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SECOND ANNUAL REPORT

BPCL-KIAL FUEL FARM PRIVATE LIMITED

SECOND ANNUAL REPORT OF THE
BPCL-KIAL FUEL FARM PRIVATE LIMITED

FOR THE FINANCIAL YEAR ENEDED ON
31ST MARCH 2017

NOTICE

Notice is hereby given that the Second Annual General Meeting of the Members of BPCL-KIAL Fuel Farm Private Limited will be held on Thursday the 28th Day of September 2017 at 11A.M.at the BPCL office, Maradu, Kochi, to transact, with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESES:

1. Adoption of Financial Statements.

   To receive, consider and adopt the Audited Balance Sheet, Profit and Loss Account for the Financial Year ended March 31, 2017and the Reports of the Directors and Auditors thereon.

2. To fix the remuneration of the Statutory Auditors.

   To approve the payment of remuneration of the Statutory Auditor of the Company appointed by the Comptroller & Auditor General of India (C&AG).

SPECIAL BUSINESS:

3. Appointment of Director

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

   "RESOLVED THAT pursuant to the provisions of Section 152 and 161 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, Mr. Neelakantapillai Vijayagopal, who was nominated a Director of the Company, whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company."

For BPCL-KIAL FUEL FARM PRIVATE LIMITED

Sd/-

MONICA WIDHANI
DIRECTOR
DIN: 07674403

Date: 19.09.2017
Place: Kochi

NOTES:-

A. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself. A Proxy need not be a member. The instrument appointing proxy in order to be effective should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.

B. Auditor’s Reports along with Balance Sheet, Profit and Loss Account of the Company for the year ended 31st March 2017 were not complete, the company request the shareholders to adjourn the meeting to another day, according to the applicable provisions of the Companies Act 2013, to approve the adoption of Audited financials for the year 2016-17.

C. Video Conference facility has been arranged for the convenience of members.

Explanatory Statement pursuant to Section 102 of the Companies Act

Mr. Neelakantapillai Vijayagopal was nominated by BPCL as Director in accordance with the provisions of the Companies Act and Articles of Association of the Company. Pursuant to the provisions of the Companies Act, the said director, holds office up to the date of the ensuing Annual General Meeting. It is proposed his candidature as Director of the Company be approved by shareholders and the Board feels that the presence of Mr. Neelakantapillai Vijayagopal on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 3 for adoption.

None of the Directors, Relatives, Managers or Key Managerial Personnel of your Company is concerned or interested in the resolution, except to the extent of their shareholding in the Company. The Board recommends resolutions under Item No. 3 to be passed as ordinary resolution.

For BPCL-KIAL FUEL FARM PRIVATE LIMITED

Sd/-

MONICA WIDHANI
DIRECTOR
DIN: 07674403

Date: 19.09.2017
Place: Kochi

Director's Report

To,
The Members of
BPCL-KIAL FUEL FARM PRIVATE LIMITED

Your Directors have pleasure in presenting the Second Director's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2017.

FINANCIAL HIGHLIGHTS

The operational results of the Company from 2015-16 till the ends of the financial year 2016-17 are tabulated below:

	(In Lakh)	(in Lakh)
Particulars	**As at the end of current reporting period**	**As at the end of previous reporting period**
Total Revenue	10.38	0.00
Total Expenses	93.45	-61.99
Profit or Loss before Tax	-83.08	-61.99
Less: Current Tax	3.21	0.00
Deferred Tax	-	-5.81
Profit or Loss After Tax	-86.28	-56.17

STATE OF COMPANY'S AFFAIRS

The project is under construction and the company is yet to commence commercial operation. Therefore the company has not able generated any income in the current financial year, losses reported for the year was Rs. -86.28 lakhs.

TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

As the project is under construction and the company is yet to commence commercial operation, the Company has not generated any profit for the financial year ended 31st March, 2017 hence no amount has been transferred to General Reserve Account.

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2017

MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31, 2017, the Company does not have any subsidiary/joint venture/associate companies.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the company.

ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: 1)**

MEETINGS OF THE BOARD OF DIRECTORS

The following Meetings of the Board of Directors were held during the Financial Year 2016-17

SN	Date of Meeting	Board Strength	No. of Directors Present
1	23/06/2016	4	3
2	23/09/2016	3	2
3	14/12/2016	3	2
4	23/03/2017	4	4

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) 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 AND KEY MANAGERIAL PERSONNALS

The board of Directors of your company consists of the following eminent personals-

Sl No	Name of the Directors	DIN	Designation	Date of appointment	Representing
1.	MONICA WIDHANI	07674403	Director	12/12/2016	BPCL
2.	RAJAMANI RAMASWAMY	07002714	Director	18/05/2015	BPCL
3.	KUMARASWAMY PARTHAJE	07151230	Director	18/05/2015	BPCL
4.	PREM PRASAD	07678220	Director	12/12/2016	KIAL

The particulars of the key managerial personals are given below.

Sl No	Name of the Directors	Designation	Date of appointment
1.	PRASHANT MARTHAPPA KAMATH	CEO	04/09/2015

DECLARATION BY INDEPENDENT DIRECTORS

The provisions of Section 149 pertaining to the appointment of Independent Directors are not applicable to the Company being a private limited company; hence no specific disclosure is required in this regard.

STATUTORY AUDITOR AND AUDITORS' REPORT

Statutory auditor of your company is to be appointed by the Comptroller & Auditor General of India (C&AG) under Section 139 of the Companies Act, 2013. M/s M A Moideen And Associates (SR1580), Chartered accountants, O.S. 38, 4th Floor, GCDA Shopping Complex, Marine Drive, Ernakulam, Kochi-682031 was appointed as Statutory Auditor of your Company to hold office to the conclusion of the ensuing AGM.

