



THIRD ANNUAL REPORT

BPCL-KIAL FUEL FARM PRIVATE LIMITED

**THIRD ANNUAL REPORT OF THE
BPCL-KIAL FUEL FARM PRIVATE LIMITED**

**FOR THE FINANCIAL YEAR ENDED ON
31ST MARCH 2018**

NOTICE TO THE MEMBERS

Notice is hereby given that the Third Annual General Meeting of the Members of BPCL-KIAL Fuel Farm Private Limited will be held on Tuesday the 25th Day of September 2018 at 11A.M.at the BPCL office, Irimpanam, Kochi, to transact, with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet, Profit and Loss Account for the Financial Year ended March 31, 2018 and the Reports of the Directors and Auditors thereon.
2. To authorize the Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company to fix the remuneration of the Statutory Auditors of the company for the Financial Year 2018-19 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following Resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to decide and fix the remuneration of the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2018-19, as may be deemed fit by the Board.”

SPECIAL BUSINESS:

3. Appointment of Shri. Krishnakumar Shanthakumari Shibu Kumar as 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 152,161 and other applicable provisions, if any, of the companies Act, 2013 and rules made there under, Shri. Krishnakumar Shanthakumari Shibu Kumar (DIN: 08017032), who was appointed as an Additional Director by the Board of Directors and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

4. Appointment of Shri. Prasad Krishna Panicker as 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 152,161 and other applicable provisions, if any, of the companies Act, 2013 and rules made there under, Shri. Prasad Krishna Panicker (DIN: 06476857), who was appointed as an Additional Director by the Board of Directors and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

5. Appointment of Shri. Gopalakrishnan Ananthakrishnan as Director.

Shri. Gopalakrishnan Ananthakrishnan was appointed as Director of the company and his term is up to the completion of Annual general meeting of the company and his appointment has to be confirmed at this meeting by passing following resolution.

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 152,161 and other applicable provisions, if any, of the companies Act, 2013 and rules made there under, Shri. Gopalakrishnan Ananthakrishnan (DIN: 07954915), who was appointed as an Additional Director by the Board of Directors and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

6. Shifting of the Registered Office from Irimpanam, Ernakulam to Mattannur, kannur.

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

“RESOLVED THAT Pursuant to Provisions of section 12 and any other provisions of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 and any other applicable provisions if any, the Registered office of the company be and is hereby shifted from its present location at Irimpanam Installation, Irimpanam P O, Kochi, Ernakulam -682309 to BPCL-KIAL Fuel Farm Private Limited, C/O Kannur International Airport, Karaperavoor (P. O.), Mattannur, Kerala-670702.”

“RESOLVED FURTHER THAT, Shri. Sandeep Kumar, Company Secretary be and is hereby authorized to sign, execute any deeds, documents and file with the Registrar of Companies, Kerala, the required e-form, and take necessary steps to shift the registered office of the company.”

For BPCL-KIAL FUEL FARM PRIVATE LIMITED

SD/-

SANDEEP KUMAR P
Company Secretary

Date: 18.09.2017

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 2018 were complete but C&AG comments of financials are not yet finalized, 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 2017-18.
- C. Video Conference facility has been arranged for the convenience of members.

STATEMENT PURSUING TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act") The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

1. Shri. Krishnakumar Shanthakumari Shibu Kumar was nominated by KIAL 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. Company has received notice proposing candidature as Director of the Company be approved by shareholders and the Board feels that the presence of Shri. Krishnakumar Shanthakumari Shibu Kumar 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.

2. Shri. Prasad Krishna Panicker 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. Company has received notice proposing candidature as Director of the Company be approved by shareholders and the Board feels that the presence of Shri. Prasad Krishna Panicker on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 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.

3. Shri. Gopalakrishnan Ananthakrishnan 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. Company has received notice proposing candidature as Director of the Company be approved by shareholders and the Board feels that the presence of Shri. Gopalakrishnan Ananthakrishnan on the Board is desirable and would be beneficial to the company and hence recommend resolution. 5 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.

4. Item No 6; As per Provision of section 12 of the Companies Act, 2013 read with rule 27 of Chapter II The Companies (Incorporation) Rules, 2014 relating to be procedure to be followed for, shifting of registered office of Company outside the local limits of any city or town requires approval of the members by Special Resolution.

