

ANNUAL REPORT 2018-19



**FUEL
TO FLY**



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Present Board of Directors



Prasad Krishna Panicker
Chairman & Director



G. Ananthkrishnan
Director



Vijay Ranjan
Director



KP Jose
Director

NOTICE TO THE MEMBERS

Notice is hereby given that the Fourth Annual General Meeting of the Members of BPCL-KIAL Fuel Farm Private Limited will be held at the Registered Office of the Company at BPCL-KIAL Fuel Farm Ltd, C/o Kannur International Airport, Karaperavoor (PO), Mattannur – 670702, Kerala on the 30th Day of September 2019 at 2:30 P.M. to transact, with or without modification(s), as may be permissible, the following business:

A. ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet, Profit and Loss Account for the Financial Year ended March 31, 2019 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 Statutory Auditors of the company for the Financial Year 2019-20 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 2019-20, as may be deemed fit by the Board.”

B. SPECIAL BUSINESS:

3. Appointment of Shri. VIJAY RANJAN as Director.

To consider and if 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. Vijay Ranjan (DIN: 03057762), 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. KURIAKOSE POOTHARA JOSE as Director.

To consider and if 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. Kuriakose Poothara Jose (DIN: 08525345), 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. To increase the Authorised Share Capital of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 61 and Section 64 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules framed there under, the consent of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from existing Rs 18,00,00,000 (Rupees Eighteen crores) divided into 1,80,00,000 (one crore eighty lakh) equity shares of ` 10 (Rupees Ten) each to Rs 50,00,00,000 (Rupees Fifty crores) divided into 5,00,00,000 (Five crore) equity shares of Rs 10 (Rupees Ten) each by creation of additional 3,20,00,000 (Three crore twenty lakh) Equity Shares of Rs 10/- each ranking pari pasu in all respect with the existing shares of the company.”

“**RESOLVED FURTHER THAT** any Director of the Company or Company Secretary of the Company, be and are hereby severally authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution.”

6. Alteration in the Capital Clause of Memorandum of Association.

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

“**RESOLVED THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed there under, consent of the Members be and are hereby accorded for substituting the existing Clause V of the Memorandum of Association of the Company with the following Clause:

The Authorised Share Capital of the Company shall be Rs 50,00,00,000 (Rupees Fifty crores) divided into 5,00,00,000 (Five crore) Equity Shares of Rs 10/- (Rupees Ten) each



with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into different classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the company.

For BPCL-KIAL FUEL FARM PRIVATE LIMITED

Sd/-

SANDEEP KUMAR P
Company Secretary

Date: 17-09-2019

Place: Kannur

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



Explanatory Statement pursuant to Section 102 of the Companies Act

1. Shri. Vijay Ranjan 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. Vijay Ranjan 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. Kuriakose Poothara Jose 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 Kuriakose Poothara Jose 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. Item No. 5 and 6 Increase in Authorised Share Capital of the Company and Alteration in Memorandum of Association of the Company

The Current Authorized Capital of the Company is Rs 18,00,00,000 (Rupees Eighteen crores) divided into 1,80,00,000 (one crore eighty lakh) equity shares of Rs 10 (Rupees Ten) each to Rs 50,00,00,000 (Rupees Fifty crores) divided into 5,00,00,000 (Five crore) equity shares of Rs 10 (Rupees Ten) each by creation of additional 3,20,00,000 (Three crore twenty lakh) Equity Shares of Rs 10/- (Rupees Ten) each to facilitate any fund raising in future via fresh issue of equity shares of the company.

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Clause V of the Memorandum of Association of the Company.

Pursuant to Section 13 and 61 the Companies Act, 2013, alteration of the Capital Clause requires approval of the members of the Company by way of passing an Ordinary



Resolution to that effect.

The Directors recommend the Resolution set out in the Notice for the approval of the Members.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

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

For BPCL-KIAL FUEL FARM PRIVATE LIMITED

Sd/-

SANDEEP KUMAR P
Company Secretary

Date: 17-09-2019

Place: Kannur



Director's Report

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

Your Directors have pleasure in presenting the Fourth 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, 2019.

OPERATIONS OF THE COMPANY

BKFFPL has constructed the fuel farm facility at Kannur International Airport Limited (KIAL) under the Joint Venture Agreement between KIAL and BPCL. BKFFPL has appointed BPCL as the operator of the facility pursuant to the Joint Venture Agreement. It works under the Open Access Model. The major operations of the company are to provide Infrastructure, O&M services and ITP services for Suppliers of ATF that is delivered into the aircraft at the Airport. The company has commenced its operations on 9 December 2018 along with the commissioning of Airport.

