

ANNUAL REPORT

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BHARAT PETRORESOURCES JPDA LIMITED

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Statutory Auditors

Jeswani & Rathore,
Chartered Accountants

Bankers

State Bank of India
BNP Paribas

Registered Office

Bharat Bhavan,
4 & 6 Currimbhoy Road,
Ballard Estate, Mumbai 400001
Tel : 022-22713000
Fax : 022-22713874
CIN : U23209MH2006GOI165279

Secretarial Auditors

Dholakia & Associates LLP
Company Secretaries

Corporate Office

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



MAP OF VENUE

Board of Directors



D. Rajkumar
(upto 30.09.2016)



Ajay Kumar V.



Pankaj Kumar



P.C. Siva
(upto 30.6.2016)



Easwaran Mahadevan



Milind S. Patke
(w.e.f 09.11.2016
upto 01.07.2017)



Barnali Tokhi
(w.e.f. 30.06.2017)

NOTICE TO THE MEMBERS

Notice is hereby given that the 10th Annual General Meeting of the members of Bharat PetroResources JPDA Limited will be held at the Registered office of the Company at Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai 400001, on , Monday, 4th September, 2017, at 1100 hrs to transact the following Businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2017, the Directors' Report and the Report of the Statutory Auditors.
2. To appoint a Director in place of Shri Easwaran Mahadevan (DIN No 07557309) who retires by rotation. Shri Easwaran Mahadevan, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Smt Barnali Barua Tokhi as Director

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

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Smt Barnali Barua Tokhi, (DIN No 07850177) who was appointed as additional Director w.e.f. 30.06.2017 and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board
Bharat PetroResources JPDA Limited
Sd/-
(Swapna Sawant)
Company Secretary (I/c)

Registered Office:

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

Date: 8th August, 2017

Tel: 022-22713000 Fax: 022-22713874

CIN No U23209MH2006GOI165279

Notes:-

1. The Explanatory Statement under Section 102 of the Companies Act, 2013, in respect of the item of Special Business is annexed hereto.
2. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies, in the alternative, to attend and vote instead of himself and such proxy need not be a Member.** Proxies, in order to be effective, should be duly completed & affixed with the revenue stamp and be deposited at the Registered Office of the Company not less than forty eight hours before commencement of the Meeting. A person can act as proxy on behalf of the 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 cannot act as proxy for any other person or shareholder.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**Item No.3 Appointment of Smt Barnali Barua Tokhi as Director**

Smt Barnali Barua Tokhi was appointed as Additional Director by the Board of Directors, under the provisions of Articles 9 and 11 of the Articles of Association of the Company read with section 161 of the Companies Act, 2013 with effect from 30.06.2017. Being, Additional Director, Smt Barnali Barua Tokhi holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice, u/s 160 of the Companies Act, 2013, from a member, proposing her name as a Director of the Company. Her brief resume is provided separately in the enclosure.

Smt Barnali Barua Tokhi is not disqualified from being appointed as Director in term of the Section 164 of the Companies Act, 2013. She neither holds any share in the Company nor has any relationship with other Directors and Key Managerial Personnel of the Company.

Except Smt Barnali Barua Tokhi, no other Director, Key Managerial Personnel or their relatives are interested in the Resolution.

The Directors recommend the Resolution at Item No 3 for the approval of the members of the Company.

By Order of the Board
For Bharat PetroResources JPDA Limited
Sd/-
(Swapna Sawant)
Company Secretary (I/c)

Registered Office:

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

Date: 8th August, 2017

Tel: 022-22713000 Fax: 022-22713874

CIN No U23209MH2006GOI165279

Brief Resume of Directors seeking Appointment / Re-appointment at the 10th Annual General meeting

Name	Shri Easwaran Mahadevan	Smt Barnali Barua Tokhi
Date of Birth	8 th August 1963	31 st August,1965
Date of Appointment	1 st July 2016	30 th June, 2017
Qualifications	B.Tech (Chem) I.I.T. Delhi	M.SC (Geology)
Experience in specific functional areas	<p>Shri Easwaran Mahadevan has vast experience of over 32 years in various positions in BPCL.</p> <p>Prior to joining as Vice President (Assets) in BPRL, he has held senior positions at BPCL in downstream projects, ERP implementation and Central procurement responsible for Direct, Indirect and Project purchases.</p> <p>Presently, he is responsible for Management of upstream assets in Africa, Australia and Asia in BPRL.</p>	<p>Barnali Barua Tokhi has vast experience of over 29 years in exploration and development field in the upstream oil and gas industry traversing across onland, offshore, deepwaters and shale gas regimes. Her skill sets include Seismic and petrophysical data interpretation and mapping, Reservoir analysis, Reserves Estimation and techno-economic assessment. Prior to joining BPRL she has worked in RIL as DGM/Principal geoscientist in East coast deepwaters and American Shale gas plays and in ONGC as development geologist the responsibilities included Resource estimation and FDP preparation for giant oil and gas fields. Directorships held in other Companies.</p>
Directorships held in other Companies	<p>Director</p> <p>1) BPRL International B.V. 2) BPRL Ventures Mozambique B.V. 3) BPRL Ventures Indonesia B.V.</p>	-
Memberships/ Chairmanships of Audit Committee	Member- Audit Committee – Bharat PetroResources JPDA Ltd	Member Audit Committee, Bharat PetroResources JPDA Limited
No of Shares held in Company	10	-

DIRECTORS' REPORT

The Directors present their 10th Report of Bharat PetroResources JPDA Limited for the financial year ended 31st March 2017.

BACKGROUND AND BUSINESS ACTIVITIES OF THE COMPANY

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

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

In view of the uncertainty arising out of arbitration proceedings, the Joint Venture (JV) had submitted its request to ANP for termination of PSC without claim or penalty. ANP, however rejected the claim of the JV and delivered its notice to terminate the PSC imposing Contractors Liability upon Termination. JV, while accepting the termination requested for negotiation for amicable settlement of contractor's liabilities upon termination which is still under consideration. As the Regulator has terminated the PSC and only the final settlement is required to be carried out and also considering that BPR JPDA was formed only for holding PI in the specific block and does not have any other business, the financial statements of BPR JPDA for the FY 2016-17 has been prepared on the basis other than going concern.

Ministry of Corporate Affairs (MCA) vide their notification dated 16th February 2015 notified the Companies (Indian Accounting Standards) Rules, 2015 applicable for companies having net-worth of ₹ 500 crores or more or for subsidiary company of a Listed Company for accounting periods beginning on or after 1st April 2016. Accordingly, the Company being a subsidiary of BPRL, Ind AS is applicable to the Company from financial year 2016-17 onwards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP". As per the requirements of Ind AS, the Company has prepared the financial statement for the year ended 31st March 2017, 31st March 2016 and the opening Ind AS Balance sheet as on the date of Transition i.e. 1st April 2015. In preparing the Ind AS Balance Sheet as at 1st April 2015 and in presenting the comparative information for the year ended 31st March 2016, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP.

As on 31st March 2017, the Company has authorized and paid up share capital of ₹ 60 crore. The amount of the unsecured loan was ₹ 38.88 crores. Further, the Company has incurred ₹ 129.35 lakhs expenditure during the year 2016-17. The Company has recorded current year loss of ₹ 86.49 lakhs crores as on 31st March, 2017.