Your Directors comments on the qualifications and reservations made in the statutory auditor's report are given below.

Qualification No: 1: Trade payables of Rs. 207.62 Lakhs (Note No.9) are not confirmed by the parties concerned. The effects if any on reconciling the balances are not ascertainable at this stage.
Director's comment: The balances has been confirmed and reconciled subsequent to the audit of accounts.
Qualification No: 2: We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for the interest accrued on the deposits of Rs. 5, 99,000/- for which no confirmation from the bank has been obtained.
Director's comment: The balances has been confirmed and reconciled subsequent to the audit of accounts.

SUPLEMENTARY AUDIT BY C&AG OF INDIA

The review and comments on the Annual Accounts of your company for the financial year 2016-17 by C&AG form part of the Annual Report. Notes on Accounts referred in the Auditors Report are self-explanatory and therefore do not call for any further comments.

C&AG have issued the Nil Comments certificate in respect of the audit of the Financial Year ended 31ST March 2017.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made there under, Secretarial audit is not applicable to the Company

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility provisions are not applicable to company as required under Section 135 of the Companies Act, 2013.

LOANS, GUARANTEES AND INVESTMENTS

The company has not entered into any agreement which comes under Loans, Guarantees and Investments under the provisions of Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

A. Conservation of Energy:
Your Company is making all kinds of arrangements to pursue the Energy Conservation efficiency.

B. Technology Absorption:
Your Company endeavour to adopt emerging technology domains related to Company's various projects

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings and outgo during the year under review.

RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our business, site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.

2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme sav and except ESOS referred to in this Report.

4. Neither the Managing Director nor the Whole-time Directors of the Company receive ar remuneration or commission from any of its subsidiaries.

5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impa the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and on Behalf of the Board of Directors of BPCL-KIAL FUEL FARM PRIVATE LIMITED

SD/-	SD/-
Prasad Krishna Panicker |DIN: 06476857 |Director	KS Shibu Kumar |DIN: 08017032 |Director

Place: Ernakulam
Date: 19.12.2018

Annexure I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U23200KL2015PTC038487
2	Registration Date	18-05-2015
3	Name of the Company	BPCL-KIAL FUEL FARM PRIVATE LIMITED
4	Category/Sub-category of the Company	Company limited by Shares
		Non-govt Company
5	Address of the Registered Office & contact details	C/O Kannur International Airport, Karaperavoor P.O, Mattannur, Kannur, Kerala-670702
6	Whether listed Company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% of total turnover of the Company
1	Coke and refined petroleum products	23200	0

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	BHARAT PETROLEUM CORPORATION LIMITED	L23220MH1952GOI008931	Holding	74	2(46)
1	KANNUR INTERNATIONAL AIRPORT LIMITED	U63033KL2009SGC025103	Associate	26	2(6)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-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	-	-	-	0.00%	-	-		0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	6,000,000	6,000,000	100.00%	-	75,00,000	75,00,000	100.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	-	6,000,000	6,000,000	100.00%	-	75,00,000	75,00,000	100.00%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%

c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	6,000,000	6,000,000	100.00%	-	75,00,000	75,00 ,000	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-		-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-		0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-		-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by	-	-	-	0.00%	-		-	0.00%	0.00%

Custodian for GDRs & ADRs								
Grand Total (A+B+C)	-	-	-	0.00%	-	-	-	0.00%	0.00%

(ii) Shareholding of Promoter

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	BHARAT PETROLEUM CORPORATION LIMITED	44,40,000	74.00%	0	55,50,000	74.00 %	0	0.00%
2	KANNUR INTERNATIONAL AIRPORT LIMITED	15,60,000	26.00%	0	19,50,000	26.00 %	0	0.00%

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			60,00,000	100.00%	60,00,000	100.00%
	Changes during the year			-	0.00%	-	0.00%
		23-09-2016	Allotment	1500000	0.00%	1500000	0.00%
				-	0.00%	-	0.00%
	At the end of the year			75,00,000	100.00%	75,00,000	100.00%

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

Sl. No	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1	Name						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

v) Shareholding of Directors a Managerial Personnel:

Nil

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year: 01.04.2016				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	-
`		-	-	-

Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year: 31.03.2017				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
				(Rs/Lac)
		Nil		
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			

B. Remuneration to other Directors

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
			Nil		(Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		NIL			(Rs/Lac)
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961				
	(c) Profits in lieu of Salary under Section 17(3) Income-Tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit				-
	- others, specify				-
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on Behalf of the Board of Directors of BPCL-KIAL FUEL FARM PRIVATE LIMITED

SD/-

Prasad Krishna Panicker
|DIN: 06476857 |Director

SD/-

KS Shibu Kumar
|DIN: 08017032 |Director

Place: Ernakulam
Date: 19.12.2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BPCL KIAL FUEL FARM PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of BPCL KIAL Fuel Farm Private Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act)is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 08 June 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of BPCL KIAL Fuel Farm Private Limited for the year ended 31 March 2017 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Place:Chennai.
Date. [illegible] **,November 2018**

(R.AMBALAVANAN)
Principal Director of Commercial Audit and
Ex-officio Member, Audit Board,Chennai

INDEPENDENT AUDITORS' REPORT

To The Members of BPCL-KIAL Fuel Farm Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **BPCL-KIAL FUEL FARM PRIVATE LIMITED**, which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

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 with respect to the preparation and presentation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act, read with rules there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 there under.

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.