The Registered office of the Company is presently situated in Irimpanam Installation, Irimpanam P O, Kochi, Ernakulam -682309, Kerala, Now the Board of Directors of the company at its 14th meeting held on 26th day of July 2018 decided that the registered office of the Company is to be shifted to BPCL-KIAL Fuel Farm Private Limited, C/O Kannur International Airport, Karaperavoor (PO), Mattannur, Kerala-670702, a place outside the local limits of the town where the company's registered office is presently situated but which is situated within the same State, with a view to improve operational efficiency, the Board of Directors Considered and subject to approval of members, approved the proposal of shifting registered office to BPCL-KIAL Fuel Farm

Private Limited, C/O Kannur International Airport, Karaperavoor (PO), Mattannur, Kerala-670702.

The Board recommends the proposed special resolution to the members of the Company for their consideration and approval.

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.

For BPCL-KIAL FUEL FARM PRIVATE LIMITED

SD/-

SANDEEP KUMAR P
Company Secretary

Date: 18.09.2018

Place: Kochi

Director's Report

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

Your Directors have pleasure in presenting the Third 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, 2018.

FINANCIAL HIGHLIGHTS

The operational results of the Company from 2016-17 till the ends of the financial year 2017-18 are tabulated below:

Particulars	(In Lakh)	(In Lakh)
	As at the end of current reporting period	As at the end of previous reporting period
Total Revenue	0.80	10.38
Total Expenses	82.70	93.45
Profit or Loss before Tax	-81.90	-83.08
Less: Current Tax	0.17	3.21
Deferred Tax	-	-
Profit or Loss After Tax	-82.07	-86.28

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. -82.07 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, 2018 hence no amount has been transferred to General Reserve Account.

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2018

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, 2018, 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 2017-18

SN	Date of Meeting	Board Strength	No. of Directors Present
1	21/06/2017	3	3
2	28/09/2017	3	2
3	29/12/2017	3	2
4	28/03/2018	3	3

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-

SI No	Name of the Directors	DIN	Designation	Date appointment	Representing
1.	PRASAD KRISHNA PANICKER	06476857	Director	10/07/2018	BPCL
2.	GOPALAKRISHNAN ANANTHAKRISHNAN	07954915	Director	16/07/2018	BPCL
3.	KRISHNAN SHANTAKUMARI SHIBU KUMAR	08017032	Director	19/12/2017	KIAL

The particulars of the key managerial personals are given below.

SI No	Name of the Directors	Designation	Date of appointment
1.	PRASHANT MARTHAPPA KAMATH	CEO	04/09/2015
2.	SANDEEP KUMAR P	Company Secretary	01/12/2017

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: The Company has not accounted for the service tax and GST charged by the Bharat Petroleum Corporation Limited for the salary reimbursement billed by the party during the year. Further the company has written back the service tax charged by the BPCL and accounted by the company during the previous years under the head exceptional items (Note No.17). Hence the company has understated its Other Current Liabilities (Note No.10) to the extent of `6.66 lakhs towards salary reimbursement to Bharat Petroleum Corporation Limited, as compared to the confirmation obtained from the party concerned. The above qualification results in overstatement of income by ` 2.54 lakhs and understatement of liability by `6.66 lakhs.

Director's comment: The Board of Directors of the company decided to obtain a legal opinion to ascertain whether Service tax/GST is payable on salaries reimbursed to BPCL for personnel on deputation to BKFFPL from BPCL.

Qualification No:2: The Company has not adopted the Audited Ind AS Financial Statements for the financial year 2016-17 in the Annual General Meeting till the date of this report. The opening balances for the year 2017-18 have been brought forward based on the non-adopted Ind AS financial statements. The possible effect if any in the opening balances of the year on subsequent non-adoption of the financial statements cannot be quantified.

Director's comment: The Financials statements were subject to supplementary Audit by C&AG, report is not obtained before the AGM for the FY 2016-17. Hence the opening balances of FY 2017-18 were forward based on the non-adopted Ind AS financial statements. C&AG Audit report has since been received with NIL comments.

Qualification No: 3: The Works Contract TDS payable of rupees 6.95 lakhs (Note No.10) which has been outstanding for a period of more than six months from the date they become payable.