The Comptroller and Auditor General of India (C&AG) has vide letter dated 12.07.2017 which is enclosed to the Directors' Report as Annexure E, stated that they have decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31st March 2017 under Section 143(6)(a) of the Act.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended 31st March 2017.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the financial year 2016-17.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RISK MANAGEMENT AND FINANCIAL CONTROLS

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

NUMBER OF MEETINGS OF THE BOARD

There were 7 meetings of the Board held during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

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 A.

HUMAN RESOURCES AND EMPLOYEES PARTICULARS

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

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

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

VIGILANCE

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

CORPORATE GOVERNANCE REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable Accounting Standards have been followed and there are no material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2017 and of the profit and loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on the principle other than going concern.
5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Shri P. C. Siva, President (Services), BPRL relinquished the office of Director w.e.f. 1st July 2016 on his retirement from BPCL. Shri D. Rajkumar ceased to be Director of the Company w.e.f. 01.10.2016. Shri Milind S. Patke, President (Assets & Services), BPRL was appointed as Additional Director w.e.f. 09.11.2016. He ceased to be Director of the Company w.e.f. 01.07.2017. The Directors have placed on record their deep appreciation and gratitude for the valuable contributions made by them in the deliberations of the Board meetings and Audit Committee meetings and for the guidance and the support by them for the development and progress of the business of the Company during their tenure.

Smt Barnali Barua Tokhi, Vice-President (Technical), BPRL was appointed as Additional Director w.e.f. 30.06.2017. Being Additional Director, she holds office till the ensuing Annual General Meeting. The notice under Section 160 of the Act has been received from a member proposing her name for appointment as Director at the ensuing Annual General Meeting.

Shri Narendra Dixit ceased to be Company Secretary (I/c) of the Company w.e.f. 01.06.2017 and Smt Swapna Sawant was appointed as Company Secretary (I/c) in his place w.e.f. 30.06.2017.

As required under the Companies Act, 2013, Shri Easwaran Mahadevan, Director will retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment as Director at the said Meeting.

AUDIT COMMITTEE

As on 31st March 2017, the Audit Committee of the Company comprised of Shri Ajay Kumar V., Shri Easwaran Mahadevan and Shri Milind S. Patke. Shri Ajay Kumar V. acts as the Chairman of the Committee. Smt Barnali Barua Tokhi was appointed as member w.e.f. 30.06.2017 post cessation of Shri Milind S. Patke from the office of Director w.e.f. 01.07.2017. The Audit Committee is functioning in accordance with requirements of the terms of reference set out for it by the Board of Directors.

STATUTORY AUDITORS

M/s Jeswani & Rathore, Chartered Accountants were appointed as Statutory Auditors of the Company for the financial year ended 31st March, 2017 by the C&AG under the provisions of Section 139 of the Companies Act, 2013. They will hold office till the ensuing AGM. The C&AG has been approached for the appointment of Statutory Auditors for the financial year ending 31st March 2018.

SECRETARIAL AUDITOR

M/s Dholakia & Associates LLP, Company Secretaries was appointed to carry out the Secretarial Audit of the company for the financial year ended 31st March 2017, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report is enclosed as Annexure B. They have made observations on the non compliance regarding appointment of Independent Directors, constitution/reconstitution of Nomination & Remuneration Committee and Audit Committee. As the Company is a Government Company under the administrative control of Ministry of Petroleum & Natural Gas, appointment of Independent Directors can be made only after receiving nomination from Govt. of India. After receiving nomination from Govt. of India, the Company will be able to comply the requirements, as indicated in the Secretarial Audit Report.

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

Currently, the Company is having participating interest in the Block JPDA 06-103. The Operator in this block is Oilex (JPDA) 06-103 Limited and all the exploration activities are carried out by the Operator. Since, the Company is not directly involved in the execution of works related to the block, activities related to conservation of energy and technology absorption are not applicable at this stage of operation.

Foreign Exchange earning - Nil

Foreign Exchange Outgo - ₹ 6.01 Lakhs

ACKNOWLEDGEMENTS

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

For and on Behalf of the Board of Directors

Sd/-
(Ajay Kumar V.)
Chairman

Date : 8th August, 2017

Place : Mumbai

Annexure A

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR
ENDED ON 31ST MARCH 2017**

[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	U23209MH2006GOI165279
ii)	Registration Date	28 th October 2006
iii)	Name of the Company	Bharat PetroResources JPDA Ltd
iv)	Category / Sub-Category of the Company	Company Limited by Share / Indian Government Company
v)	Address of the Registered office and contact details	Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai-400001 Tel: 022-22713000 Fax: 022-22713874
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and transfer Agent, if any	Not applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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 400001	L23220MH1952GOI008931	Holding Company	100% *	Section 2(46)
2	Bharat PetroResources Limited Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai 400001	U23209MH2006GOI165152	Holding Company	100%	Section 2(46)

*holding Company of Bharat PetroResources Ltd

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

i) Category-wise Share Holdings:

Category of Shareholders	No. of Shares held at the beginning of the year (1 st April 2016)				No. of Shares held at the end of the year (31 st March 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	59999940	59999940	59999940	100%	0	59999940	59999940	100%	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	60	60	0	0	60	60	0	0
Sub-total (A) (1):-	0	60000000	60000000	100%	0	60000000	60000000	100%	0
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	60000000	60000000	100%	0	60000000	60000000	100%	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year (1 st April 2016)			No. of Shares held at the end of the year (31 st March 2017)			% Change during the year
	Demat	Physical	% of Total Shares	Demat	Physical	% of Total Shares	
2. Non-Institutions							
a) Bodies Corp.							
i) Indian	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0
b) Individuals							
i) Individual shareholders holding nominal share capital upto ` 1 lakh	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	60000000	60000000	0	60000000	60000000	0%

(ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1.4.2016)				Share holding at the end of the year (as on 31.3.2017)				% 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	% of Shares		
									% of Shares	
1	Bharat PetroResources Ltd*	59999940	100	0	59999940	100	0	0	0	0
2	Shri P.C. Siva	10	0	0	0	0	0	0	0	0
3	Shri Easwaran Mahadevan	10	0	0	10	0	0	0	0	0
4	Shri Milind S. Patke	0	0	0	10	0	0	0	0	0
5	Shri Prasanna Kumar sahuo	10	0	0	10	0	0	0	0	0
6	Shri Kalyan Mukherjee	10	0	0	10	0	0	0	0	0
7	Shri Sam Kurian	10	0	0	10	0	0	0	0	0
8	Shri Narendra Dixit	10	0	0	10	0	0	0	0	0
	Total	60000000	100	0	60000000	100	0	0	0	0

*wholly owned subsidiary of Bharat Petroleum Corporation Ltd.