Basis for Qualified Opinion

Trade Payables of Rs. 207.62lakhs (Note No.9)are not confirmed by the parties concerned. The effects if any on reconciling the balances are not ascertainable at this stage.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, ***except for the effects of the matters mentioned in the Basis for Qualified Opinion paragraph***, the 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 of the state of affairs of the company as at 31st March 2017 and its loss, total comprehensive income, its cash flow and the change in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 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 purpose of our audit ***except for the interest accrued on the deposits of ₹ 5,99,000/- for which no confirmation from the bank has been obtained.***

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

    c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow Statement 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 Indian Accounting Standards specified under section 133 of the Act.

    e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

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

    g. As required by the provisions of the Section 143(5) of the Companies Act 2013, we have given a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India in **"Annexure C"**.

h. 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 affecting the financial position of the Company.

ii. The Company does not have any long-term contracts requiring a provision for material foreseeable losses.

iii. The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

iv. The Company has provided requisite disclosure in the standalone financial statements as regards its holding and dealings in the Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8,2016 of the Ministry of Finance, during the period from November 8,2016 to December 30,2016. Based on audit procedures and representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company.

For M A Moideen & Associates
Chartered Accountants
(Firm's Registration No.002126 S)

M.A.Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

Place: Kochi-31
Date:08/06/2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

In terms of Companies (Auditor's Report) Order 2016, issued by Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that:-

1. i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   ii) As the information's and explanations provided to us, fixed assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.

   iii) The company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the order is not applicable.

2. The company does not have any stock of inventories. Accordingly, paragraph 3(ii) of the order is not applicable.

3. The company has not granted any loans, secured or unsecured to companies, firms, LLPs, or other parties covered in register maintained under Section 189 of The Companies Act, 2013. Accordingly, paragraph 3(iii) of the order is not applicable.

4. The company has not given any loans or guarantees/made any investments within the meaning of section 185 & 186 of The Companies Act, 2013. Accordingly, paragraph 3(iv) of the order is not applicable.

5. The company has not accepted any deposits. Accordingly, paragraph 3(v) of the order is not applicable.

6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act to the company. Accordingly, paragraph 3(vi) of the order is not applicable.

7. a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

   According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the period end, for a period of more than six months from the date they became payable.

b) The company has no dues of Income Tax/Value Added Tax/Service Tax/Excise Duty/Customs Duty which have not been deposited on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the period. Accordingly, paragraph 3(viii) of the Order is not applicable

9. The Company has not raised money by way of IPO or FPO and term loans. Accordingly, paragraph 3(ix) of the order is not applicable.

10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or on the company by its officers/employees have been noticed or reported during the period.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the period. Accordingly, paragraph 3(xi) of the order is not applicable.

12. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, to the extent applicable, and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Ind AS.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. The company has not entered into any non-cash transactions with directors or persons connected with him, during the year. Accordingly, paragraph 3(v) of the order is not applicable.

16. The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934. Accordingly, paragraph 3(vi) of the order is not applicable.

For M A Moideen & Associates
Chartered Accountants
(Firm's Registration No.002126 S)

Place: Kochi-31
Date: 08/06/2018

M A Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

We have audited the internal financial controls over financial reporting of **BPCL-KIAL FUEL FARM PRIVATE LIMITED** as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based onthe 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 M A Moideen& Associates
Chartered Accountants
(Firm's Registration No.002126 S)

Place: Kochi-31
Date: 08/06/2018

M A Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **BPCL-KIAL Fuel Farm Private Limited** (Standalone) for the period 2016-17 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

Sr.No	Areas Examined	Observation/Finding
1	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	The company does not hold freehold/leasehold land.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc, if yes, the reasons therefore and the amount involved.	There are no cases of waiver/write off of debts/loans/interest during the period.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gifts/grant (s) from the Government or other authorities.	There are no inventories lying with third parties & assets received as gifts/grant (s) from the Government or other authorities during the period.

For M A Moideen & Associates
Chartered Accountants
(Firm's Registration No.002126 S)

Place: Kochi-31
Date: 08/06/2018

M A Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

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BPCL-KIAL FUEL FARM PRIVATE LIMITED

Financial Statements for the year ended

31st March 2017

(In compliance with Ind AS)

BPCL KIAL FUEL FARM PRIVATE LIMITED
Regd Office: Irimpanam Installation, Irimpanam P.O., Kochi, Kerala - 682309
CIN : U23200KL2015PTC038487

BALANCE SHEET AS AT 31st MARCH, 2017

₹ in lakhs

	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
	ASSETS			
1	**Non - current assets**			
	(a) Property, Plant and Equipment	1	0.49	0.69
	(b) Capital work -in-progress	1	791.78	177.15
	(c) Intangible Assets	1	0.41	0.51
	(d) Other Intangible Assets under development		-	-
	(e) Financial Assets		-	-
	(f) Income tax assets (net)	2	-	5.81
	(g) Other non-current assets	3	10.50	10.50
2	**Current Assets**			
	(a) Inventories		-	-
	(b) Financial Aseets			
	(i) Cash and cash equivalents	4	94.36	376.98
	(ii) Bank balances other than (i)	5	0.75	0.75
	(c) Other current assets	6	7.12	-
	Total Assets		**905.41**	**572.39**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	7	750.00	600.00
	(b) Other Equity			
	- Retained earnings	8	(142.46)	(56.17)
	LIABILITIES			
1	Non - current liabilites			
	(a) Deferred Tax Liabilities		-	-
2	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables	9	246.22	12.88
	(b) Other current liabilities	10	44.78	15.40
	(c) Provisions	11	6.86	0.29
	Total Equity and Liabilities		**905.41**	**572.39**

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors

As per our Report of Even Date Attached

For M.A. Moideen & Associates
Chartered Accountants
F.R. No. 002126S

Chairman & Director
DIN: 07674403

Director
DIN: 08017032

Chief Financial Officer
PAN: AGPPS4585B

M.A. Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

Place:Thiruvananthapuram
Date : 29/12/2017

Place: Kochi - 31
Date: 08/06/2018

As per Ind As 101. Comparative reporting requirement Ind AS 101 requires an entity's first Ind AS financial statements to present at least three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information but as the company has been incorporated in May 2015 doesn't have a nil balance sheet as on 31st March 2015.

