

**INDEPENDENT AUDITORS' REPORT**

To the Members,

**Bharat Gas Resources Limited**

**Report on the Audit of Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of Bharat Gas Resources Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the statement of Profit and Loss (including Other Comprehensive income), the statement of Cash flows and the Statement of Changes in Equity for the period 7<sup>th</sup> June 2018 to 31<sup>st</sup> March 2019 ('the period') and a summary of significant accounting policies and other explanatory information (herein after referred to as "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 31<sup>st</sup> March, 2019, its Loss and the total comprehensive income, changes in equity and its cash flows for the period ended on that date.

**Basis for Opinion**

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

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

3. 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 and Directors' Report, but does not include the financial statements and our auditor's report thereon.

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



4. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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**

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements 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 (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
6. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

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

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

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

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. 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".






11. 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, Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS 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. With respect to the existence of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses unmodified opinion on the existence and operative effectiveness of the Company's internal financial controls with reference to financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses.
  - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the company.

**For CHOKSHI & CHOKSHI LLP**

Chartered Accountants

FRN 101872W/W100045

  
**Nilesh Joshi**

Partner

M. No. 114749



Place of Signature: Mumbai

Date: 17.05.2019

## **APPENDIX – I : THE FURTHER DESCRIPTION OF THE AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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 statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has an existence of internal financial controls system with reference to financial statements 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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





**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

**IN RESPECT OF THE MATTERS COVERED IN CARO 2016 REPORT, WE CONFIRM THE FOLLOWING:**

**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

**IN RESPECT OF THE MATTERS COVERED IN CARO 2016 REPORT, WE CONFIRM THE FOLLOWING:**

1. In respect of its fixed assets:

The company has not capitalized any fixed assets since the date of incorporation, hence the clause 3(i) of the companies (Auditor's report) Order, 2016 (the "CARO 2016") are not applicable.

2. The Company is in the process of commencement of business and does not hold the inventory on reporting date, hence the Clause 3(ii) of the order regarding physical verification of inventories and maintenance of records are not applicable.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the clause 3(iii)(a) to 3(iii)(c) are not applicable to the Company.

4. 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.

5. The Company has not accepted any public deposits within the meaning of sections 73 to 76 of Companies Act, 2013 and rules framed there under;

6. As the Company is not a manufacturing concern, 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.

7. a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing applicable 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 during the period under audit and no such dues are outstanding for more than six months from the date they became payable.

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/ Wealth tax/ Service tax/ Duty of Custom/ Duty of Excise.

8. 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.

9. 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.

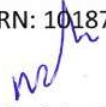


10. During the course of our examination of the books of accounts, carried out in accordance with the generally accepted auditing standards in India, and according to the information and explanation given to us, we have not come across any instance of fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the period under audit, on or by the Company.
11. 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;
12. The Company is not in the nature of a Nidhi Company as defined under section 406 of the Act.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in note 18 of the financial Statements etc., as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under audit.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For CHOKSHI & CHOKSHI LLP**

Chartered Accountants

FRN: 101872W/W100045

  
**Nilesh Joshi**

Partner

M. No. 114749



Place of Signature: Mumbai

Date: 17.05.2019

## ANNEXURE-B INDEPENDENT AUDITOR'S REPORT


(Referred to in Paragraph 10 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Bharat Gas Resources Ltd. On the financial statements as on and for the period ended on 31<sup>st</sup> March 2019)

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 CHOKSHI & CHOKSHI LLP**

Chartered Accountants

FRN: 101872W/W100045

  
**Nilesh Joshi**

Partner

M. No. 114749



Place of Signature: Mumbai

Date: 17.05.2019



## **ANNEXURE - C TO INDEPENDENT AUDITORS' REPORT**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT**

1. We have audited the internal financial controls over financial reporting of Bharat Gas Resources Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors 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 internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether existence of internal financial controls system with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the existence of internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that  
(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the





transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

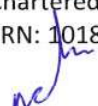
#### **Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an existence of internal financial controls with reference to financial statements and its operating effectiveness as at March 31, 2019, 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 CHOKSHI & CHOKSHI LLP**