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

Sl. No.	Particulars	Shareholding at the beginning of the year 1.4.2016		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (as on 1.4.2016) Shri P.C. Siva	10	0	0	0
2	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) Shri P.C. Siva (Decrease on transfer 29/08/2016) Shri Milind S. Patke (Increase on transfer 29/08/2016)	10 0	0 0	0 10	0 0
3	At the end of the year (as on 31.3.2017) Shri Milind S. Patke (Increase on transfer)	0	0	10	0

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	At the beginning of the year as on (1.4.2016)	0	0	0	0
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
3	At the end of the year (as on 31.3.2017)	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (as on 1.4.2016)					
1	Shri D. Rajkumar (upto 30.9.2016)	0	0	0	0
2	Shri P.C. Siva (upto 30.06.2016)	10	0	0	0
3	Shri Ajay Kumar V.	0	0	0	0
4	Shri Pankaj Kumar	0	0	0	0
5	Shri Narendra Dixit	10	0	10	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Date of increase / decrease	Reasons		
	Shri P.C. Siva	29/08/2016	Decrease/Transfer	0	0
	Shri Easwaran Mahadevan (*holding shares before inducted as Director)	26/10/2015*	Increase/Transfer	10	0
At the end of the year (i.e. 31.3.2017)					
1	Shri Ajay Kumar V.	0	0	0	0
2	Shri Pankaj Kumar	0	0	0	0
3	Shri Easwaran Mahadevan	10	0	10	0
4	Shri Milind S. Patke	0	0	10	0
5	Shri Narendra Dixit	10	0	10	0

V. INDEBTEDNESS

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

₹ in Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1.4.2016)				
i) Principal Amount	0	3841.20	0	3841.20
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)		3841.20	0	3841.20
Change in Indebtedness during the financial year				
i) Addition	0	47.00	0	47.00
ii) Reduction	0	0	0	0
Net Change		47.00		47.00
Indebtedness at the end of the financial year (as on 31.3.2017)				
i) Principal Amount	0	3888.20	0	3888.20
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	3888.20	0	3888.20

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has not paid any remuneration to the Directors and Key Managerial Personnel.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Annexure B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Issued in pursuance to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in Form MR-3]

To,

The Members,

Bharat PetroResources JPDA Limited

Bharat Bhavan, 4 & 6 Currimbhoy Road

Ballard Estate, Mumbai 400001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat PetroResources JPDA Limited (CIN:U23209MH2006GOI165279)** (hereinafter called the "Company") **for the financial year ended 31st March, 2017**. 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.

A. In expressing our opinion it must be noted that-

- i. 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.
- ii. 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 of our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- iv. The Company being a Central Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, including remuneration and evaluation, vests with the Government of India.
- v. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
- vi. The compliance and provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- vii. 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.

- B. 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, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company (being an unlisted entity) in the manner and subject to the reporting made hereinafter:
- C. 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, 2017 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. 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;
 - IV. None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company as the securities of the Company are not listed on any stock exchange, and the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are also not applicable to the Company since the shares of the Company are in physical form;
 - V. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.
 - VI. And since the Company has not yet commenced any production activities, Special Acts are not applicable.

We have also examined the compliance with Secretarial Standards in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

- a) The Company has not appointed Independent Directors to their Board pursuant to Section 149(4) of the Act read with Companies (Appointment & Qualification of Directors) Rules, 2014.
- b) The Company has not constituted Nomination and Remuneration Committee of the Board pursuant to Section 178(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 due to non-appointment of Independent Directors on the Board.
- c) The Company has not reconstituted its Audit Committee pursuant to Section 177 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 due to non-appointment of Independent Directors on the Board.

D. We further report that--

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors except that the Company has not appointed Independent Directors pursuant to Section 149(4) of the Act. 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 Companies Act, 2013 and the provisions pertaining to the constitution of the Board of Directors of the Company as provided in the Articles of Association of the Company.
 - II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - III. Majority decision is carried through and there was no instance of any director expressing any dissenting views.
- E.** We further report that there are reasonable systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- F.** None of the following events has taken place during the Financial Year under review-
- I. Public/Rights/Preferential Issue of Shares/Sweat equity etc.
 - II. Redemption/buy back of securities.
 - III. Major decisions in pursuance to section 180 of the Companies Act, 2013.
 - IV. Merger/ Amalgamation/Reconstruction, etc.
 - V. Foreign Technical Collaborations.

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)

Sd/-
CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place: Mumbai
Date: 10th July, 2017

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

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

There were seven Board Meetings held during the financial year on the following dates:-

29 th Apr 2016	30 th Jun 2016	29 th Jul 2016	29 th Aug 2016
27 th Sept 2017	7 th Nov 2016	27 th Jan 2017	

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

2. Audit Committee

The Company has constituted the Audit Committee in terms of the Companies Act, 2013. As on 31st March 2017, Shri Ajay Kumar V., Shri Easwaran Mahadevan and Shri Milind S. Patke were the members of Audit Committee. Till 30.09.2016, Shri D. Rajkumar used to chair the Audit Committee meetings. Thereafter, Shri Ajay Kumar V. chairs all the Audit Committee meetings. The quorum for the meetings of the Committee is 2 members. The Directors possesses the requisite knowledge of finance & accounting for effective functioning of the Audit Committee.

There were five Audit Committee meetings held during the financial year on the following dates:-

29 th Apr 2016	29 th Jul 2016	29 th Aug 2016	7 th Nov 2016	27 th Jan 2017
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The attendance of the members for the Audit Committee meetings during the financial year is given below:-

Name of the Member	No of meetings attended	Name of the Member	No of meetings attended
Shri Ajay Kumar V.	5	Shri Easwaran Mahadevan	4*
Shri Milind S. Patke	1#		

* out of 4 meetings during the tenure

out of 1 meeting during the tenure

The Audit Committee reviewed the annual financial statements for the financial year 2016-17 as its meeting held on 11th May, 2017.

3. Annual General Meeting

The Annual General Meeting (AGM) will be held on Monday, 4th September, 2017 at 1100 hrs at the Registered office at Bharat Bhavan, 4 &6 Currimbhoy Road, Ballard Estate, Mumbai 400001.

4. Particulars of Directors including their attendance at the Board meetings during the year 2016-17

Names of the Directors	Academic Qualifications	Attendance out of 7 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	%			
Non Executive Directors						
Shri D. Rajkumar (upto 30.9.2016)	B.Tech (Elect) from Madras IIT, PGDM from I.I.M. Bangalore	5*	100*	Attended	Managing Director- Bharat PetroResources Ltd	Chairman- Audit Committee Bharat PetroResources JPDA Ltd
Shri Ajay Kumar V	M.Sc (Geology) with 1st rank from University of Kerala	7	100	Attended	Managing Director (I/c) and Director (Operations & Business Development) - Bharat PetroResources Ltd 1) BPRL International Singapore Pte. Ltd. 2) Taas India Pte. Ltd. 3) Vankor India Pte. Ltd	Chairman- Audit Committee Bharat PetroResources JPDA Ltd
Shri P.C. Siva (upto 30.06.2016)	B.E. (Mech)	2*	100*	N.A.	---	Member- Audit Committee Bharat PetroResources JPDA Ltd
Shri Pankaj Kumar	F.C.A., I.C.W.A.	5	71	Attended	Director (Finance), Bharat PetroResources Ltd Director 1) BPRL International BV 2) BPRL Ventures B.V. 3) BPRL Ventures Mozambique B.V. 4) BPRL Ventures Indonesia B.V.	--
Shri Milind S. Patke (w.e.f.9.11.2016)	B.E. (Mech) Delhi, PGPMX from IIM Indore	1*	100*	N.A.	Director 1) Taas- Yuryakh Neftegazodobycha LLC 2) BPRL International B.V. 3) BPRL Ventures B.V.	Member- Audit Committee - Bharat PetroResources JPDA Ltd
Shri Easwaran Mahadevan (w.e.f. 1.7.2016)	I.I.T. Delhi Chemical engineer	5*	100*	Not Attended	Director 1) BPRL International B.V. 2) BPRL Ventures Mozambique B.V. 3) BPRL Ventures Indonesia B.V.	Member- Audit Committee - Bharat PetroResources JPDA Ltd

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

5. Annual/Extraordinary General Meetings during last three years

Meeting type	Date and Time of the Meeting	Venue	Subject for Special Resolution Passed
Annual General Meeting	5 th September 2014 at 10.30 a.m.	Registered office at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001	Approval for Borrowing Powers of the Company
Annual General Meeting	24 th August 2015 at 11.00 a.m.	Registered office at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001	-----
Annual General Meeting	15 th September 2016 at 12.00 noon	Registered office at Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001	-----

6. Remuneration to Directors

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

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

7. Disclosures

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

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

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Bharat PetroResources JPDA Limited

I have examined the compliance of the conditions of Corporate Governance by Bharat PetroResources JPDA Limited, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India, for the financial year ended 31st March, 2017.