Director's comment: Delay has been due to non availability of online facility for remittance of tax due to switch over from VAT to GST regime.

SUPPLEMENTARY AUDIT BY C&AG OF INDIA

The review and comments on the Annual Accounts of your company for the financial year 2017-18 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 2018.

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 save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact 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/-

Prasad Krishna Panicker
|DIN: 06476857 |Director

SD/-

KS Shibu Kumar
|DIN: 08017032 |Director

Place: Ernakulam
Date: 19.12.2018

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018

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	191	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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% 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.	-	75,00,000	75,00,000	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)	-	75,00,000	75,00,000	100.00%	-	75,00,000	75,00,000	100.00%	0.00%
(1)									
(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)	-	75,00,000	75,00,000	100.00%	-	75,00,000	75,00,000	100.00%	0.00%
B. Public Shareholding									
<i>1. Institutions</i>									
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%
<i>2. Non-Institutions</i>									
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 Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
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	55,50,000	74.00%	0	55,50,000	74.00%	0	0.00%
2	KANNUR INTERNATIONAL AIRPORT LIMITED	19,50,000	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			75,00,000	100.00%	75,00,000	100.00%
	Changes during the year			-	0.00%	-	0.00%
				-	0.00%	-	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 and I

Personnel:

Nil

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year: 01.04.2017				
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: 31.03.2018				

i) Principal Amount	4,44,38,000.00	-	-	4,44,38,000.00
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,44,38,000.00	-	-	4,44,38,000.00

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 (Rs/Lac)
		Nil		
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 (Rs/Lac)
	Name	SANDEEP KUMAR P		
	Designation	Company Secretary		
1	Gross Salary	2,20,000		2,20,000
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	2,20,000.00		2,20,000
	(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	2,20,000.00	-	-	2,20,000

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 2018**

The preparation of financial statements of BPCL KIAL Fuel Farm Private Limited for the year ended 31 March 2018 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 26 July 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 2018 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.

Place:Chennai.

Date: 27 November 2018

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

(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, 2018 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

- i. The Company has not accounted for the service tax and GST charged by the Bharat Petroleum Corporation Limited for the salary reimbursement billed by the party during the year. Further the company has written back the service tax charged by the BPCL and accounted by the company during the previous years under the head exceptional items (Note No.17). Hence the company has understated its Other Current Liabilities (Note No.10) to the extent of ₹6.66 lakhs towards salary reimbursement to Bharat Petroleum Corporation Limited, as compared to the confirmation obtained from the party concerned. The above qualification results in overstatement of income by ₹2.54 lakhs and understatement of liability by ₹6.66 lakhs.*

- ii. *The Company has not adopted the Audited Ind AS Financial Statements for the financial year 2016-17 in the Annual General Meeting till the date of this report. The opening balances for the year 2017-18 have been brought forward based on the non-adopted Ind AS financial statements. The possible effect if any in the opening balances of the year on subsequent non-adoption of the financial statements cannot be quantified.*

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 2018 and its loss, other comprehensive income, its cash flow and the changes 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.
 - 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 accounts.

- 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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.

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

Sd/-

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

Place: Kochi-31
Date:26/07/2018

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 with the appropriate authorities *except for the Works Contract TDS payable of ₹ 6.95 lakhs(Note No.10) which has been outstanding for a period of more than six months from the date they become 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. Based upon the audit procedures performed and information and explanations given by the management, the Company has not defaulted in repayment of loans and borrowing to any financial institutions, banks, government or dues to debenture holders.
9. Based upon the audit procedures performed and information and explanations given by the management, the money raised by way of IPO or FPO and term loans were applied for the purpose for which those are raised.
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)

Sd/-

Place: Kochi-31
Date: 26/07/2018

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, 2018 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 evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

Place: Kochi-31
Date: 26/07/2018

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 2017-18 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.	Based on the information and explanations obtained from the Company, the license agreement with KIAL was expired on 03-09-2017. The company is of the opinion that the license agreement with KIAL not required to be renewed since the Joint Venture Agreement exists. Hence the company holds leasehold land of KIAL by virtue of Joint Venture Agreement between BPCL and KIAL dated on 29-12-2014.
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)