Chartered Accountants

FRN: 101872W/W100045

  
**Nilesh Joshi**

Partner

M. No. 114749



Place of Signature: Mumbai

Date: 17.05.2019

**Bharat Gas Resources Limited**  
**Balance Sheet as at March 31, 2019**  
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	2	843.33
Capital work-in-progress		-
Other Intangible assets		-
Financial Asset	3	12.38
(i) Other financial asset	20	426.55
Deferred Tax Asset	4	21.89
Other non-current assets		
<b>Total non-current assets</b>		<b>1,304.15</b>
<b>Current assets</b>		
Inventories		-
Financial Assets	5	15,464.85
(i) Cash and cash equivalents	3	47.67
(ii) Other financial assets	6	1.17
Other current assets		
<b>Total Current Assets</b>		<b>15,513.69</b>
<b>Total - Assets</b>		<b>16,817.83</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	7 (a)	16,000.00
Other Equity	7 (b)	(176.64)
<b>Total Equity</b>		<b>15,823.36</b>
<b>Non-current liabilities</b>		
Financial Liabilities		-
Long-term provisions		-
Liabilities for Tax (Net)		-
Deferred tax liabilities (Net)		-
<b>Total non-current liabilities</b>		<b>-</b>
<b>Current liabilities</b>		
Financial Liabilities	8	137.63
(i) Trade payables	9	15.12
(ii) Other financial liabilities		-
Short-term provisions		-
Liabilities for Current Tax (Net)	10	841.72
Other current liabilities		
<b>Total Current Liabilities</b>		<b>994.47</b>
<b>Total - Liabilities</b>		<b>994.47</b>
<b>Total Equity and liabilities</b>		<b>16,817.83</b>
Significant accounting policies		1
The accompanying notes form an integral part of these financial statements.		

For and on behalf of the Board of Directors

  
**R. P. Natekar**  
Director  
DIN: 07858989

  
**N. Vijayagopal**  
Director  
DIN: 03621835

As per our report of even date attached  
**For M/s Chokshi & Chokshi LLP**  
FRN: 101872W/W100045  
Chartered Accountants





  
**Bharat Gangani**  
Company Secretary  
Place : New Delhi  
Date : 17th May 2019




**Nilesh Joshi**  
Partner  
Membership No : 114749  
Place of signing: Mumbai



**Bharat Gas Resources Limited**  
**Statement of Profit and Loss for the period ended March 31,2019**  
**(All Amounts in INR Lakhs unless otherwise stated)**

Particulars	Note No.	Period Ending March 31,2019
Revenue from Operations		-
Other Income	11	195.13
<b>Total Income</b>		<b>195.13</b>
<b>Expenses</b>		
Purchases of Natural Gas		-
Changes in inventories of finished goods		-
Excise Duty		-
Employee benefit expense		-
Depreciation and amortisation expense		-
Finance Costs		-
Other expenses	12	1,660.01
<b>Total Expenses</b>		<b>1,660.01</b>
<b>Profit before exceptional items and tax</b>		<b>(1,464.88)</b>
Exceptional Items		
<b>Profit before tax from continuing operations</b>		<b>(1,464.88)</b>
Income tax Expense		
-Current Tax		-
-Deferred tax	20	(426.55)
<b>Total Tax Expense</b>		<b>(426.55)</b>
<b>Profit for the Period</b>		<b>(1,038.33)</b>
<b>Particulars</b>	<b>Note Reference</b>	<b>Period Ended March 31,2019</b>
<b>Other Comprehensive income</b>		
Items that will not be reclassified to profit or loss		-
Remeasurements of post employment benefit obligations		-
Income tax relating to these items		-
<b>Other Comprehensive income for the period, net of tax</b>		<b>-</b>
<b>Total Comprehensive income for the period</b>		<b>(1,038.33)</b>
<b>Earnings per equity share for profit from continuing operation</b>		
Basic and diluted earnings per share (in Rs.)	17	(0.65)

For and on behalf of the Board of Directors

  
**R. P. Natekar**  
**Director**  
**DIN: 07858989**

  
**N. Vijayagopal**  
**Director**  
**DIN: 03621835**

  
**Bharat Gangani**  
**Company Secretary**  
**Place : New Delhi**  
**Date : 17th May 2019**



As per our report of even date attached  
**For M/s Chokshi & Chokshi LLP**  
**FRN: 101872W/W100045**  
**Chartered Accountants**





**Nilesch Joshi**  
**Partner**  
**Membership No : 114749**  
**Place of signing: Mumbai**

**Bharat Gas Resources Limited**  
**Statement of Cash flows for the period ended March 31, 2019**  
(All Amounts in INR Lakhs unless otherwise stated)