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

In my opinion and to the best of my information and according to the explanation given to me by the management, I hereby certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Ministry of Heavy Industries and Public Enterprises as aforesaid with the exception of appointment of requisite number of Independent Directors on the Board. Absence of requisite number of Independent Directors had an impact on the proper constitution of Audit Committee and Nomination & Remuneration Committee.

I 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.

Sd/-

U.C. Shukla

Company Secretary

FCS: 2727/CP: 1654

Place: Mumbai

Date: 10th July, 2017

Annexure D

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013

The preparation of financial statements of Bharat PetroResources JPDA Limited for the year ended 31st March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, 2013 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 11th May 2017.

I, on behalf of the Comptroller and Auditor General of India, decided not to conduct the supplementary audit of the financial statements of Bharat PetroResources JPDA Limited for the year ended 31st March 2017 under Section 143(6)(a) of the Act.

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

Sd/-

Tanuja Mittal

Principal Director of Commercial Audit &
ex-officio Member Audit Board II, Mumbai

Place : Mumbai

Date: 12th July 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BHARAT PETRORESOURCES JPDA LIMITED

1. Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **BHARAT PETRORESOURCES JPDA LIMITED** ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss (including other comprehensive income), the cash flows statement and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

2. Management's Responsibility for the Standalone Financial Statements

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

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true

and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) The financial statement(s) indicate that the Company has accumulated losses and has negative net worth. The Company has incurred a net loss of ₹ 86.49 Lakh during the current year (Previous Year loss - ₹ 202.43 Lakh) as at the balance sheet date. These conditions, along with other matters set forth in Note 3 & 12, indicates the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern and therefore the directors have decided to prepare the financial statements on a basis other than that of a going concern.
- b) Note 20 - Information pertaining to interest in Joint Venture, we would like to state that, the information relating to the same is provided on the basis of audited financial statements for the year ended 31st December, 2016 and unaudited billing statements for subsequent 3 months, as received from the operator of the Joint Venture for the year ended March 31, 2017. However the balance confirmation for the same has not yet been provided.

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 paragraph 3 and 4 of the order.
2. 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, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

- e. the Company, being a Government Company, the provisions Section 164(2) of the Act with regard to disqualification of Directors are not applicable in terms of Notification No GSR 463(E) dated 5th June 2015 from the Ministry of Corporate Affairs;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 standalone Ind AS financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 3 to the standalone Ind AS financial statements;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 16 to the standalone Ind AS financial statements.

For JESWANI & RATHORE
Chartered Accountants
F.R.N.: 104202W

Sd/-
SANGEETA S RASAL
(Partner)
M. No: 137789

Place: Mumbai
Date: 11th May, 2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2017, we report that:

1. In respect of its Fixed assets:

The Company does not own any fixed assets during the period hence sub-clause (a), (b) and (c) is not applicable to the Company.

The Company has incurred expenditure totaling to ₹ 8,915.68 Lakh up to March 31, 2017 on exploration and production of Oil/Gas. The same has been considered as Intangible assets under development. We have been informed that such expenditure is recorded by the Company based on details of such expenditure received from the operators of the respective exploration. In view of the termination of PSC during the year, the Company has provided for the total capital expenditure in its statement of profit and loss for the year.

2. In respect of its inventories:

As per information and explanation given to us and in our opinion, since the Company is still in exploration stage, the Company is not carrying any inventory and hence this clause is not applicable to the Company.

3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(a), 3(b) and 3(c) of the order are not applicable to the Company.

4. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not given loans, made investments, provided guarantees and securities, hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and accordingly the provisions contained in the Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company in this regards.

6. The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, however the management is of the view that the said requirements are not applicable to the company as it has not commenced production.

7. In respect of statutory dues:

a. According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable. According to the information and explanation given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March 2017 for a period of more than 6 months from the date they became payable.

- b. According to the information and explanations given to us and records examined by us, there are no disputed dues of Income Tax/Sales Tax/Service Tax/Customs Duty/Excise Duty/Value Added Tax/Cess.
8. According to the information and explanations given to us and based on the records made available to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
9. According to the information and explanations given to us and based on the records made available to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by or on the company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid managerial remuneration to managerial personnel.
12. In our opinion the company is not a nidhi Company and therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
16. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For JESWANI & RATHORE
Chartered Accountants
F.R.N.: 104202W

Sd/-
SANGEETA S RASAL
(Partner)
M. No: 137789

Place: Mumbai
Date: 11th May, 2017

Annexure - B to the Auditors' Report

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

1. Report on internal financial controls over financial reporting

We have audited the internal financial controls over financial reporting of **BHARAT PETRORESOURCES JPDA LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

2. 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.

3. Auditors' Responsibility

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

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

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

4. Meaning of Internal Financial Controls over Financial Reporting

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

preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

5. **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.

6. **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 31 March 2017, 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 JESWANI & RATHORE

Chartered Accountants

F.R.N.: 104202W

Sd/-

SANGEETA S RASAL

(Partner)

M. No: 137789

Place: Mumbai

Date: 11th May, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Particulars	Notes	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. ASSETS					
(1) Non-Current assets					
(a) Intangible assets under development	3	-	-	-	
Total Non-Current assets		-	-	-	
(2) Current Assets					
(a) Financial Assets					
(i) Cash and cash equivalents	4	15.54	102.40	162.89	
(ii) Other	5	-	9.49	8.96	
(b) Other current assets	6	0.83	-	0.19	
Total Current Assets		16.37	111.89	172.04	
TOTAL ASSETS		16.37	111.89	172.04	
II. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital	7	6,000.00	6,000.00	6,000.00	
(b) Other equity	8	(12,161.61)	(12,075.12)	(11,872.69)	
Total Equity		(6,161.61)	(6,075.12)	(5,872.69)	
(2) Non-Current Liabilities					
(a) Financial liabilities					
(i) Borrowings	9	3,888.20	3,841.20	3,841.20	
Total Non-Current Liabilities		3,888.20	3,841.20	3,841.20	
(3) Current Liabilities					
(a) Financial liabilities					
(i) Other financial liabilities	10	20.42	24.16	12.66	
(b) Other current liabilities	11	0.01	-	0.20	
(c) Provisions	12	2,269.35	2,321.65	2,190.68	
Total Current Liabilities		2,289.78	2,345.81	2,203.54	
TOTAL LIABILITIES		6,177.98	6,187.01	6,044.74	
TOTAL EQUITY AND LIABILITIES		16.37	111.89	172.04	