FINANCIAL HIGHLIGHTS

The financial and operational performance of the Company for the financial year ended 31st March 2019 is summarised below:

Particulars	For the year ended 31st March 2019 (Amount in Rs./ Lakh)
Revenue from Operations	125.73
Other Income	1.09
Total Revenue	126.82
Fuel Farm expenses	116.06
Employee benefit expenses	16.74
Finance Cost	41.36
Depreciation and Amortization expenses	22.52
Other Expenses	36.70
Total Expenses	233.38
Profit or Loss before Tax	(106.56)



Less: Current Tax	-
Prior Tax	0.04
Deferred Tax	13.27
Profit or Loss After Tax	(119.87)

STATE OF COMPANY'S AFFAIRS

The company has commenced its commercial operations on 9th December 2018. The company has recorded a loss of Rs 119.87 Lakh in the financial year ended 31st March 2019.

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

As the company commenced its commercial operations only on 9th December 2019, the Company has not generated any profit for the financial year ended 31st March 2019. Hence no amount has been transferred to General Reserve Account.

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March 2019.

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 2019, 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

There were 05 (Five) meetings of the Board held during the Financial Year. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

The following Meetings of the Board of Directors were held during the Financial Year 2018-19.

SN	Date of Meeting	Board Strength	No. of Directors Present
1	26/07/2018	3	2
2	09/10/2018	3	3
3	27/11/2018	3	3
4	19/12/2018	3	3
5	13/03/2019	4	4

DIRECTORS AND KEY MANAGERIAL PERSONNALS

Shri. Vijay Ranjan 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, appointed as an Additional Director of the company and he can hold office up to the date of the ensuing Annual General Meeting. Company has received notice proposing candidature as Director of the Company.

Shri. Utpal Baruah ceased to be Director of the Company w.e.f. 29 July 2019. The Company have placed on record their deep appreciation and gratitude for the valuable contributions made by him in the deliberations of the Board meeting and for the guidance and the support for the development and progress of the business of the Company during his tenure.

Shri. Kuriakose Poothara Jose 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, appointed as an Additional Director



of the company and he can hold office up to the date of the ensuing Annual General Meeting. Company has received notice proposing candidature as Director of the Company.

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

SL.No	Name of the Directors	DIN	Designation	Date of appointment	Date of Cessation	Representing
1.	Prasad Krishna Panicker	06476857	Director	10/07/2018	NA	BPCL
2.	Gopalakrishnan Ananthakrishnan	07954915	Director	16/07/2018	NA	BPCL
3.	Vijay Ranjan	03057762	Director	28/02/2019	NA	BPCL
4.	Utpal Baruah	08246324	Director	16/02/2019	29/07/2019	KIAL
5.	Kuriakose Poothara Jose	08525345	Director	31/07/2019	NA	KIAL

The particulars of the Key Managerial Personnel are given below.

S.No	Name of the KMP	Designation	Date of appointment
1.	PRASHANT MARTHAPPA KAMATH	CEO	04/09/2015
2.	SANDEEP KUMAR P	CS	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; hence no specific disclosure is required in this regard.

STATUTORY AUDITOR AND AUDITOR'S REPORT

Statutory auditor of your company is 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 up 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: The Company did not consider Land Lease rentals, Project Management Consultancy charges and other expenses, which were capitalised, in computation of the borrowing cost to be capitalised. This being directly attributable to the qualifying asset, the amount capitalised as borrowing cost is understated by Rs 11.59 lakhs. Hence the company has understated its Property, Plant and Equipment (Note No.1) to the extent of Rs 11.59 lakhs and overstated its Finance Cost (Note No.16) by Rs 11.59 lakhs.

Director's comment: As per Para10 of Ind AS 32, borrowing cost eligible for capitalisation includes the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. These are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

In the case of the company, the qualifying asset is the construction of the fuel farm and borrowing cost on procurement of all qualifying assets have been capitalised. The lease rent is towards the land and is an overhead charged on the asset and cannot be considered as a cost directly attributable to the acquisition of the qualifying asset.

Qualification: The Company has provided for operator charges for an amount of Rs 102.06 lakhs. The company has not executed any agreement with Bharat Petroleum Corporation Limited for the same. However, the company had provided a note mentioning the said amount along with the margin of 16% totalling to Rs 118.40 lakhs. The note was not authorised by the company or the operator. Further, an invoice dated 01.06.2019 issued by Bharat Petroleum Corporation Limited was presented to us having value of Rs 143.45 lakhs. The company has disclosed an amount of Rs 41.39 lakhs, being the difference between the amount provided and the amount as per the said invoice, as contingent liabilities.