BPCL KIAL FUEL FARM PRIVATE LIMITED
Regd Office: Irimpanam Installation, Irimpanam P.O., Kochi, Kerala - 682309
CIN : U23200KL2015PTC038487

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2017

₹ in lakhs

	Particulars	Note No.	Year ended 31st March 2017	Year ended 31st March 2016
I	Revenue From Operations		-	-
II	Other Income	12	10.38	-
III	**Total Income (I+II)**		**10.38**	**-**
IV	**Expenses**			
	Employee Benefit Expense	13	14.15	5.30
	Depreciation and Amortization Expenses	14	0.33	0.10
	Other Expenses	15	78.98	56.58
	Total Expenses (IV)		**93.45**	**61.99**
V	Profit/(loss) before tax (III-IV)		(83.08)	(61.99)
VI	Tax Expense:			
	(1) Current tax		3.21	-
	(2) Deferred tax		-	(5.81)
VII	**Profit/(loss) for the year (V-VI)**		**(86.28)**	**(56.17)**
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss:		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss:		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
VIII	**Other Comprehensive Income [A(i-ii)+B(i-ii)]**		**-**	**-**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**(86.28)**	**(56.17)**
X	Earnings per equity share	16		
	(1) Basic		(1.27)	(2.66)
	(2) Diluted		(1.27)	(2.66)

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors

As per our Report of Even Date Attached

For M.A. Moideen & Associates
Chartered Accountants
F.R. No. 002126S

Chairman & Director
DIN:07674403

Director
DIN: 08017032

Chief Financial Officer
PAN: AGGPS4585B

M.A. Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

Place:Thiruvananthapuram
Date: 29/12/2017

Place: Kochi - 31
Date: 08/06/2018

BPCL KIAL FUEL FARM PRIVATE LIMITED
Regd Office: Irimpanam Installation, Irimpanam P.O., Kochi, Kerala - 682309
CIN : U23200KL2015PTC038487

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2017

A. Equity Share Capital

₹ in lakhs

Particulars	Notes	Total
Balance as at 18th May, 2015		-
Changes in equity share capital during the year		
(a) Share issued for consideration		600.00
Balance as at March 31, 2016		**600.00**
Changes in equity share capital during the year		
(a) Share issued for consideration		150.00
Balance as at March 31, 2017		**750.00**

B. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus		Total
	Other Reserves	Retained Earnings	
Balance as at 18th May, 2015	-	-	-
Loss for the year	-	(56.17)	(56.17)
Transitional adjustments for Ind AS	-	-	-
Balance as on March 31, 2016	**-**	**(56.17)**	**(56.17)**
Loss for the year	-	(86.28)	(86.28)
Other Comprehensive Income for the year, net of tax	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	-	-
Balance as on March 31, 2017	**-**	**(142.46)**	**(142.46)**

For and on behalf of the Board of Directors

As per our Report of Even Date Attached

For M.A. Moideen & Associates
Chartered Accountants
F.R. No. 002126S

Chairman & Director
DIN:07674403

Director
DIN: 08017032

M.A. Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

Chief Financial Officer
PAN: AGPPS4585B

Place:Thiruvananthapuram
Date: 29/12/2017

Place: Kochi - 31
Date: 08/06/2018

BPCL KIAL FUEL FARM PRIVATE LIMITED
Regd Office: Irimpanam Installation, Irimpanam P.O., Kochi, Kerala - 682309
CIN : U23200KL2015PTC038487

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

₹ in lakhs

Particulars	Period ended 31st March 2017	Period ended 31st March 2016
A. Cash Flow from Operating Activities		
Profit before Tax	**(83.08)**	**(61.99)**
Adjustment for ;		
Deferred Tax Asset written off	5.81	
Depreciation and amortization expenses	0.33	0.10
Operating profit before working capital changes	**(76.94)**	**(61.88)**
Adjustments for ;		
(Increase)/Decrease in current assets	(7.12)	-
Increase in trade payables	233.34	-
Increase in trade other current liabilities	29.38	28.57
Increase in provisions	3.37	-
Cash Generated from Operations	**182.03**	**(33.31)**
Income Taxes paid	-	-
Net Cash Flow from/(used in) Operating Activities	**182.03**	**(33.31)**
B. Cash Flow from Investing Activities		
Bank Deposits	-	(0.75)
Purchase of Fixed Assets	(0.02)	(0.76)
Intangible Assets	-	(0.54)
Capital Work in Progress	(614.63)	(177.15)
Land Lease Rent Deposit	-	(10.50)
Net Cash Flow from/(used in) Investing Activities	**(614.66)**	**(189.71)**
C. Cash Flow from Financing Activities		
Issue of Share Capital	150.00	600.00
Net Cash from Financing Activities	**150.00**	**600.00**
Net Increase in Cash and Cash Equivalents	(282.62)	376.98
Cash and Cash Equivalents at the begning of the year	376.98	-
Cash and Cash Equivalents at the end of the year	**94.36**	**376.98**

Notes

1. The above cashflow statements has been prepared under the “Indirect Method” as set out in Ind AS - 7 “Statements of Cash Flow ”.
2. During the previous year, bank deposits with more than 3 months of maturity were classified as 'Cash and Cash Equivalents'. The same has been rectified and shown it under 'Cash Flow from Investing Activities' .