Significant accounting policies 2

Notes to the financial statements 3-26

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date

For and on behalf of
Jeswani & Rathore
Chartered Accountants
FRN. 104202W

Sd/-
Sangeeta S. Rasal
Partner
Membership No. 137789

Place: Mumbai
Dated: 11th May, 2017

For and on behalf of the Board of Directors

Sd/-
V. Ajay Kumar
Director
DIN No. 05160445

Sd/-
S.M. Easwaran
Director
DIN No. 07557309

Sd/-
Pankaj Kumar
Director & CFO
DIN No. 07245781

Sd/-
Narendra Dixit
Company Secretary (I/c)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Particulars	Notes	₹ in Lakhs	₹ in Lakhs
			For the year ended March 31, 2017	For the year ended March 31, 2016
	Revenue			
I.	Other income	13	52.88	-
II.	Total Income		52.88	-
III.	Expenses			
	Provision towards impairment	3	129.35	62.74
	Other Expenses	14	10.02	139.69
IV.	Total Expenses		139.37	202.43
V.	Profit/(Loss) before Exceptional Items and Tax		(86.49)	(202.43)
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) before Tax		(86.49)	(202.43)
VIII.	Tax expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
IX.	Profit/(Loss) for the period		(86.49)	(202.43)
X.	Other Comprehensive Income		-	-
XI.	Total Comprehensive Income for the period		(86.49)	(202.43)
XII.	Earnings per equity share	15		
	(1) Basic		(0.14)	(0.34)
	(2) Diluted		(0.14)	(0.34)

Significant accounting policies

2

Notes to the financial statements

3-26

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date

For and on behalf of the Board of Directors

For and on behalf of
Jeswani & Rathore
Chartered Accountants
FRN. 104202W

Sd/-
V. Ajay Kumar
Director
DIN No. 05160445

Sd/-
Pankaj Kumar
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DIN No. 07245781

Sd/-
Sangeeta S. Rasal
Partner
Membership No. 137789

Sd/-
S.M. Easwaran
Director
DIN No. 07557309

Sd/-
Narendra Dixit
Company Secretary (I/c)

Place: Mumbai
Dated: 11th May, 2017

Statement of Cash Flow for the year ended March 31, 2017

Particulars	₹ in Lakhs	₹ in Lakhs
	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash Flow from Operating Activities		
Profit / (Loss) before tax	(86.49)	(202.43)
Adjustments for:		
Non-cash items	-	-
Provision towards impairment	129.35	62.74
Other Provisions	-	3.11
Net unrealised exchange (gain) / loss	(52.98)	122.71
Operating Profit / (Loss) before Working Capital changes	(10.12)	(13.87)
Decrease/ (Increase) in Current Assets	8.66	(0.34)
(Decrease)/ Increase in Current Liabilities	(3.74)	8.19
Increase / (Decrease) in Provisions	0.68	8.26
A Net Cash Flow from/ used in Operating Activities	(4.52)	2.24
Net Cash Flow from Investing Activities		
Additions to Intangible Assets under Development	(129.35)	(62.74)
B Net Cash Flow from/used in Investing Activities	(129.35)	(62.74)
Net Cash Flow from Financial Activities		
Proceeds from long-term borrowings	47.00	-
C Net Cash Flow from/used in Financing Activities	47.00	-
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(86.86)	(60.50)
Cash and cash equivalents at the beginning of the year		
Bank Balance	102.40	162.89
Cash and cash equivalents at the end of the year		
Bank Balance	15.54	102.40
Net change in Cash and Cash equivalents	(86.86)	(60.50)

Notes:

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

As per our attached report of even date

For and on behalf of
Jeswani & Rathore
Chartered Accountants
FRN. 104202W

Sd/-
Sangeeta S. Rasal
Partner
Membership No. 137789

Place: Mumbai
Dated: 11th May, 2017

For and on behalf of the Board of Directors

Sd/-
V. Ajay Kumar
Director
DIN No. 05160445

Sd/-
S.M. Easwaran
Director
DIN No. 07557309

Sd/-
Pankaj Kumar
Director & CFO
DIN No. 07245781

Sd/-
Narendra Dixit
Company Secretary (I/c)

Statement of Changes in Equity

(a) Equity share capital	Number of Shares	₹ in Lakh
Balance as at 1 April 2015	60,000,000	6,000.00
Changes in equity share capital during the year 2015-16	-	-
Balance as at 31 March 2016	60,000,000	6,000.00
Changes in equity share capital during the year 2016-17	-	-
Balance as at 31 March 2017	60,000,000	6,000.00
(b) Other equity	₹ in Lakh	
Particulars	Retained earnings	
Balance at April 1, 2015	(11,872.69)	
Profit/(Loss) for the year	(202.43)	
Other comprehensive income for the year	-	
Total comprehensive income for the year	(202.43)	
Balance at March 31, 2016	(12,075.12)	
Profit/(Loss) for the year	(86.49)	
Other comprehensive income for the year	-	
Total comprehensive income for the year	(86.49)	
Balance at March 31, 2017	(12,161.61)	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**1. Company Overview**

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

2. Statement of Significant Accounting Policies**2.1 Basis of preparation**

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

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

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

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 11th May 2017.

The Company was formed as a special purpose vehicle for undertaking the exploration activities in the block “JPDA 06-103” awarded by the Autoridade Nacional do Petroleo of Timor Leste (ANP) in which company currently holds 20% Participating Interest (P.I.). Thus, Production Sharing Contract (“PSC”) entered in relation to the Block is critical to the business model and existence of the company since the participating interest in the Block represented the sole operations of the Company. The Company as a part of the consortium has initiated the process to discontinue exploration in the Block and has completely ceased operations and has no alternative business plans. The company is not exploring any other alternatives.

Due to the above factors, the directors have decided to prepare the financial statements on a basis other than that of a going concern and the following policies were implemented:

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

2.2 Use of Judgement and Estimates

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

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2017 is included in below notes:

- Note 3 - impairment of non financial asset: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible asset under development.
- Note 12 - recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 15 - evaluation of recoverability of deferred tax assets.

2.3 Segment reporting

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

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

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

2.4 Oil and natural gas producing activities

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

2.4.2 All costs which are directly attributable to the exploration and evaluation activities of oil and gas are capitalised. General and administrative costs are included in the exploration and evaluation costs only to the extent that those costs can be directly attributable to the related exploration and evaluation assets. In all other cases, these costs are expensed as incurred.

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

2.4.4 Once the technical feasibility and commercial viability of extracting oil and gas is determinable, exploration and evaluation assets are classified as capital work in progress or intangible assets under development. Exploration and evaluation asset is assessed for impairment, and impairment loss if any, is recognized, before such reclassification. Subsequent development costs are capitalised as and when incurred.

2.4.5 When a block or cost centre is ready to commence commercial production, the capitalised costs referred above are reclassified as completed wells or producing wells from capital work in progress or intangible assets under development as the case may be. The cost centre is not normally smaller than a country except where warranted by major difference in economic, fiscal or other factors in the country.

2.4.6 When the block or cost centre in which the above mentioned cost are capitalised, does not result in discovery of proved oil and gas resources from all wells identified in the block or cost centre, accumulated cost is charged as an expense. Expenditure incurred on exploratory blocks or cost centre which are written off in past and start producing subsequently are not reinstated.