Particulars		Period Ending March 31, 2019
<b>A Cash Flow from Operating Activities</b>		
Profit before income tax		(1,464.88)
Adjustments for Non Cash Item:		
Advance for Equity Share pending application	861.69	861.69
<b>Operating Profit Before Working Capital Changes</b>		<b>(603.19)</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in Trade and Other Receivables	(83.10)	
Increase/(Decrease) in Trade and Other Payables	994.47	
<b>Cash Generated from Operations</b>		<b>308.18</b>
<b>Net cash inflow from operating activities</b>		<b>308.18</b>
<b>B Cash flow from investing activities</b>		
Purchase for Property, Plant and Equipment (incl under construction)	(843.33)	
<b>Net cash outflow from investing activities</b>		<b>(843.33)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from Issue of Share Capital	16,000.00	
<b>Net cash inflow from financing activities</b>		<b>16,000.00</b>
<b>D Net increase/(decrease) in cash &amp; cash Equivalents (A+B+C)</b>		<b>15,464.85</b>
<b>Cash &amp; Cash Equivalents as at beginning of the Period</b>		
<b>Cash &amp; Cash Equivalents as at end of the Period</b>		
Cash balance with Banks - in current Accounts	2,297.09	
Deposits with maturity of less than three months	13,167.76	
		<b>15,464.85</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>15,464.85</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

  
**R. P. Natekar**  
Director  
DIN: 07858989

  
**N. Vijayagopal**  
Director  
DIN: 03621835

  
**Bharat Gangani**  
Company Secretary  
Place : New Delhi  
Date : 17th May 2019



As per our report of even date attached  
**For M/s Chokshi & Chokshi LLP**  
FRN: 101872W/W100045  
Chartered Accountants





**Nilesh Joshi**  
Partner  
Membership No : 114749  
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, 2019	
	No. of Shares (In Lakhs)	Amount (INR in Lakhs)
<b>(a) Equity Share Capital</b>		
Balance at the beginning of the period	-	-
Changes in equity share capital during the period	1,600.00	16,000.00
<b>Balance at the end of the period</b>	<b>1,600.00</b>	<b>16,000.00</b>

Particulars	As at March 31, 2019	
	Retained earnings	Advance for Equity Share pending application
<b>(b) Other equity</b>		
Balance at the beginning of the period	-	-
Profit/(Loss) for the period	(1,038.33)	-
Transactions for the period	-	861.69
<b>Balance at the end of the period</b>	<b>(1,038.33)</b>	<b>861.69</b>

For and on behalf of the Board of Directors

  
**R. P. Natekar**  
Director  
DIN: 07858989

  
**N. Vijayagopal**  
Director  
DIN: 03621835

  
**Bharat Gangani**  
Company Secretary  
Place : New Delhi  
Date : 17th May 2019



As per our report of even date attached  
**For M/s Chokshi & Chokshi LLP**  
FRN: 101872W/W100045  
Chartered Accountants





**Nilesh Joshi**  
Partner  
Membership No : 114749  
Place of signing: Mumbai

**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

**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 17<sup>th</sup> May 2019.

**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.

Statement of Significant Accounting Policies





**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

- 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.

**1.4. 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

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Statement of Significant Accounting Policies

**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

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. Finance Lease**

Lease Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Lease Agreements in respect of land for lease period above threshold limit are classified as a finance lease.

**1.8.2. Operating Lease**

Lease Agreements which are not classified as finance leases are considered as operating leases.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received / lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-

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Statement of Significant Accounting Policies





**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

- 1.8.3. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. In case of a finance lease, if the company concludes that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying assets; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

**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.



Statement of Significant Accounting Policies



**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

**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.

**1.12. 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.

Statement of Significant Accounting Policies





**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

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

- 1.16.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 1.16.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.
- 1.16.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- 1.16.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
- 1.16.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- 1.16.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

**1.17. Fair Value measurement**

- 1.17.1. The Company measures certain financial instruments at fair value at each reporting date.
- 1.17.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.
- 1.17.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.
- 1.17.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the 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.
- 1.17.5. 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)
- 1.17.6. 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.
- 1.17.7. 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.

Statement of Significant Accounting Policies



**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

- 1.17.8. 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.

**1.18. Financial Assets**

**1.18.1. Initial recognition and measurement**

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

**1.18.2. Subsequent measurement**

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

**Debt instruments at amortised cost**

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

The asset is held within a business model whose objective is

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

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

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

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

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

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

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains 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.

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**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

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.

**1.18.3. De-recognition**

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

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

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

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

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit 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.

**1.18.4. Impairment of financial assets**

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

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.

**1.19. Financial Liabilities**

**1.19.1. Initial recognition and measurement**

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

Financial 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.