For and on behalf of the Board of Directors

As per our Report of Even Date Attached

For M.A. Moideen & Associates
Chartered Accountants
F.R. No. 002126S

Chairman & Director
DIN: 07674403

Director
DIN: 08017032

Chief Financial Officer
PAN: AGPPS4585B

M.A. Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

Place:Thiruvananthapuram
Date: 29/12/2017

Place: Kochi - 31
Date: 08/06/2018

Notes to financial statements for the year ended 31st March 2017

A) General Information

BPCL KIAL FUEL FARM PRIVATE Limited (the "Company") is a private limited company, incorporated on 18th May 2015 as a joint venture between Kannur International Airport Ltd. (KIAL) and Bharat Petroleum Corporation Ltd. (BPCL) for fuel farm and distribution services in Kannur International Airport which is under construction. As the Airport is planning to start its commercial operation by November 2018 the fuel farm also will commence operation by then.

B) Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented. The Company has adopted the Indian Accounting Standards (Índ AS') in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transited from its previous GAAP as defined in Ind AS 101 with the necessary disclosures relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as Previous GAAP and Total Comprehensive Income if any under Ind AS.

i. Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These financial statements have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto. The Financial Statement for the year ended 31st March, 2017 is the first Financial Statement, the Company has prepared in accordance with IND AS. (Refer Para D below for the details of first-time adoption exemptions availed by the Company.)

ii. Historical Cost Convention

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of initial recognition.

a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and

b) Any other item as specifically stated in the accounting policy

The Financial Statement are presented in INR and all values are rounded off to Rupees lakhs unless otherwise stated. The financial statements of the Company for the year ended 31st March, 2017 were authorised for issue in accordance with a resolution of the directors on 29th, December 2017.

iii. Comparative Reporting Period

In view of the requirement of Companies Act, 2013, The company had reported the financial results as of 31st March 2016 under previous GAAP as well as Ind AS. The differences if any are reconciled and adjusted against the statement of changes in Equity as per Ind As 101. Comparative reporting requirement Ind AS 101 requires an entity's first Ind AS financial statements to present at least three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information but as the company has been incorporated in May 2015 doesn't have a nil balance sheet as on 31st March 2015.

iv. Use of Estimate and judgment

In the application of accounting policy which are described in Para C below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:
Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

C) Summary of Significant Accounting Policies:

1) Property, Plant and Equipment (PPE)

For transition to Ind AS, the Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognized as of 1st April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated.

Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognized

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

Tangible:	**Useful Lives**
Plant & machinery	15 years
Furniture & fixtures	10 years
Computers	3 years
Office equipments	5 years
Electrical equipments	10 years

Depreciation on the Property, Plant and Equipment, except for Plant and Machinery, Furniture and Fixtures and Computer Servers is provided over the useful life of assets on straight line method as specified in Schedule II to the Companies Act, 2013. Plant and Machinery, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, manufacturers warranties and maintenance support.

Further, the Company has identified and determined separate useful life for each major component of fixed assets, if they are materially different from that of the remaining assets, for providing depreciation in compliance with Schedule II of the Companies Act, 2013.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets are amortised over 5 years on straight-line method over the estimated useful economic life of the assets.

2) Impairment of tangible (PPE) and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The resulting impairment loss is recognised in the Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

3) Inventories

The company has not started its commercial operations and is yet to possess any kind of Inventories to date.

4) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease, if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. The company is not having any arrangements in the nature of a lease on the date of this financials.

5) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

6) Foreign Currency Transactions

The financial statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Any income or expense on account of exchange difference either on settlement or on translation is adjusted to the Profit and Loss Statement, except in case of long term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.

7) **Cash Flows and Cash and Cash Equivalents**

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

8) **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of Services
Revenue from rendering of services will be recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

Interest Income
Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method. The company is yet to commence commercial operation. The unutilized surplus funds of the company are parked in short term deposits with banks yielding interest. Interest is accrued on time basis on the amount outstanding and at the applicable rates using the effective interest method. The interest earned to the extent of unused capital is credited to the Profit & Loss account as per Ind AS 38 and erstwhile AS 26 Intangible Assets. The interests earned on the borrowed funds are temporarily parked in short term deposits with banks yielding interest has been deducted from the borrowing cost as per Ind AS 23 and erstwhile AS 16.

9) **Borrowing costs**

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing. Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. To the extent that the borrowing cost are incurred specifically for the purpose of obtaining a qualifying asset are added to the cost of the qualifying asset for capitalisation and the borrowing cost is as reduced by any investment income on the temporary investment of those borrowings. For the current financial year the company doesn’t have any borrowings to be attributed towards the cost of the assets.

10) Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Long Term Employee Benefits

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. As the long term employee benefits in the nature of post-employment plans is not defined by the company actuarial valuation has not been carried out. The impact of the actuarial valuation on the defined benefit plans has not been effected in the financial statements.

11) Taxes on Income

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws.

b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, The criteria for recognising deferred tax assets arising from the carry forward of unused tax losses and tax credits are the same that for recognising deferred tax assets arising from deductible temporary differences. The existence of unused tax losses is strong evidence that future taxable profit may not be available. As the company has not started its operations and no other income other than the interest income from the surplus capital is earned the deferred tax asset has been earned by the company.Therefore, when the company has earned any taxable profit, the company has not recognised a deferred tax asset arising from unused tax losses or tax credits to the extent that the entity has sufficient taxable temporary differences and there is no convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the company.

12) Earnings per Share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

13) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

b) A liability is current when:
- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

14) Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

As the company has not started its operations the value has been disclosed at cost.

15) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets
A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets other than investment in subsidiaries
Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries, investment other than equity shares, loans/ advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement
All financial assets are recognized initially at fair plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

Subsequent measurement
For purposes of subsequent measurement financial assets are classified in three categories:
- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

b) Financial Liabilities

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. 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 Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

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

FvTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FvTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

D. First time adoption of IND AS – Mandatory exceptions / Optional exemptions

Opening Ind AS Balance Sheet and its comparatives

On adoption of Ind-AS, the company is required to prepare and present the opening Ind-AS Balance Sheet ('BS') at the transition date. Transition date is defined as the beginning of the earliest comparative period presented on the basis of Ind-AS. This is the starting point for a company's accounting in accordance with Ind-AS and all adjustments arising from the transition to Ind-AS are recorded in the retained earnings as at the transition date

As per Ind AS a company's first Ind AS complient Financial Statements shall have at least 3 Balance Sheets, 2 Statements of profit and loss, 2 Statements of cash flows and 2 Statements of changes in equity and related notes, including comparative information for all statements presented.