2.4.7 Depletion charge is calculated on the capitalised cost according to the unit of production method. The depreciation charge or the unit of production (UOP) charge for all costs within a cost centre is calculated by multiplying the UOP rate with the production for the period. The UOP rate for computing depreciation charge for the acquisition cost

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

- 2.4.8** The Company recognizes the obligations for removal and restoration that are incurred during a particular period as a consequence of having undertaken the exploration for and evaluation of mineral resources. The Company capitalises as part of property, plant and equipment or intangible asset, as the case may be, the amount of provision required to be created for subsequent abandonment. The provision for estimated abandonment costs is made at current prices considering the environment and social obligations, terms of mining lease agreement, industry practice, etc. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate (or rates) is pre-tax rate (or rates) that reflect current market assessments of the time value of money and the risks specific to the liability. Where there is uncertainty of timing on incurrance of the expenditure, time value of money is not considered while providing for the obligations. Changes in the measurement of existing abandonment costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation or a change in the discount rate is added to, or deducted from the related field in the current period and is considered for necessary depletion (depreciation) prospectively. The change in the estimated provision due to the periodic unwinding of the discount is recognized in statement of profit and loss as it occurs.
- 2.4.9** Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Impairment test is performed in accordance with the procedures given below for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.
- 2.4.10** The Company allocates exploration and evaluation assets to cash generating units or group of cash generating units for the purpose of assessing such assets for impairment.
- 2.4.11** In case an entity, sells a part of its interest in a field, gain or loss is recognised in the statement of profit and loss, except that no gain is recognised at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or the entity has substantial obligation for future performance. The gain in such a situation (for example, in the exploratory phase) is treated as recovery of cost related to that field.

2.5 Fair Value Measurement

- 2.5.1 The Company measures financial instruments i.e. financial assets and financial liabilities at fair value on initial recognition.
- 2.5.2 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk
- 2.5.3 A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.
- 2.5.4 When one is available, the Company measures the fair value of an financial instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- 2.5.5 If there is no quoted prices in an active market, then the Company uses a 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.
- 2.5.6 The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2.6 Classification of Income/Expenses

- 2.6.1 Prepaid expenses upto ₹ 5 Lakh in each case, are charged to revenue as and when incurred.
- 2.6.2 Liabilities for expenses are provided for only if the amount exceeds ₹ 5 Lakh in each case.

2.7 Foreign Currency Transactions

2.7.1 Monetary items:

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

2.7.2 Non - Monetary items:

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

2.8 Provisions, Contingent Liabilities and Capital Commitments

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

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

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

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

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

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

2.9 Financial Assets**2.9.1 Classification**

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

2.9.2 Initial recognition and measurement

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

2.9.3 Debt instruments

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

2.9.4 Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - The Company has transferred substantially all the risks and rewards of the asset, or
 - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.9.5 Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

2.10 Financial Liabilities

2.10.1 Classification

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

2.10.2 Initial recognition and measurement

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

2.10.3 Loans and borrowings

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

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

2.10.4 Derecognition

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

2.11 Offsetting of financial instruments

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

2.12 Joint operations

The Company has Joint operations in the nature of Production Sharing Contracts (PSC) with various bodies corporate for exploration, development and production activities. In accordance with Ind AS 111 on "Joint Arrangements", the financial statements of the Company includes the Company's share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the operator.

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

2.13 Taxes on Income

2.13.1 Current Tax

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

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

2.13.2 Deferred tax

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

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

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

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

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

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

2.14 Earnings per share

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

2.15 Cash and Cash equivalents

Cash and cash equivalents include cash at bank. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.16 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 (determined at 12 months) and other criteria set out in Schedule III of the Act.

2.17 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.

Notes forming part of the Financial Statements

Note 3 Intangible assets under development

₹ in Lakh

Description	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Exploratory Wells-in-Progress:			
Acquisition Cost	81.79	81.79	81.79
Exploration Cost			
- Geological & Geophysical Cost	2,768.40	2,768.40	2,768.40
- Drilling Cost	5,671.14	5,671.14	5,675.01
- General & Administrative Cost	394.35	265.00	198.39
Total (A)	8,915.68	8,786.33	8,723.59
Less: Provision for impairment (B)	8,915.68	8,786.33	8,723.59
Intangible assets under development (A-B)	-	-	-

Deemed cost exemption

The Company has availed the deemed cost exemption in relation to the oil and gas related assets on the date of transition and hence the carrying amount of intangible assets under development has been considered as the deemed cost on that date.

Impairment

Company currently has a Non-Operator participating interest of 20% in JPDA 06-103 block. The exploration activity was suspended because of the uncertainty arising out of arbitration proceedings by Timor Leste Government against Govt. of Australia with regard to the 'Certain Maritime Arrangements in Timor Sea', (CMATS) Treaty, the consortium submitted formal request to Autoridade Nacional do Petroleo of Timor Leste (ANP), the Regulator towards termination of Production Sharing Contract (PSC) for consent, without claim or penalty, citing expenditure in excess of commitment. ANP rejected the consortium's offer to terminate without claim and penalty, citing expenditure in excess of commitment. The regulator terminated the PSC on 15th July 2015 and demanded the payment of the "liability upon termination". In view of the termination of PSC, an amount of ₹ 129.35 Lakhs, being capital expenditure incurred based on the billing statement received from the operator has been provided during the year in the financial statements towards impairment loss (March 31, 2016 - ₹ 62.74 lakh, April 1, 2015 ₹ 83.38 Lakh).

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

Note 4 Cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks:			
On Current Account	15.54	102.40	162.89
	15.54	102.40	162.89

Notes forming part of the Financial Statements

Note 5 Other current financial assets

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other receivables	-	9.49	8.96
	-	9.49	8.96

Note 6 Other current assets

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid Expense	-	-	0.19
Balance with government authorities on account of service tax	0.83	-	-
	0.83	-	0.19

Note 7 Share capital

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i. Authorised			
60,000,000 equity shares	6,000.00	6,000.00	6,000.00
ii. Issued, subscribed and paid-up			
60,000,000 (previous year 60,000,000) equity shares fully paid-up	6,000.00	6,000.00	6,000.00
Total	6,000.00	6,000.00	6,000.00

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

iv. Reconciliation of No. of Equity Shares

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Opening Balance	60,000,000	60,000,000	60,000,000
B. Shares Issued	-	-	-
C. Shares Bought Back	-	-	-
D. Closing Balance	60,000,000	60,000,000	60,000,000

v. Details of shareholders holding more than 5% shares

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Name of shareholder	No. of shares	No. of shares	No. of shares
Bharat Petroresources Limited	59,999,940	59,999,940	59,999,940
Percentage of holding	100% #	100% #	100% #

60 Shares held by Nominee Shareholders

Notes forming part of the Financial Statements

Shares held by Holding Company

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Name of shareholder	No. of shares	No. of shares	No. of shares
Bharat Petroresources Limited	59,999,940	59,999,940	59,999,940
Percentage of holding	100% #	100% #	100% #

60 Shares held by Nominee Shareholders

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

Note 8 Retained earnings

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
As per last Balance Sheet	(12,075.12)	(11,872.69)	(9,578.19)
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	(86.49)	(202.43)	(2,294.50)
	(12,161.61)	(12,075.12)	(11,872.69)

Note 9 Borrowings

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured			
Term Loan from Bharat PetroResources Ltd. (Parent Company)	3,888.20	3,841.20	3,841.20
	3,888.20	3,841.20	3,841.20

Terms of Repayment Schedule of Long-term borrowings:

	Date of Maturity	Rate of Interest
Loan from Parent Company	15 years from date of disbursement of the loan	0%

Note 10 Current - Other financial liabilities

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Accrual for expenses	16.39	10.27	7.16
Payable for Legal and Professional fees	0.98	6.04	0.71
Other payables	3.05	7.85	4.79
	20.42	24.16	12.66

(Refer note 10 (a) for details of Dues to Micro and Small Enterprises)

Notes forming part of the Financial Statements

Note 10 (a)

Micro and small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in following disclosure:

Particulars	₹ in Lakh	
	As at March 31, 2017	As at March 31, 2016
Principal amount remaining unpaid to any supplier as at the period*	0.62	0.72
Interest due thereon	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

*Represents provision towards audit fees and other dues payable to Statutory Auditor after completion of audit/certification.