Sd/-

Place: Kochi-31
Date: 26/07/2018

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

BPCL-KIAL FUEL FARM PRIVATE LIMITED

Financial Statements for the year ended

31st March 2018

(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, 2018

₹ in Lakhs

	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
	ASSETS			
1	Non - Current Assets			
	(a) Property, Plant and Equipment	1	0.37	0.49
	(b) Capital Work -In-Progress	1	1,020.32	791.78
	(c) Intangible Assets	1	0.30	0.41
	(d) Other Intangible Assets Under Development		-	-
	(e) Financial Assets		-	-
	(f) Income Tax Assets (net)		-	-
	(g) Other Non-Current Assets	2	10.50	10.50
2	Current Assets			
	(a) Inventories		-	-
	(b) Financial Aseets			
	(i) Cash and Cash Equivalents	3	12.26	94.36
	(ii) Bank Balances Other than (i)	4	0.75	0.75
	(c) Other Current Assets	5	11.59	7.12
	Total Assets		1,056.08	905.41
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	6	750.00	750.00
	(b) Other Equity			
	- Retained Earnings	7	(224.53)	(142.46)
	LIABILITIES			
1	Non - Current Liabilites			
	(a) Deferred Tax Liabilities		-	-
	(b) Borrowings	8	444.38	-
	(c) Other Non-Current Liabilities	9	-	132.69
2	Current Liabilities			
	(a) Financial Liabilities			
	(b) Other Current Liabilities	10	85.81	158.31
	(c) Provisions	11	0.42	6.86
	Total Equity and Liabilities		1,056.08	905.41

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

Sd/-
Chairman & Director
DIN: 06476857

Sd/-
Director
DIN:08017032

Sd/-
Chief Executive Officer
PAN:AACPK 2726M

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

Sd/-

Sd/-
Chief Financial Officer
PAN:AGPPS 4585B

Sd/-
Company Secretary
M.No.A42804

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

Place: Kochi
Date: 26.07.2018

Place: Kochi - 31
Date: 26.07.2018

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 2018

₹ in Lakhs

	Particulars	Note No.	Year ended 31st March 2018	Year ended 31st March 2017
	Income			
I	Revenue From Operations		-	-
II	Other Income	12	0.80	10.38
III	Total Income (I+II)		0.80	10.38
IV	Expenses			
	Employee Benefit Expense	13	25.65	14.15
	Finance Cost	14	2.18	-
	Depreciation and Amortization Expenses	15	0.34	0.33
	Other Expenses	16	57.07	78.98
	Total Expenses (IV)		85.24	93.45
V	Profit/(loss) before Exceptional Items and tax (III-IV)		(84.44)	(83.08)
VI	Exceptional Item	17	2.54	-
VII	Profit/(loss) before tax (V+VI)		(81.91)	-
VIII	Tax Expense:			
	(1) Current tax		0.17	3.21
	(2) Deferred tax		-	-
IX	Profit/(loss) for the year (VII-VIII)		(82.07)	(86.28)
	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		-	-
X	Other Comprehensive Income [A(i-ii)+B(i-ii)]		-	-
XI	Total Comprehensive Income for the year (IX+X)		(82.07)	(86.28)
XII	Earnings per equity share	18		
	(1) Basic		(1.09)	(1.27)
	(2) Diluted		(1.09)	(1.27)

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

Sd/-
Chairman & Director
DIN: 06476857

Sd/-
Director
DIN:08017032

Sd/-
Chief Executive Officer
PAN:AACPK 2726M

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

Sd/-
Chief Financial Officer
PAN:AGPPS 4585B

Sd/-
Company Secretary
M.No.A42804

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

Place: Kochi
Date: 26.07.2018

Place: Kochi - 31
Date: 26.07.2018

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 2018

A. Equity Share Capital

		₹ in Lakhs
Particulars	Notes	Total
Balance as at March 31, 2017		750.00
Changes in equity share capital during the year		
(a) Share issued for consideration		-
Balance as at March 31, 2018		750.00

B. Other Equity

	Reserves and Surplus		Total
	Other Reserves	Retained Earnings	
Balance as on March 31, 2017	-	(142.46)	(142.46)
Loss for the year	-	(82.07)	(82.07)
Other Comprehensive Income for the year, net of tax	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	-	-
Balance as on March 31, 2018	-	(224.53)	(224.53)

