) The following expenses have been capitalised during FY 20-21

Rent expenses relating to short term leases	55.51
Interest on Lease Liabilities	25.93

- d) Total Cash outflow for leases during FY 20-21 is Rs. 368.32 lakhs
- e) Income from Sub leasing of Right-of-use assets recognised in statement of profit and loss during FY 20-21 is Rs. Nil
- f) Maturity Analysis of Lease Liabilities as per Ind AS 116 Leases

As at 31/03/21	Contractual Cash Flows				
	Upto 1 year	1-3 years	3-5 years	More than 5 years	Total
Cash outflows	315.16	132.12	12.08	20.66	480.03

**Note 14: (b) Financial Liabilities**

Particulars	Year Ending Mar 31, 2021	Period Ending Mar 31, 2020
Financial liability*	987.14	992.68

\*Pertains to the lease liability on account of Ind AS 116.

**Note 15: Segment Information**

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

**Note 16: Employee Benefit Obligations**

All of the employees for the FY 20-21 are on deputation from Bharat Petroleum Corporation Limited (BPCL).

For the FY 20-21 all Employee Benefit Expenditure is appearing under Capital Work in Progress in Balance sheet based on the invoices raised and provision created by BPCL in its books.

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

**Note 17: Micro, Small and Medium Enterprises**

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

Particulars	As at March 31, 2021	As at Mar 31, 2020
Principal amount overdue (remaining unpaid) as on 31st March	-	-
Interest due thereon remaining unpaid as on 31st March	-	-
Payment made during the period after the due date	-	-
Principal	-	-
Interest	-	-
Interest accrued and remaining unpaid as at 31st March	-	-

**Note 18: Earnings Per Share (EPS)**

Particulars	As at March 31, 2021	As at Mar 31, 2020
Net profit attributable to the Equity shareholders of the Company (Amount in INR Lakhs)	35.50	150.61
Ordinary Shares Issued during the period	9,086.20	3,086.20
Weighted average number of shares at period end for weighted EPS (Nos. in lakhs)	4,034.15	2,080.35
Basic & Diluted EPS (INR)	0.01	0.07

**Note 19: Related Party Transactions****(a) Parent Entity**

The company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest	Ownership Interest
			March 31,2021	March 31, 2020
Bharat Petroleum Corporation Ltd. (BPCL)	Immediate and Ultimate parent entity	India	100.00%	100.00%

**(b) Directors/Key Management Personnel**

Shri D. Rajkumar, Director (Resigned w.e.f. 31st August, 2020)

Shri. K Padmakar, Director (w.e.f 06th October, 2020)

Shri R. Ramachandran, Director (Resigned w.e.f. 31st August, 2020)

Shri A. K. Singh, Director

Shri R. P. Natekar, Director

Shri N. Vijayagopal, Director

Shri B. Gangani, Company Secretary (Resigned w.e.f. 20th December, 2020)

Smt. B Jain, Company Secretary (w.e.f 06th January, 2021)

**(c) Transactions with related parties**

The following transactions occurred with related parties:

Particulars	Year Ending Mar 31, 2021	Period Ending Mar 31, 2020
<i>Sales and Purchases of goods and services</i>		
Recovery of BG Commission Charges (payable to parent entity)	305.10	288.23
Reimbursement of expenses including Salaries and others (payable to parent entity)	4,660.55	1,558.51
Sale of RLNG (receivable from parent entity)	19,442.69	27,335.31
Recovery of Insurance charges (payable to parent entity)	71.72	-
<i>Other Transactions</i>		
Issue of Equity Shares to parent entity	60,000.00	14,000.31
Corporate Guarantee given by Parent Company on behalf of Company	23,899.00	23,899.00
PBG given by Parent Company on behalf of Company	16,600.00	16,600.00
Compensation to KMP's	5.82	5.25

**(d) Outstanding balances**

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

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Payable at period end	701.26	2,096.99
<b>Total</b>	<b>701.26</b>	<b>2,096.99</b>

**Note 20: Financial Instruments**

**A. Accounting classification and fair values**

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

As at Mar 31, 2021	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amort. Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Cash and Cash								
Equivalents	-	-	38,953.36	<b>38,953.36</b>	-	-	-	-
Others								
Non - Current	-	-	789.27	<b>789.27</b>	-	-	-	-
Current	-	-	25.62	<b>25.62</b>	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>11,028.62</b>	<b>11,028.62</b>	-	-	-	-

<b>Financial Liabilities</b>								
Trade Payables	-	-	79.77	<b>79.77</b>	-	-	-	-
Others								
Non - Current			987.14	<b>987.14</b>				
Current	-	-	9,961.71	<b>9,961.71</b>	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>11,028.62</b>	<b>11,028.62</b>	-	-	-	-

As at Mar 31, 2020	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amort. Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Cash and Cash Equivalents	-	-	12,734.79	<b>12,734.79</b>	-	-	-	-
Others								
Non - Current	-	-	384.03	<b>384.03</b>	-	-	-	-
Current	-	-	16.81	<b>16.81</b>	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>13,135.63</b>	<b>13,135.63</b>	-	-	-	-
<b>Financial Liabilities</b>								
Trade Payables	-	-	48.33	<b>48.33</b>	-	-	-	-
Others								
Non - Current			992.68	<b>992.68</b>				
Current	-	-	7,257.78	<b>7,257.78</b>	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>8,298.79</b>	<b>8,298.79</b>	-	-	-	-

## B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

### Financial instruments measured at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter - relationship between significant unobservable inputs and fair value measurement
Non Current Financial Asset at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not Applicable	Not Applicable

## C. Financial risk management

### i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company is in the process of setting up a Risk Management Committee (the Committee which would be responsible for developing and monitoring the Company's risk management policies) and establishing a Risk Management Policy.