Note 11 Other current liabilities

₹ in Lakh

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Statutory Dues Payable	0.01	-	0.20
Total	0.01	-	0.20

Note 12 Short term provisions

₹ in Lakh

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Provisions for Legal & Professional Fees	-	-	-
Contractor's liability upon termination	2,269.35	2,321.65	2,190.68
Others	-	-	-
Total	2,269.35	2,321.65	2,190.68

Notes forming part of the Financial Statements

Movements in provisions	Contractor's liability upon termination
Balance as at 1 April 2015	2,190.68
Provisions made during the year	-
Foreign exchange fluctuation	130.97
Balance as at 31 March 2016	2,321.65
Balance as at 1 April 2016	2,321.65
Provisions made during the year	-
Foreign exchange fluctuation	(52.30)
Balance as at 31 March 2017	2,269.35

Contractor's liability upon termination

Company currently has a Non-Operator participating interest of 20% in JPDA 06-103 block. The exploration activity was suspended because of the uncertainty arising out of arbitration proceedings by Timor Leste Government against Govt. of Australia with regard to the 'Certain Maritime Arrangements in Timor Sea', (CMATS) Treaty, the consortium submitted formal request to Autoridade Nacional do Petroleo of Timor Leste (ANP), the Regulator towards termination of Production Sharing Contract (PSC) for consent, without claim or penalty, citing expenditure in excess of commitment. ANP rejected the consortium's offer to terminate without claim and penalty, citing expenditure in excess of commitment. The regulator terminated the PSC on 15th July 2015 and demanded the payment of the "liability upon termination". Based on the notice a provision of ₹ 2,190.68 lakh towards company's share of contractor's liability towards termination was created in the accounts of F.Y. 2014-15. This has been restated as on 31st March, 2017 at the closing exchange rate i.e. ₹ 64.8386 and the revised amount work out to ₹ 2,269.35 lakh (31 March 2016 ₹ 2,321.65 lakh). Negotiations are on-going by the consortium with the regulator to reach at final decision.

Note 13 Other Income

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Foreign Exchange fluctuations (net)	52.88	-
Total	52.88	-

Notes forming part of the Financial Statements

Note 14 Other Expenses

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Legal and Professional Fees	8.35	14.39
Rent, Rates and Taxes	0.63	0.80
Bank Charges	0.02	0.01
Foreign Exchange fluctuations (net)	-	122.60
Irrecoverable Service tax	0.32	1.12
Payment to Auditors *	0.70	0.77
Total	10.02	139.69
* Payment to Auditors		
Audit fees	0.60	0.69
Other services	0.08	0.05
Out of pocket expenses	0.02	0.03
	0.70	0.77

Note 15

Tax Reconciliation

(a) Reconciliation of effective tax rate

₹ in Lakh

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit/(Loss) before tax	(86.49)	(202.43)
Tax using the Company's domestic tax rate (Current year 29.87% and Previous Year 30.9%)	(25.83)	(62.55)
Tax effect of:		
Tax losses for which no deferred income tax was recognised	1.20	43.16
Expenses not deductible for tax purposes	40.46	19.39
Income not chargeable to tax	(15.83)	-
	-	-

(b) Movement in deferred tax balances

March 31, 2017

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset/ liability
Deferred tax asset	-	-	-	-	-

Notes forming part of the Financial Statement

(c) Movement in deferred tax balances

March 31, 2016

	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset/ liability
Deferred tax asset	-	-	-	-	-

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

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

(₹ in Lakh)

Particulars	Year	Gross amount	Unrecognised tax effect	Expiry date
Unabsorbed business loss	March 31, 2017	4.01	1.20	2024-2025
Unabsorbed business loss	March 31, 2016	139.68	41.72	2023-2024
Unabsorbed business loss	March 31, 2015	20.44	6.11	2022-2023
Unabsorbed business loss	March 31, 2014	27.84	8.31	2021-2022
Unabsorbed business loss	March 31, 2013	180.83	54.01	2020-2021
Unabsorbed business loss	March 31, 2012	196.46	58.68	2019-2020
Unabsorbed business loss	March 31, 2011	32.64	9.75	2018-2019
Unabsorbed business loss	March 31, 2010	397.61	118.77	2017-2018

Note 16

Pursuant to notification of MCA, details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016

Particulars	Special Bank notes	Other denominated notes	Total
Closing cash in hand as on 8 November 2016	-	-	-
Permitted receipts	-	-	-
Permitted payments	-	-	-
Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

Notes forming part of the Financial Statements

Note 17

Earnings per share (EPS)

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

i. Profit/(Loss) attributable to Equity holders of parent company

₹ in Lakh

	March 31, 2017	March 31, 2016
Profit/(Loss) attributable to equity holders of the parent for basic and diluted earnings per share	(86.49)	(202.43)

ii. Weighted average number of ordinary shares (In Lakh)

	March 31, 2017	March 31, 2016
Weighted Average Number of shares during the year	600	600
Weighted average number of shares at March 31 for basic and diluted earnings per shares	600	600
Basic and Diluted earnings per share	(0.14)	(0.34)

Note 18

Financial instruments

1. Financial instruments - Fair values and risk management

A. Accounting classification and fair values

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

₹ in Lakh

March 31, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	15.54	15.54	-	-	-	-
	-	-	15.54	15.54	-	-	-	-
Financial liabilities								
Term loans	-	-	3,888.20	3,888.20	-	-	-	-
Other current liabilities	-	-	20.42	20.42	-	-	-	-
	-	-	3,908.62	3,908.62	-	-	-	-

Notes forming part of the Financial Statements

₹ in Lakh

March 31, 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	102.40	102.40	-	-	-	-
Other current receivables	-	-	9.49	9.49	-	-	-	-
	-	-	111.89	111.89	-	-	-	-
Financial liabilities								
Term loans	-	-	3,841.20	3,841.20	-	-	-	-
Other current liabilities	-	-	24.16	24.16	-	-	-	-
	-	-	3,865.36	3,865.36	-	-	-	-

₹ in Lakh

April 1, 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	162.89	162.89	-	-	-	-
Other current receivables	-	-	8.96	8.96	-	-	-	-
	-	-	171.85	171.85	-	-	-	-
Financial liabilities								
Term loans	-	-	3,841.20	3,841.20	-	-	-	-
Other current liabilities	-	-	12.66	12.66	-	-	-	-
	-	-	3,853.86	3,853.86	-	-	-	-

B. Financial risk management

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

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

i. Risk management framework

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

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

Notes forming part of the Financial Statements
Financial instruments – Fair values and risk management (continued)
ii. Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalent kept with banks. The company's bank balance also includes its share in operator of JPDA Block bank balance. The company keeps its funds in scheduled banks, in India.