For and on behalf of the Board of Directors

As per our Report of Even Date Attached

Sd/- Chairman & Director DIN: 06476857	Sd/- Director DIN:08017032	Sd/- Chief Executive Officer PAN:AACPK 2726M
--	----------------------------------	--

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

Sd/- Chief Financial Officer PAN:AGPPS 4585B	Sd/- Company Secretary M.No.A42804
--	--

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

Place: Kochi
Date: 26.07.2018

Place: Kochi - 31
Date: 26.07.2018

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 2018

₹ in Lakhs

Particulars	Period ended 31st March 2018	Period ended 31st March 2017
A. Cash Flow from Operating Activities		
Profit before Exceptional Items and Tax	(84.44)	(83.08)
Adjustment for ;		
Deferred Tax Asset written off	-	5.81
Depreciation and amortization expenses	0.34	0.33
Finance Cost	2.18	
Operating profit before working capital changes	(81.93)	(76.94)
Adjustments for ;		
(Increase)/Decrease in current assets	(4.47)	(7.12)
Increase/(Decrease) in non-current liabilities	(132.69)	233.34
Increase/(Decrease) in other current liabilities	(69.96)	29.38
Increase/(Decrease) in provisions	(6.44)	3.37
Cash Generated from Operations	(295.49)	182.03
Income Taxes paid	0.17	-
Net Cash Flow from/(used in) Operating Activities	(295.66)	182.03
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(0.11)	(0.02)
Capital Work in Progress	(222.92)	(614.63)
Net Cash Flow from/(used in) Investing Activities	(223.04)	(614.66)
C. Cash Flow from Financing Activities		
Issue of Share Capital	-	150.00
Increase of Term Loan	444.38	-
Interest Paid	(7.79)	-
Net Cash from Financing Activities	436.59	150.00
Net Increase in Cash and Cash Equivalents	(82.10)	(282.62)
Cash and Cash Equivalents at the beginning of the year	94.36	376.98
Cash and Cash Equivalents at the end of the year	12.26	94.36
Notes		
1 The above cashflow statements has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".		

For and on behalf of the Board of Directors

As per our Report of Even Date Attached

Sd/-
Chairman & Director
DIN: 06476857

Sd/-
Director
DIN:08017032

Sd/-
Chief Executive Officer
PAN:AACPK 2726M

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

Sd/-
Chief Financial Officer
PAN:AGPPS 4585B

Sd/-
Company Secretary
M.No.A42804

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

Place: Kochi
Date: 26.07.2018

Place: Kochi - 31
Date: 26.07.2018

Notes to financial statements for the year ended 31st March 2018

A) General Information

BPCL KIAL FUEL FARM PRIVATE LIMITED (the "Company") is a private limited company, incorporated on 22 December 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. The Airport is under construction the fuel farm will commence commercial operation on commissioning of the airport which is expected to be in November 2018. The Airport is being constructed at Mattanur, Kannur District in Kerala over an acreage of 2000 acres. KIAL and BPCL have signed a shareholders' agreement for the investment in the proportion of 26:74 respectively with a total project cost of Rs. 1,800 Lakhs.

B) Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

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.

ii. Basis of preparation and presentation

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

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts are in Indian Rupees rounded off to lakhs, except share data and per share data, unless otherwise stated. The financial statements of the Company for the year ended 31st March, 2018 were authorized for issue in accordance with a resolution of the directors on 25th July, 2018.

iii. 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 recognized 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)

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 any 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 derecognized 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 recognized 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 derecognized.

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 amortization 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 derecognized 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets are amortized 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 recognized 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 recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized 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 recognized 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 recognized as a standalone asset only when the reimbursement is virtually certain.

Present obligations arising under onerous contracts are recognized 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 shortterm, 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 amortized cost is recognized 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 interest earned on the borrowed funds is 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 capitalized 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 capitalization and the borrowing cost is as reduced by any investment income on the temporary investment of those borrowings. For the current financial year, the borrowing cost capitalized amounts to ₹5.61 Lakhs.

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 up to 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized.

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 realized, 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. 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 on the tax impact on the temporary difference is not recognized considering the materiality.

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 realized 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 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.

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

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.