Hence the first Ind AS compliant financial statements of the company should have its comparatives for the opening Balance Sheet also or the date of start of the company whichever is later i.e. on 18th May 2015 being the date of incorporation of the company. But since it is a NIL Balance Sheet on the date of incorporation the disclosure has been purposefully omitted.

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

- Derecognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2016 (the transition date).

- Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

E. Recent accounting pronouncements

Standards issued but not yet effective in March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 1, 2017.

Amendments to Ind AS 7

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.
The amendment has no impact either on the financial performance or financial position of the Company.

1. Property Plant and Equipments

Description of Assets	Gross Block				Depreciation Adjustment				Net Block	
	As at 01-04-2016	Additions during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	Depreciation for the year	Adjustments during the year	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
A. Tangible Assets										
Furniture & Fixtures	0.09	0.02	-	0.11	0.00	0.01	-	0.01	0.10	0.08
Office Equipments	0.68	-	-	0.68	0.07	0.21	-	0.28	0.40	0.61
Total	**0.76**	**0.02**	**-**	**0.79**	**0.08**	**0.22**	**-**	**0.29**	**0.49**	**0.69**
	-	**0.76**	**-**	**0.76**	**-**	**0.08**	**-**	**0.08**	**0.69**	**-**
B. Capital-work-in-progress										
Plant & Machinery	8.86	-	-	8.86	-	-	-	-	8.86	8.86
Civil Works	58.47	271.44	-	329.91	-	-	-	-	329.91	58.47
Mechanical Works	45.69	128.71	-	174.40	-	-	-	-	174.40	45.69
Electrical Works	-	80.37	-	80.37	-	-	-	-	80.37	-
Others	64.13	134.11	-	198.24	-	-	-	-	198.24	64.13
Total	**177.15**	**614.63**	**-**	**791.78**	**-**	**-**	**-**	**-**	**791.78**	**177.15**
	-	**177.15**	**-**	**177.15**	**-**	**-**	**-**	**-**	**177.15**	**-**
C. Intangible Assets										
Computer Software	0.54	-	-	0.54	0.03	0.11	-	0.14	0.41	0.51
Total	**0.54**	**-**	**-**	**0.54**	**0.03**	**0.11**	**-**	**0.14**	**0.41**	**0.51**
	-	**0.54**	**-**	**0.54**	**-**	**0.03**	**-**	**0.03**	**0.51**	**-**

2 **Income Tax Assets** ₹ in lakhs

Particulars	As at 31 March 2016	For the Year	As at 31 March 2017
Preliminary Expenses written off u/s 35D	5.89	(5.89)	-
Depreciation	(0.08)	0.08	-
Total	**5.81**	**(5.81)**	**-**

3 **Other Non-Current Assets** ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Security Deposits		
Unsecured, Considered good		
Land Lease Rent Deposit	10.50	10.50
Total	**10.50**	**10.50**

4 **Financial Assets - Cash and cash equivalents** ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Balances with Banks		
In current Accounts		
SBI-6435	0.11	376.48
In Deposit Accounts (maturity < 3 months)	-	-
Flexi Deposit (IV) SBI KNR-5294	5.79	-
SBI Flexi Deposit-8045	88.24	-
	-	-
Cash in Hand	0.22	0.50
Total	**94.36**	**376.98**

5 **Financial Assets - Bank Balances** ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Balance with Banks - Marked against Lien		
In Deposit Accounts (maturity > 12 months)		
Fixed Deposits-SBI 2948	0.75	0.75
Total	**0.75**	**0.75**

6 **Other Current Assets** ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Prepaid renewal fee	0.09	-
Accrued Interest	5.99	
TDS Receivables	1.04	-
Total	**7.12**	**-**

7 Equity Share Capital

₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Authorised		
1,80,00,000 Equity Shares of par value Rs. 10/-each	**1,800.00**	**1,800.00**
(Previous year - 1,80,00,000 Equity Shares of par value Rs. 10/-each)	-	-
Issued, Subscribed and fully paid	-	-
75,00,000 Equity Shares of par value Rs. 10/-each (Previous Year - 60,00,000 Equity Shares of par value Rs. 10/-each)	750.00	600.00
Total	**750.00**	**600.00**

7.1 Reconciliation of shares at the beginning and at the end of the financial year

₹ in lakhs

Particulars	As at 31 March 2017		As at 31 March 2016	
	No.of Shares	Rupess	No.of Shares	Rupess
Number of Shares as on 1 April 2016	60	600	-	-
Add : Shares issued during the year				
(a) PSUs	15	150	60	600
(b) Others - Private Sector	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Number of Shares as on 31 March 2017	**75**	**750**	**60**	**600**

7.2 Rights, Preference and Restrictions attached to each class of shares including restrictions on distribution of dividends and the repayment of capital

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share carry a right to dividend. The company declares and pays dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assests of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

7.3 Shares held by Holding Company, Subsidiary Company, Associates etc.

₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Shares held by:		
Its Holding Company and its Ultimate Holding Company	55.50	44.40
Subsidiaries of its Holding Company and its Ultimate Holding Company	-	-
Associates of its Holding Company and its Ultimate Holding Company	19.50	15.60

7.4 Particulars of Shareholders holding more than 5% share in the Company

₹ in lakhs

Particulars	As at 31 March 2017		As at 31 March 2016	
	%	No. of shares	%	No. of shares
Bharath Petroleum Corporation Limited (BPCL)	74%	55.50	74%	44.40
Kannur International Airport Limited (KIAL)	26%	19.50	26%	15.60