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

Cash and cash equivalents

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

iii. Liquidity risk

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

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

Exposure to liquidity risk

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

(₹ in Lakh)

March 31, 2017	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long term borrowing	3,888.20	3,888.20	-	-	-	3,888.20
Other financial liabilities	20.42	20.42	20.42	-	-	-

(₹ in Lakh)

March 31, 2016	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long term borrowing	3,841.20	3,841.20	-	-	-	3,841.20
Other financial liabilities	24.16	24.16	24.16	-	-	-

(₹ in Lakh)

April 1, 2015	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long term borrowing	3,841.20	3,841.20	-	-	-	3,841.20
Other financial liabilities	12.66	12.66	12.66	-	-	-

Notes forming part of the Financial Statements

Financial instruments – Fair values and risk management (continued)

iv. Market risk

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

Currency risk

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

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

₹ in Lakh			
	Total	March 31, 2017 USD	March 31, 2017 AUD
Financial assets			
Cash and cash equivalents	13.71	13.71	-
Financial liabilities			
Other current financial liabilities	12.70	10.71	1.99
Net exposure (Assets - Liabilities)	1.01	3.00	(1.99)

₹ in Lakh			
	Total	March 31, 2016 USD	March 31, 2016 AUD
Financial assets			
Cash and cash equivalents	100.89	100.89	-
Other current financial assets	9.49	9.49	-
	110.38	110.38	-
Financial liabilities			
Other current financial liabilities	21.22	15.69	5.53
Net exposure (Assets - Liabilities)	89.16	94.69	(5.53)

₹ in Lakh			
	Total	April 1, 2015 USD	April 1, 2015 AUD
Financial assets			
Cash and cash equivalents	152.66	152.66	-
Other current financial assets	8.96	8.96	-
	161.62	161.62	-
Financial liabilities			
Other current financial liabilities	10.56	4.79	5.77
Net exposure (Assets - Liabilities)	151.06	156.83	(5.77)

Notes forming part of the Financial Statements**Sensitivity analysis**

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

Effect in ₹ In Lakh (before tax)	Profit or loss		
	Strengthening/ Weakening %	Strengthening	Weakening
March 31, 2017			
USD	3%	(0.09)	0.09
AUD	5%	0.10	(0.10)
		0.01	(0.01)

Effect in ₹ In Lakh (before tax)	Profit or loss		
	Strengthening/ Weakening %	Strengthening	Weakening
March 31, 2016			
USD	3%	(2.84)	2.84
AUD	5%	0.28	(0.28)
		0.28	(0.28)

Interest rate risk

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

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

Note 19**Capital Commitments and Contingent Liabilities**

	March 31, 2017	March 31, 2016
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Contingent Liabilities	-	-

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

1. Holding Company:

Bharat PetroResources Limited

Notes forming part of the Financial Statements**2. Key Management Personnel:**

- i) Shri D. Rajkumar, Director[@] upto September 30, 2016
- ii) Shri Ajay Kumar, Director w.e.f. October 19, 2015
- iii) Shri Pankaj Kumar, Director and Chief Finance Officer w.e.f. July 31, 2015
- iv) Shri Milind S. Patke, Director w.e.f. November 9, 2016
- v) Shri S.M. Easwaran, Director w.e.f. July 1, 2016
- vi) Shri P.C. Siva, Director - upto June 30, 2016
- vii) Shri Arun Kumar Singh, Director upto July 31, 2015
- viii) Shri Indranil Mitra, Director upto July 31, 2015

[@] Relinquished office of Directorship on July 2, 2015 after resignation from Bharat PetroResources Limited (BPRL) as Managing Director and again appointed as part time Director after appointment as Managing Director, BPRL w.e.f. July 3, 2015 as per appointment by MoP&NG. Later on resigned on September 30, 2016.

b) Transactions with Related Party

Nature of Transactions	(₹ in Lakh)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Loan Taken from Holding Company	47.00	-

c) Outstanding Balances

	(₹ in Lakh)		
	March 31, 2017	March 31, 2016	April 1, 2015
Loan payable to holding company	3,888.20	3,841.20	3,841.20

d) Terms and conditions of transactions with related parties

The holding company has granted interest free loan to the company for undertaking the exploration activities in the block JPDA 06-103 ("the Block") awarded to BPRL by the Timor Leste Government.

Note 21 Joint Operations

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

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

Significant judgement: Classification of Joint Arrangement

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

Summarised financial information of the company's share of assets, liabilities, income, expenditure in the joint operation compiled on the basis of Dec 2016 audited statements and Mar 2017 un-audited financial statements:

	March 31, 2017	March 31, 2016	April 1, 2015
Assets	13.71	110.38	161.62
Liabilities	3.05	7.85	4.79
Income	-	-	-
Expenses	-	-	-

Notes forming part of the Financial Statements**Note 22****First - Time Adoption of Ind AS**

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the presentation of an opening Ind AS Balance Sheet at 1st April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, there are no adjustments to the amount reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS is set out in the following notes.

I. Exemptions from retrospective application**Deemed cost for exploration and evaluation assets**

Ind AS 101 permits a first time adopter to measure oil and gas assets at the date of transition to Ind AS on the following basis:

- (a) exploration and evaluation assets at the amount determined under the entity's previous GAAP; and
- (b) assets in the development or production phases at the amount determined for the cost centre under the entity's previous GAAP. The entity shall allocate this amount to the cost centre's underlying assets pro rata using reserve volumes or reserve values as of that date.

Accordingly, the company has elected to measure all of its exploration and evaluation assets at their previous GAAP carrying values.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company.

II. Exceptions from full retrospective application:**Estimates**

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

The remaining mandatory exceptions either do not apply or are not relevant to the Company.

Note 23

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

Note 24

Foreign Exchange differences (net) of ₹ 52.88 lakh have been credited to statement of Profit & Loss. (March 31, 2016: ₹ 122.60 lakh was debited).

Note 25

Exchange Rate - 1 USD = INR 64.8386 & 1 AUD = INR 49.56 as at March 31, 2017

Note 26

Figures of March 31, 2016 and April 1, 2015 have been regrouped wherever necessary, to confirm to current year presentation.



BHARAT PETRORESOURCES JPDA LIMITED

Corporate Identification No. (CIN) – U23209MH2006GOI165279

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

Tel 022-22713000 Fax 022-22713874

ATTENDANCE SLIP

(To be presented at the entrance)

10TH ANNUAL GENERAL MEETING ON MONDAY, 4TH SEPTEMBER, 2017 AT 11.00 A.M.

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

Folio No. _____ No. of Shares held. _____

Name of the Shareholder/Proxy holder _____

I/We hereby record my/our presence at the 10th Annual General Meeting of the Company on Monday, 4th September, 2017, at 11.00 a.m., at the Registered Office of the Company Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001.

Signature of the Member/Proxy



**BHARAT PETRORESOURCES JPDA LIMITED
PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Corporate Identification No. (CIN) – U23209MH2006GOI165279
 Name of the Company Bharat PetroResources JPDA Ltd
 Registered Office Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001
 Tel 022-22713000 Fax 022-22713874

Name of the Member(s) :
 Registered address :
 Email Id :
 Folio No/Client ID :
 DP ID :

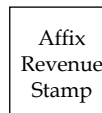
I / We, being the member(s) of Shares of Bharat PetroResources JPDA Limited, hereby appoint

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 10th Annual General Meeting of the Company to be held on Monday, 4th September, 2017, at 11.00 a.m. at Registered Office of the Company Bharat Bhavan, 4 & 6 Currimbhoy Road, Ballard Estate, Mumbai 400001, and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2017, the Directors Report and the Report of the Statutory Auditors.
2. To appoint a Director in place of Shri Easwaran Mahadevan (DIN No 07557309) who retires by rotation. Shri Easwaran S. Mahadevan, being eligible, offers himself for re-appointment.
3. Appointment of Smt Barnali Barua Tokhi as Director.

Signed this day of 2017



Signature of shareholder Signature of Proxyholder(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.

BHARAT PETRORESOURCES JPDA LIMITED

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