The company is holding having a joint venture with Bharat Petroleum Corporation Limited for operating a fuel farm and is presently holding 26% stake in the company. As the company has not started its operations the value has been disclosed at cost.

15) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

16) Operating Segments

The company has not started its operations during the current financial year and as such there are no reportable segments.

17) 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 favorable to the Company.

Financial assets of the Company comprise cash and cash equivalents, Bank balances, Investments in equity shares of companies, 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 value 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 if any, of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Investments in equity instruments are classified as Fair value through profit and loss, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

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, accrued expenses and other payables.

The Company initially recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are measured at fair value on initial recognition which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities if any, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Subsequent to initial recognition, the liability component of the financial instrument is measured at amortized cost using the effective interest method.

Derecognition

A financial asset is primarily derecognized when:

1. the right to receive cash flows from the asset has expired, or
2. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the company has transferred substantially all the risks and rewards of the asset, or b) the company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognized in profit or loss.

Impairment of financial assets: The company recognizes impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

A financial liability is derecognized when the obligation under the liability is discharged / cancelled / expired.

1. Property Plant and Equipments

₹ in Lakhs

Description of Assets	Gross Block				Depreciation Adjustment				Net Block	
	As at 01-04-2017	Additions during the year	Sales/ Disposals	As at 31-03-2018	As at 01-04-2017	Depreciation for the year	Adjustments during the year	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
<u>A. Tangible Assets</u>										
Furniture & Fixtures	0.11	0.09	-	0.20	0.01	0.02	-	0.03	0.17	0.10
Office Equipments	0.68	0.02	-	0.70	0.28	0.22	-	0.50	0.20	0.40
Total	0.79	0.11	-	0.90	0.29	0.23	-	0.53	0.37	0.49
	0.76	0.02	-	0.79	0.08	0.22	-	0.29	0.49	0.69
<u>B. Capital-work-in-progress</u>										
Plant & Machinery	8.86	-	-	8.86	-	-	-	-	8.86	8.86
Civil Works	329.91	87.39	-	417.29	-	-	-	-	417.29	329.91
Mechanical Works	174.40	-	-	174.40	-	-	-	-	174.40	174.40
Electrical Works	80.37	26.72	-	107.08	-	-	-	-	107.08	80.37
Miscellaneous Works	-	103.90	-	103.90	-	-	-	-	103.90	-
Others	198.24	10.53	-	208.77	-	-	-	-	208.77	198.24
Total	791.78	228.53	-	1,020.32	-	-	-	-	1,020.32	791.78
	177	614.63	-	791.78	-	-	-	-	791.78	177
<u>C. Intangible Assets</u>										
Computer Software	0.54	-	-	0.54	0.14	0.11	-	0.24	0.30	0.41
Total	0.54	-	-	0.54	0.14	0.11	-	0.24	0.30	0.41
	0.54	-	-	0.54	0.03	0.11	-	0.14	0.41	0.51

2 Other Non-Current Assets ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Security Deposits <i>Unsecured, Considered good</i> Land Lease Rent Deposit	10.50	10.50
Total	10.50	10.50

3 Financial Assets - Cash and cash equivalents ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with Banks		
<i>In current Accounts</i>		
SBI-6435	0.11	0.11
HDFC Bank Ltd	10.74	-
<i>In Deposit Accounts (maturity < 3 months)</i>		
Flexi Deposit (IV) SBI KNR-5294	-	5.79
SBI Flexi Deposit 2	1.17	-
SBI Flexi Deposit (I)	0.24	-
SBI Flexi Deposit-8045	-	88.24
Cash in Hand	0.00	0.22
Total	12.26	94.36

4 Financial Assets - Bank Balances ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Balance with Banks - Marked against Lien		
<i>In Deposit Accounts (maturity > 12 months)</i>		
Fixed Deposits-SBI 2948	0.75	0.75
Total	0.75	0.75

5 Other Current Assets ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Prepaid renewal fee	-	0.09
Accrued Interest	-	5.99
TDS Receivables	0.08	1.04
GST Credit Entitlement	11.51	-
Total	11.59	7.12

6 Equity Share Capital

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
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 - 75,00,000 Equity Shares of par value Rs. 10/-each)	750.00	750.00
Total	750.00	750.00