	As at 31 March 2017	As at 31 March 2016
7.5 Shares reserved for issue under options and contracts/commitments	-	-
7.6 During the last five years		
(1) Aggregate number and class of share allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
(2) Aggregate number and class of shares allotted as fully paid up by way of bonus shares	-	-
(3) Aggregate number and class of share bought back	-	-
7.7 Terms of any of securities convertible into Equity/Preference shares issued alongwith the earliest date of conversion in descending order starting from the farthest such date	-	-
7.8 Calls Unpaid		
By Directors	-	-
By Officers	-	-
7.9 Shares issued for consideration other than cash	-	-

₹ in lakhs

8 Other Equity

₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Retained Earnings		
Opening balance	(56.17)	-
Add : Profit for the year	(86.28)	(56.17)
Total	**(142.46)**	**(56.17)**

9 Trade Payables

₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
a) To Micro Small and Medium Enterprises	135.01	3.67
b) To other than Micro Small Medium Enterprises	111.21	9.21
Total	**246.22**	**12.88**

10 Other Current Liabilities

₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Earnest Money Deposit	1.00	1.00
Retention Money Payable	24.26	6.07
Reimbursement of Expenses	0.29	0.28
Security Deposit (Transport Contractor)	0.25	-
Statutory Dues	18.97	8.05
Total	**44.78**	**15.40**

11 Provisions ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Provisions for:		
Audit Fee	0.30	0.29
Consultancy Fee	3.15	-
Retainership Fee	0.21	-
Income Tax	3.21	-
Total	**6.86**	**0.29**

12 Other Income ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Interest Income	10.38	-
Total	**10.38**	**-**

13 Employee Benefit Expense ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Salaries & Allowances	14.15	5.30
Total	**14.15**	**5.30**

14 Depreciation and Amortization Expenses ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Amortization	0.11	0.03
Depreciation	0.22	0.08
Total	**0.33**	**0.10**

15 Other Expenses ₹ in lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Audit Fee	0.30	0.29
Advertisement Expense	1.66	-
Company Incorporation Expenses	-	23.83
Deferred Tax Asset written off	5.81	-
Professional & Consultancy Charges	11.01	1.74
Electricity Charges	0.79	0.34
Rent	50.11	27.34
Postage and Courier Charges	0.07	0.03
Printing and Stationery	0.11	0.20
Rates & Taxes	0.97	0.08
Repairs and Maintenance - Site	0.11	0.04
Security Charge	3.65	1.18
Team Lease Service Charge	2.64	0.47
Travelling Expenses	0.49	0.14
Miscellaneous Expenses	1.27	0.91
Total	**78.98**	**56.58**

16 Disclosure as per Ind AS 33 - Earnings per share

Particulars	As at 31 March 2017	As at 31 March 2016
Profit attributable to equity holders of the company	(86.28)	(56.17)
Weighted average number of Equity shares of Rs. 10/- each(fully paid up)	67,80,000	21,10,000
Earnings Per Share- Basic & Diluted	**(1.27)**	**(2.66)**

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

17 Disclosure of transactions with related parties as required by Indian Accounting Standard - 24 on Related Party

Disclosures as prescribed by Companies (Accounting Standard) Rules, 2006.

17.1 Related Parties and Nature of Relationships

Holding Company

Name of the Entity	Principal Activity	Proportion of Ownership Interest	
		As at 31 March 2017	As at 31 March 2016
Bharath Petroleum Corporation Limited (BPCL)	Exploration & Production of Hydrocarbons and Refining & Marketing Petroleum Products	76%	76%

Associates of its Holding Company

Name of the Entity	Principal Activity	Proportion of Ownership Interest	
		As at 31 March 2017	As at 31 March 2016
Kannur International Airport Limited (KIAL)	Airport & Allied Operation	24%	24%

Key Managerial Personnel

Name	Designation	Date of Appointment	Remuneration
P M Kamath	Chief Executive Officer	04-09-15	NIL
Jayakrishnan S	Chief Financial Officer	09-06-15	NIL

17.2 Transactions During the year

₹ in lakhs

Entity	Nature of Transaction	As at 31 March 2017	As at 31 March 2016
Kannur International Airport Limited (KIAL)	Lease Rent Paid	45.25	25.05
	Office Rent Paid	1.38	0.57
	Reimbursement of Electricity Expenses	0.79	0.34
Bharath Petroleum Corporation Limited (BPCL)	Salaries & Allowance of the Project Manager on Deputation	14.15	5.30
	Project Management Consultancy Charges	51.49	33.44

17.3 Balance outstanding

₹ in lakhs

Entity	As at 31 March 2017	As at 31 March 2016
Kannur International Airport Limited (KIAL)	38.59 Cr	3.45 Cr
Bharath Petroleum Corporation Limited (BPCL)	66.07 Cr	5.30 Cr

18 Disclosure on Specified Banking Notes (SBN's)

During the year the company had specified banking notes or other denomination note as defined in the MCA notification G.S.R.308 (E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted durimg the period from 8th November 2016 to 31th December 2016, the denomination wise SBNs and other notes as per the notification given below

₹ in lakhs

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	0.04	0.0003	0.04
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in banks	0.04	-	0.04
Closing cash in hand as on 30.12.2016	-	0.0003	0.0003

19 The details of Provisions and Contingent Liabilities are as under . (Disclosed in terms of Ind AS - 37 on Provisions, Contingent Liabilities & Contingent Assets

19.1 Contingent Liabilities ₹ in lakhs

Particulars	Current Year	Previous Year
a. Claims against the company not acknowledged as debt	-	-
b. Guarantees	-	-
c. Other money for which company is contingently liable		
i)Land lease rent payable to Kannur International Airport Limited for 3000 sqm	6.02	3.01
ii) Interest Payable on Delayed Payment of ;	-	-
Lease Rent	3.38	-
Office Rent	0.04	-