**1.19.2. Subsequent measurement**

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

**Financial Liabilities at Fair Value through Profit 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.

**1.19.3. De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same

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**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**1.20. Financial guarantees**

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

**1.21. Offsetting of financial instruments**

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

**1.22. Taxes on Income**

**1.22.1. Current Tax**

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

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

**1.22.2. Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

**1.23. Earnings per share**

**1.23.1.** 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.

**1.23.2.** 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.

*[Handwritten signatures]*



Statement of Significant Accounting Policies





**BHARAT GAS RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2019**

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

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

**1.25. Cash and Cash equivalents**

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and 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.

**1.26. 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.

**1.27. The Company has adopted materiality threshold limits in the preparation and presentation of financials statements as given below:**

Threshold Item	Accounting Policy Reference	Unit	Threshold Limit Value
Expenditure on certain items of Property, Plant and Equipment charged to revenue in each case	1.2.5	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
Lease agreements in respect of land	1.8.1	Period (years)	99
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

*[Handwritten signature]*



Statement of Significant Accounting Policies

**Note 2: Capital Work in Progress**

Particulars	As at March 31, 2019
<b>Capital Work in Progress</b>	
Property, Plant and Equipment under construction	55.99
<b>Allocation of Construction period expenses</b>	
Opening Balance	-
Add: Expenditure during the period	787.34
Closing Balance pending allocation	787.34
<b>Total</b>	<b>843.33</b>

During the period ended March 31, 2019, the company has incurred INR 787.34 Lakhs in respect of CGD Authorisations won in 13 Gas in Bid Round 9 and 10 conducted by PNGRB.

**Note 3: Other Financial Assets**

Particulars	As at March 31, 2019
<b>Non-Current</b>	
Security Deposit	12.38
	12.38
<b>Current</b>	
Interest Receivable on Bank Deposits	47.67
	47.67
<b>Total</b>	<b>60.05</b>

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

Particulars	As at March 31, 2019
Prepaid expenses	2.14
Receivable from revenue authorities	
- TDS Receivable (FY 18-19)	19.50
- VAT Recoverable	0.25
<b>Total</b>	<b>21.89</b>

**Note 5: Cash and cash equivalents**

Particulars	As at March 31, 2019
Balances with banks	
- in current accounts	2,297.09
- Deposits with maturity of less than three months	13,167.76
Cash on hand	-
<b>Total</b>	<b>15,464.85</b>

**Note 6: Other Current assets**

Particulars	As at March 31, 2019
<b>Unsecured considered good</b>	
Prepaid Expenses	1.17
<b>Total</b>	<b>1.17</b>





**Note 7: Equity share capital and Other Equity**

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

(i)

Particulars	As at March 31, 2019
<b>Authorised</b>	
2,00,00,00,000 equity shares	200,000.00
<b>Issued, subscribed and paid-up *</b>	
16,00,00,000 equity shares fully paid-up	16,000.00

\* The Company is having issued, subscribed and paid up share capital as on 31.03.2019, Rs. 160 crores (16 crores shares of Rs. 10/- each). However as per Memorandum of Association filed with Registrar of Companies at the time of incorporation of the Company, subscribers of Memorandum of Association subscribed 200 crores shares of Rs. 10/- each aggregating Rs. 2000/- crores. The above error is under process of rectification. The same has been noted in the Meeting of the Board of Directors held on 26.06.2018.

**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 March 31, 2019 (Nos in lakhs)	Percentage held as at March 31, 2019
Bharat Petroleum Corporation Limited (including those held through nominees of BPCL)	1,600.00	100%

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

Particulars	As at March 31, 2019
Opening Balance	-
Shares Issued	1,600.00
<b>Closing Balance</b>	<b>1,600.00</b>

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

Particulars	As at March 31, 2019 (Nos in lakhs)	Percentage held as at March 31, 2019
Bharat Petroleum Corporation Limited (including those held through nominees of BPCL)	1,600.00	100%

**7 (b) Other Equity**

Particulars	As at March 31, 2019
<b>(i) Retained Earnings</b>	
Opening Balance	-
Net profit for the period	(1,038.33)
	(1,038.33)
Items of other comprehensive income recognised directly in retained earnings	-
<b>Closing Balance</b>	<b>(1,038.33)</b>
<b>(ii)</b>	
Advance for Equity Share pending application *	861.69
	<b>861.69</b>
<b>TOTAL OTHER EQUITY</b>	<b>(176.64)</b>

\* The given amount has been incurred by Parent Company on behalf of the Company for which the Company will be issuing Equity Shares at a future date subject to applicable statutory provisions and as approved in the meeting of Board of Directors held on 17-May-2019.