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No.of Shares	Rupees	No.of Shares	Rupees
Number of Shares as on 1 April 2017	75,00,000	7,50,00,000	60,00,000	6,00,00,000
Add : Shares issued during the year				
(a) PSUs	-	-	15,00,000	1,50,00,000
(b) Others - Private Sector	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Total	75,00,000	7,50,00,000	75,00,000	7,50,00,000

6.2 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 assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

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

Particulars	As at 31 March 2018	As at 31 March 2017
Shares held by:		
Its Holding Company and its Ultimate Holding Company	55,50,000	55,50,000
Subsidiaries of its Holding Company and its Ultimate Holding Company	-	-
Associates of its Holding Company and its Ultimate Holding Company	19,50,000	19,50,000

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	%	No. of shares	%	No. of shares
Bharath Petroleum Corporation Limited (BPCL)	74%	55,50,000	74%	55,50,000
Kannur International Airport Limited (KIAL)	26%	19,50,000	26%	19,50,000

	As at 31 March 2018	As at 31 March 2017
6.5 Shares reserved for issue under options and contracts/commitments	-	-
6.6 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	-	-
6.7 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	-	-
6.8 Calls Unpaid		
By Directors	-	-
By Officers	-	-
6.9 Shares issued for consideration other than cash	-	-

7 Other Equity		₹ in Lakhs	
Particulars	As at 31 March 2018	As at 31 March 2017	
Retained Earnings			
Opening balance	(142.46)	(56.17)	
Add : Loss for the year	(82.07)	(86.28)	
Total	(224.53)	(142.46)	

8 Borrowings		₹ in Lakhs	
Particulars	As at 31 March 2017	As at 31 March 2018	
HDFC Bank Ltd - Term Loan	444.38	-	
Total	444.38	-	

Term loan borrowings for the purpose of financing the fuel farm and related infrastructure at Kannur International Airport is from HDFC Bank Ltd. The Company agreed to borrow the sums to the maximum extent of Rs.10 Crores (Rupees Ten Crores only), on the security of

1. all the amounts outstanding, monies receivable, claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to the company in the course of its business by any person, firm, company or body corporate or by a government department or office or any municipal or local or public or semi-government body or authority or anybody corporate or undertaking.
2. All the plant and machinery both present and future being movable properties, now stored at or being stored or which may hereafter be brought into or stored at or at present installed and also the plant and machinery which may at any time hereafter belong to the security provider or be at its disposal and now or at any time and from time to time hereafter stored or brought into or upon or in course of transit or awaiting transit by any mode of operation to the factory or premises of the security provider or at any other place whatsoever and wheresoever in possession of the company.

At a margin of 25% on Fixed Assets (Plant and Machinery)

The agreed rate of interest is 35 basis points over the Banks MCLR Rate exclusive of interest tax or cess if any applicable. The present MCLR Rate applied is at the rate of 8.15% and the cost of the loan fund is 8.5% (8.15%+0.35%) further the company will be liable for additional interest at the rate of 12% in case of any defaults.

The first drawdown of the loan has been made on 31 December 2017 the principal repayment of the loan will commence on the beginning of the second quarter of 2020 and will end by the first quarter of 2030. The interest is to be serviced on a monthly basis during the moratorium period and during the period of principal repayment.

9 Other Non-Current Liabilities ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Contractual Liabilities	-	132.69
Total	-	132.69

10 Other Current Liabilities ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Earnest Money Deposit	1.00	1.00
Retention Money Payable	36.82	24.26
Reimbursement of Expenses	2.41	0.29
Salary Payable	0.55	-
Security Deposit (Transport Contractor)	0.25	0.25
Statutory Dues	9.63	18.97
Other Expenses Payable	35.15	113.52
Total	85.81	158.31

11 Provisions ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Provisions for:		
Audit Fee	0.25	0.30
Consultancy Fee	-	3.15
Retainership Fee	-	0.21
Income Tax	0.17	3.21
Total	0.42	6.86

12 Other Income ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Interest Income	0.80	10.38
Total	0.80	10.38

13 Employee Benefit Expense ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Salaries & Allowances	25.65	14.15
Total	25.65	14.15

14 Finance Cost ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Interest on HDFC Loan	1.52	-
Loan Processing Fee	0.66	
Total	2.18	-