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

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

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and bank deposits kept with banks. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

#### Cash and cash equivalents

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

#### Note 20: Financial Instruments (contd.)

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk is managed through effective fund management.

As at Mar 31, 2021	Contractual Cash Flows				
	Upto 1 yr	1 -3 yrs	3 - 5 yrs	3 - 5 yrs	Total
<b>Non-derivative financial liabilities</b>					
Trade payables	79.77	-	-	-	<b>79.77</b>
Other current liabilities	170.17	-	-	-	<b>170.17</b>

As at Mar 31, 2020	Contractual Cash Flows				
	Upto 1 yr	1 -3 yrs	3 - 5 yrs	3 - 5 yrs	Total
<b>Non-derivative financial liabilities</b>					
Trade payables	48.33	-	-	-	<b>48.33</b>
Other current liabilities	15.50	-	-	-	<b>15.50</b>

#### iv. Market risk

##### Interest rate risk

Fair value sensitivity analysis for fixed-rate instruments

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

#### Note 21 : Tax Reconciliation

##### (a) Amounts recognised in profit and loss

Particulars	Year Ending Mar 31, 2021	Period Ending Mar 31, 2020
Current tax expense (A) Current year	-	75.00
Short/(Excess) provision of earlier years	(5.63)	-
Deferred tax expense (B)Deferred income tax liability / (asset), net	4.70	68.73
<b>Tax expense recognized in the income statement (A+B)</b>	<b>(0.93)</b>	<b>143.73</b>

##### (b) Movement in deferred tax balances

Particulars	Op. Bal.	Recognised in profit or loss	Closing Bal.	Deferred tax Asset
Tax Losses c/f	(308.26)	(73.18)	(381.44)	(381.44)
Right of use assets	(183.11)	42.05	(141.06)	(141.06)
Lease liability	178.86	(46.67)	132.19	132.19
Incorporation expens	(45.31)	15.11	(30.20)	(30.20)
Property, Plant and Equipment	-	69.89	69.89	69.89
Share Issue Expenses	-	(2.50)	(2.50)	(2.50)
<b>Total</b>	<b>(357.82)</b>	<b>4.70</b>	<b>(353.12)</b>	<b>(353.12)</b>

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

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

##### Tax losses carried forward

Particulars	Year Ending Mar 31, 2021	
	Gross amount (INR in Lakhs)	Expiry date
<b>Business loss</b>	<b>(1,224.79)</b>	<b>FY 2026-27</b>
<b>Business loss</b>	<b>(290.77)</b>	<b>FY 2028-29</b>

Particulars	Period Ending Mar 31, 2020	
	Gross amount (INR in Lakhs)	Expiry date
<b>Business loss</b>	<b>(1,224.79)</b>	<b>FY 2026-27</b>



Corporation has unabsorbed depreciation in FY 2019-20 on which deferred tax asset of INR 69.89 crs was recognized. Management is confident that it would be in a position to utilize the unabsorbed depreciation under the Income Tax Act, 1961.

**Note 22: Capital Management**

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

**Note 23: Contingent Liabilities and Capital Commitments**

Particulars	Year Ending Mar 31, 2021	Period Ending Mar 31, 2020
<b>(a) Contingent Liabilities:</b>	-	-
<b>(b) Capital Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for.	1,08,947.18	33,753.71

**Note 24:**

Both BGRL and Parent Company BPCL Board have approved the scheme for the merger of BGRL with BPCL during the Financial Year 2020-21. The scheme document has been submitted to MCA for their approval. Approval of merger Scheme from MCA is pending.

**Note 25:**

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

**Note 26:**

Previous year's figures have been regrouped and restated wherever necessary to make their classification comparable with that of the current year. Financial statements are approved by Board of Directors as on May 07, 2021.

**For and on behalf of the Board of Directors**

As per our report of even date attached  
**For M/s S A R A & Associates**  
 Chartered Accountants  
 FRN: 120927W

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

Sd/-  
**N. Vijayagopal**  
 Director  
 DIN: 03621835

Sd/-  
**Bhaviika Jain**  
 Company Secretary

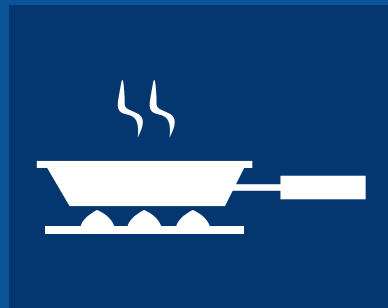
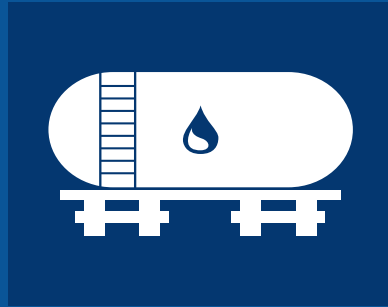
Sd/-  
**Alok Bairagra**  
 Partner

Place : Mumbai  
 Date : 7th May 2021

Membership No : 105153  
 Place of signing: Mumbai







**Registered Office**

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

**Corporate Office**

5th Floor, The IL&FS Financial Centre,  
Plot C-22, G Block, Bandra Kurla Complex,  
Bandra East, Mumbai - 400 051