**Bharat Gas Resources Limited**  
**Notes to the financial statements**  
 (All amounts are in INR Lakhs, unless otherwise stated)

<b>Note 8: Trade Payables</b>	
<b>Particulars</b>	<b>As at March 31, 2019</b>
Due to Others	137.63
<b>Total</b>	<b>137.63</b>

<b>Note 9: Other Financial Liabilities</b>	
<b>Particulars</b>	<b>As at March 31, 2019</b>
<b>Current</b>	
EMD/SD from vendors	15.12
<b>Total</b>	<b>15.12</b>

<b>Note 10: Other Current liabilities</b>	
<b>Particulars</b>	<b>As at March 31, 2019</b>
Dues to Micro and Small Enterprises	52.55
Other Liabilities	759.97
Statutory Liabilities	29.19
<b>Total</b>	<b>841.72</b>

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**Bharat Gas Resources Limited**  
**Notes to the financial statements**  
**(All amounts are in INR Lakhs, unless otherwise stated)**

**Note 11: Other income**

Particulars	Period Ending March 31, 2019
Interest income from Bank deposits	194.95
Interest income from Financial Assets recognised at amortised cost	0.18
<b>Total other income</b>	<b>195.13</b>

**Note 12: Other expenses**

Particulars	Period Ending March 31, 2019
Pre Incorporation Expenses *	300.02
Bidding Related Expenses	780.70
Bank Charges	36.91
Rent	37.27
Postage & Courier Exp. and Telephone Exp.	1.56
Professional & Legal expenses	493.82
Printing & Stationery	3.45
Remuneration to auditors	4.00
Other Charges	2.29
<b>Total Expenses</b>	<b>1,660.01</b>

**12 (a) Details of remuneration to auditors**

Particulars	Period Ending March 31, 2019
<b>Remuneration to Auditors</b>	
<b>As auditor:</b>	
Audit fee	4.00
<b>Total</b>	<b>4.00</b>

\* represents full amount of expenditure.



**Note 13: Leases**

**Operating Leases**

Leases as Lessee

The Company has entered into operating lease arrangement with IL&FS for its office premises at BKC for a period of five years w.e.f. 1-Feb-2019 with a lock-in-period of three years. The Basic monthly service charge (Rent) is Rs. 15,70,950/- which will remain same during the entire Five years as per agreement without any escalation. The details of the lease payments to be made across the non-cancellable period of the above lease arrangement are given below :

a) The future minimum lease payments under Non cancellable leases payable as at the period ending are as follows:

Particulars (Basic Monthly Rent)	As at March 31, 2019
i) Less than one year	188.51
Between one and five years	345.61
More than five years	-
ii) Lease Rentals recognized in the Statement of Profit and Loss	37.07

**Note 14: 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 15: Employee Benefit Obligations**

All of the employees for the FY 18-19 are on deputation from Bharat Petroleum Corporation Limited (BPCL). For the FY 18-19 all Employee Benefit Expenditure is appearing under Capital Work in Progress in Balance sheet based on the provision created by BPCL in its books. The debit note from BPCL giving the breakup of employee benefits including retirement benefits towards Provident Fund, Gratuity, etc is yet to be received.

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 16: 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, 2019
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 17: Earnings Per Share (EPS)**

Particulars	Period Ending March 31, 2019
Net profit attributable to the Equity shareholders of the Company (Amount in INR Lakhs)	(1,038.33)
Weighted average number of ordinary shares	1,600.00
Ordinary Shares Issued during the period	
Weighted average number of shares at period end for basic and diluted EPS (Nos. in lakhs)	1,600.00
Basic & Diluted EPS (INR)	(0.65)





**Note 18: Related Party Transactions**

**(a) Parent Entity**

The company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest
			March 31, 2019
Bharat Petroleum Corporation Ltd. (BPCL)	Immediate and Ultimate parent entity	India	100.00%

**(b) Key Management Personnel**

Shri D. Rajkumar, Director  
Shri R. Ramachandran, Director  
Shri A. K. Singh, Director  
Shri R. P. Natekar, Director  
Shri N. Vijayagopal, Director (w.e.f. 13-Dec-2018)  
Shri B. Gangani, Company Secretary (w.e.f. 17-May-2019)

**(c) Transactions with related parties**

The following transactions occurred with related parties:

Particulars	Period Ending March 31, 2019
<i>Sales and Purchases of goods and services</i>	
Recovery of BG Commission Charges (payable to parent entity)	194.04
Reimbursement of expenses including Salaries and others (payable to parent entity)	766.83
<i>Other Transactions</i>	
Issue of Equity Shares to parent entity	16,000.00
Advance for Equity Share pending application	861.69
Corporate Guarantee given by Parent Company on behalf of Company	23,899.00
PBG given by Parent Company on behalf of Company	16,600.00

**(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 March 31, 2019
Payable at period end	657.57
Advance for Equity Share pending application	861.69
<b>Total</b>	<b>1,519.26</b>

The outstanding balances are unsecured and are settled in cash except advance against equities which are settled in equity.



**Note 19: 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 31.03.2019	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amort. Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Cash and Cash Equivalents	-	-	15,464.85	<b>15,464.85</b>				
Others								
Non - Current	-	-	12.38	<b>12.38</b>	-	12.38	-	<b>12.38</b>
Current	-	-	47.67	<b>47.67</b>				
<b>Total Financial Assets</b>	-	-	<b>15,524.90</b>	<b>15,524.90</b>				
<b>Financial Liabilities</b>								
Trade Payables	-	-	137.63	<b>137.63</b>				
Others								
Current	-	-	15.12	<b>15.12</b>				
<b>Total Financial Liabilities</b>	-	-	<b>152.75</b>	<b>152.75</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 19: 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 31.03.2019	Contractual Cash Flows				
	Upto 1 yr	1 - 3 yrs	3 - 5 yrs	3 - 5 yrs	Total
<b>Non-derivative financial liabilities</b>					
Trade payables	137.63	-	-	-	137.63
Other financial liabilities	841.72	-	-	-	841.72

**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 20: Tax Reconciliation**

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

Particulars	Period Ending March 31,2019
Current income tax	
Deferred income tax liability / (asset), net	(426.55)
<b>Tax Expense for the period</b>	<b>(426.55)</b>

**(b) Reconciliation of effective tax rate**

Particulars	Period Ending March 31,2019
<b>Profit before tax</b>	<b>(1,464.88)</b>
Tax using the Company's Domestic tax rate (@ 29.12%)	(426.57)
<b>Tax effect of:</b>	
Expenses not deductible for tax purposes	0.07
Others	(0.05)
<b>Tax expense/(income) for the period</b>	<b>(426.55)</b>

**(c) Movement in deferred tax balances**

Particulars	Op. Bal.	Recognised in profit or loss	Closing Bal.	Deferred tax Asset
<b>Deferred tax Assets</b>				
Other Items	-	240.09	240.09	69.89
Tax Losses c/f	-	1,224.79	1,224.79	356.66
<b>Total</b>	-	<b>1,464.88</b>	<b>1,464.88</b>	<b>426.55</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	Period Ending March 31,2019	
	Gross amount (INR in Lakhs)	Expiry date
<b>Business loss</b>	<b>(1,224.79)</b>	<b>FY 2026-27</b>



**Note 21: 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 22:**

Since the company doesn't have any Revenue in the Current Financial period, IND AS '115' 'Revenue from Contracts with Customers' is not applicable.

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

Particulars	Period Ending March 31, 2019
(a) Contingent Liabilities:	
(b) Capital Commitments :	
Estimated amount of contracts remaining to be executed on capital account and not provided for.	2,424.22

**Note 24:**

The Company is having paid up share capital more than Rs. 10 crores, hence is required to appoint Whole Time Company Secretary and Chief Financial officer pursuant to provisions of the Section 203 of the Companies Act, 2013 read with Rules applicable thereon. The Company has appointed Whole Time Company Secretary with effect from 17.05.2019. The Company is under process of appointment of Chief Financial Officer.

**Note 25:**

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. However no financial impact on same is there in the current Financial period.

**Note 26:**

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

**Note 27:**

The company is in its first year of operation w.e.f. 7-Jun-2018, previous year figures are not applicable.

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

  
**R. P. Natekar**  
 Director  
 DIN: 07858989

  
**N. Vijayagopal**  
 Director  
 DIN: 03621835

  
**Bharat Gangani**  
 Company Secretary  
 Place : New Delhi  
 Date : 17th May 2019



As per our report of even date attached  
**For M/s Chokshi & Chokshi LLP**  
 FRN: 101872W/W100045  
 Chartered Accountants





**Nilesh Joshi**  
 Partner  
 Membership No : 114749  
 Place of signing: Mumbai