15 Depreciation and Amortization Expenses ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Amortization	0.11	0.11
Depreciation	0.23	0.22
Total	0.34	0.33

16 Other Expenses ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Audit Fee	0.25	0.30
Advertisement Expense	-	1.66
Deferred Tax Asset written off	-	5.81
Professional & Consultancy Charges	2.99	11.01
Rent	43.69	50.11
Rates & Taxes	1.21	0.97
Security Charge	3.52	3.65
Team Lease Service Charge	1.20	2.64
Travelling Expenses	2.71	0.49
Miscellaneous Expenses	1.51	2.35
Total	57.07	78.98

17 **Exceptional Items** ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Prior Period Income	2.54	-
Total	2.54	-

18 **Disclosure as per Ind AS 33 - Earnings per share**

Particulars	As at 31 March 2018	As at 31 March 2017
Profit attributable to equity holders of the company	(82.07)	(86.28)
Weighted average number of Equity shares of Rs. 10/- each (fully paid up)	75,00,000	67,80,000
Earnings Per Share- Basic & Diluted	(1.09)	(1.27)

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 parents 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.

19 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.

19.1 **Related Parties and Nature of Relationships**

Holding Company

Name of the Entity	Principal Activity	Proportion of Ownership Interest	
		As at 31 March 2018	As at 31 March 2017
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 2018	As at 31 March 2017
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	04/09/2015	NIL
Jayakrishnan S	Chief Financial Officer	09/06/2015	NIL

19.2 Transactions During the year

₹ in Lakhs

Entity	Nature of Transaction	As at 31 March 2018	As at 31 March 2017
Kannur International Airport Limited (KIAL)	Lease Rent Paid	43.58	45.25
	Office Rent Paid	0.12	1.38
	Reimbursement of Electricity Expenses	-	0.79
Bharath Petroleum Corporation Limited (BPCL)	Salaries & Allowance of the Project Manager on Deputation	23.45	14.15
	Project Management Consultancy Charges	-	51.49

19.30 Balance outstanding

₹ in Lakhs

Entity	As at 31 March 2018	As at 31 March 2017
Kannur International Airport Limited (KIAL)	26.64 Cr	38.59 Cr
Bharath Petroleum Corporation Limited		
- Project Management Consultancy Charges	4.49 Dr	46.62 Cr
- Reimbursement of Salary	8.56 Cr	19.45 Cr

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

20.1 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	6.02
ii) Interest Payable on Delayed Payment of ;	-	-
Lease Rent	10.73	3.38
Office Rent	0.06	0.04

21 Commitments

₹ in Lakhs

Particulars	Current Year	Previous Year
a. Estimated amounts of contracts remaining on capital account and not provided for		
Civil Works	19.78	105.36
Mechanical Works	29.60	54.97
Electrical Works	10.95	32.00
Miscellaneous Works	192.57	286.59
Project Management Consultancy	3.30	63.91
Materials - Steel Plates	-	-
b. Uncalled liability on shares and other investments partly paid	-	-
c. Other commitments	-	-

Note XXII: 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.

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.

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.

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.

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.

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 of funding and debt maturing within 12 months can be rolled over with existing lenders.

Note XX: Events after the reporting period

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

Note XXIII: Comparative figures

Comparative figures unless otherwise stated are given with in brackets and have been re-grouped and recast wherever necessary to be in conformity with current years classification and layout.

Note XXIV: Derivative Contracts

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

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

Particulars	₹ in Lakhs	
	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	-	-

26 Figures have been rounded off to the nearest lakhs. 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.

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

For and on behalf of the Board of Directors

As per our Report of Even Date Attached

Sd/-

Sd/-

Sd/-

For M.A. Moideen & Associates

Chartered Accountants

F.R. No. 002126S

Chairman & Director
DIN: 06476857

Director
DIN:08017032

Chief Executive Officer
PAN:AACPK 2726M

Sd/-

Sd/-

Sd/-

M.A. Moideen, B.Sc., FCA, DISA (ICAI)

Managing Partner

M.No. 022113

Chief Financial Officer
PAN:AGPPS 4585B

Company Secretary
M.No.A42804

Place: Kochi
Date: 26.07.2018

Place: Kochi - 31
Date: 26.07.2018