20 Commitments

₹ in lakhs

Particulars	Current Year	Previous Year
a. Estimated amounts of contracts remaining to be executed on capital account and not provided for		
Civil Works	105.36	375.10
Mechanical Works	54.97	141.85
Electrical Works	32.00	112.37
Miscellaneous Works	286.59	-
Project Management Consultancy	63.91	-
Materials – Steel Plates	-	2.23
b. Uncalled liability on shares and other investments partly paid	-	-
c. Other commitments	-	-

21 Information pursuant to the provisions of Para 5 (viii) of Part II of Schedule III of the Companies Act, 2013

₹ in lakhs

Particulars	Current Year	Previous Year
a) CIF value of imports made during the year	-	-
b) Expenditure in foreign currency	-	-
c) Total Value of imported and indigenous items	-	-
d) Remittances in foreign currency on account of Dividends	-	-
e) Earnings in Foreign Exchange	-	-

22. Financial risk management objectives and policies

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

23. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations with floating interest rates. The effect of change in the interest rate will affect the fair value of the assets of the company as the company has not started its commercial operations and the interest cost has a direct bearing on the borrowing cost to be capitalised.

24. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company’s exposure to the risk of changes in foreign exchange rates relates primarily to the purchase of assets from abroad.

25. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk as it has not started its commercial operations.

26. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company’s Finance department in accordance with the Company’s policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

27. Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, finance leases and other contracts. The company has mitigated the risk by placing funds in short term deposits with banks to match with the lead time for the disbursement of loans from the banks. The Company has access to a sufficient variety of sources offending and debt maturing within 12 months can be rolled over with existing lenders.

28. Events after the reporting period

There are no material events to be disclosed subsequent to the end of the reporting period.

29 Figures have been rounded off to the rupee lakh. Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast whenever necessary to be in conformity with current year's layout.

30 The company did not have any long-term contracts including derivative contracts for which there were any material forseable losses.

31 Prior period errors

The company had made following omission of expenses during the previous financial year which the company has corrected by restating the comparative figures

Prior period Omission	**Amount**	**Effect on Basic EPS**	**Effect on diluted EPS**
Professional & Consultancy Charges	0.36	-0.02	-0.02
Miscellaneous Expenses	0.19	-0.01	-0.01
Rent	0.89	-0.04	-0.04
Total Omission	**1.43**	**-0.07**	**-0.07**

For and on behalf of the Board of Directors

As per our Report of Even Date Attached

For M.A. Moideen & Associates
Chartered Accountants
F.R. No. 002126S

Chairman & Director
DIN:07674403

Director
DIN: 08017032

Chief Financial Officer
PAN: AGPPS4585B

M.A. Moideen, B.Sc., FCA, DISA (ICAI)
Managing Partner
M.No. 022113

Place:Thiruvananthapuram
Date: 29/12/2017

Place: Kochi - 31
Date: 08.06.2018

RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED AS PER PREVIOUS GAAP

(Rupee in lakhs)

Particulars	**Notes**	**As at 1st April 2016**		
		Previous GAAP	**Adjustments**	**As per Ind AS**
ASSETS				
Non - current assets				
(a) Property, Plant and Equipment		0.69	-	0.69
(b) Capital work -in-progress		177.15	-	177.15
(c) Intangible Assets		0.51	-	0.51
(d) Other Intangible Assets under development		-	-	-
(e) Financial Assets		-	-	-
(f) Income tax assets (net)		5.81	-	5.81
(g) Other non-current assets		10.50	-	10.50
Current Assets				
(a) Inventories		-	-	-
(b) Financial Aseets			-	
(i) Cash and cash equivalents		376.98	-	376.98
(ii) Bank balances other than (i)		0.75	-	0.75
(c) Current Tax Assets (net)		-	-	-
(d) Other current assets		-	-	-
Total Assets		**572.39**	**-**	**572.39**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		600.00	-	600.00
(b) Other Equity				
- Retained earnings		(56.17)	-	(56.17)
LIABILITIES				
Non - current liabilites		-	-	-
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables		12.88	-	12.88
(b) Other current liabilities		15.40	-	15.40
(c) Provisions		0.29	-	0.29
Total Equity and Liabilities		**572.39**	**-**	**572.39**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.
As the company has not started its commercial operation and the assets are under construction. The assets and liabilities stated above have no impact of Ind AS with the previous GAAP other than to the recognition of Deferred Tax.

Reconciliation of Total Comprehensive Income for the period ended 31st March 2016

Particulars	Notes	As at 31st March 2016		
		Previous GAAP	Adjustments	As per Ind AS
Revenue From Operations		-	-	-
Other Income		-	-	-
Total Income (I+II)		-	-	-
Expenses				
Employee Benefit Expense		5.30	-	5.30
Depreciation and Amortization Expenses		0.10	-	0.10
Other Expenses		56.58	-	56.58
Total Expenses (IV)		61.99	-	61.99
Profit/(loss) before tax (III-IV)		**(61.99)**	**-**	**(61.99)**
Tax Expense:				
(1) Current tax		-	-	-
(2) Deferred tax		5.81	-	5.81
Profit/(loss) for the year (V-VI)		**(56.17)**	**-**	**(56.17)**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss:		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
B (i) Items that will be reclassified to profit or loss:		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Other Comprehensive Income [A(i-ii)+B(i-ii)]		-	-	-
Total Comprehensive Income for the year (VII+VIII)		**(56.17)**	**-**	**(56.17)**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

As the company has not started its commercial operation no impact of Ind AS has been identified with the previous GAAP other than to the recognition of Deferred Tax.