In the absence of sufficient and appropriate audit evidence we are not in a position to verify the said provision (Note No.10) and contingent liability (Note No.22.1).

Director's comment: The terms of operators agreement was under negotiation during the period and the provision was not finalised. As a matter of financial prudence the management has decided to book an amount of Rs. 102.06 lakhs as provision being the cost incurred as per the Statement of expenses received from BPCL and the balance as a contingent liability. We have made disclosures in the financials regarding the existence of the liability and the invoice issued by the operator subsequent to the balance sheet date.



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.

SUPPLEMENTARY AUDIT BY C&AG OF INDIA

The review and comments on the Annual Accounts of your company for the financial year 2018-19 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 2019.

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 financial year, the Corporation has entered into contracts or arrangements with related parties, which were in the ordinary course of business and on an arm's length basis.

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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and materials orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

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:

- i. Details relating to deposits covered under Chapter V of the Act.
- ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- iv. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.



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 & on behalf of the Board of Directors

SD/-
Prasad Krishna Panicker
DIN: 06476857
(Chairman)

SD/-
Kuriakose Poothara Jose
DIN: 08525345
(Director)



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019

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 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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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%	90,00,000	-	90,00,000	100.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%

Sub Total (A) (1)	-	75,00,000	75,00,000	100.00%	90,00,000	-	90,00,000	100.00%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	75,00,000	75,00,000	100.00%	90,00,000	-	90,00,000	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%

Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	75,00,000	75,00,000	-	100.00%	90,00,000	-	90,00,000	100.00%	0.00%

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	BHARAT PETROLEUM CORPORATION LIMITED	55,50,000	74.00%	0	66,60,000	74.00%	0	0.00%
2	KANNUR INTERNATIONAL AIRPORT LIMITED	19,50,000	26.00%	0	23,40,000	26.00%	0	0.00%
Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		% of total shares
				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%	0.00%
	Changes during the year	27-11-2018	Allotment	-	0.00%	-	0.00%	0.00%
				15,00,000	0.00%	15,00,000	0.00%	0.00%
				-	0.00%	-	0.00%	0.00%
	At the end of the year			90,00,000	100.00%	90,00,000	100.00%	0.00%

(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 Key Managerial Personnel:

Nil

VI) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year: 01.04.2018				
i) Principal Amount	4,44,37,917.67	0	0	4,44,37,917.67
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4,44,37,917.67	0	0	4,44,37,917.67
Change in Indebtedness during the financial year				
* Addition	4,55,00,000	0	0	4,55,00,000
* Reduction	(791)	0	0	(791)
Net Change	4,54,99,209	0	0	4,54,99,209
Indebtedness at the end of the financial year: 31.03.2019				
i) Principal Amount	8,99,37,126.67	0	0	8,99,37,126.67
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	6,82,023	0	0	6,82,023
Total (i+ii+iii)	9,06,19,149.67	0	0	9,06,19,149.67

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

		-	-	-
	Ceiling as per the Act			

B. Remuneration to other Directors

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

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

Sl. No	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Sandeep Kumar Company Secretary			(Rs)
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	6,60,000			6,60,000
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	Nil			Nil
	(c) Profits in lieu of Salary under Section 17(3) Income-Tax Act, 1961	Nil			Nil
2	Stock Option	Nil			Nil
3	Sweat Equity	Nil			Nil
4	Commission	Nil			Nil
	- as % of profit	Nil			Nil

	- others, specify	Nil		Nil
5	Others, please specify	Nil		Nil
	Total	6,60,000		6,60,000

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/-
Kuriakose Poothara Jose
| DIN: 08525345 | Director

Place: Kannur

Date: 17.09.2019

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 2019.

The preparation of financial statements of BPCL-KIAL Fuel Farm Private Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17/06/2019.

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 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Sd/-
(R. AMBALAVANAN)

Place: Chennai
Date: 18 September 2019

Director General of Commercial Audit &
& ex-officio Member Audit Board, Chennai



INDEPENDENT AUDITOR'S REPORT**To The Members of BPCL-KIAL Fuel Farm Private Limited
Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of **BPCL-KIAL FUEL FARM PRIVATE LIMITED** ('the company'), which comprises the Balance Sheet as at 31st March 2019, 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.

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 aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Companies (Indian Accounting Standards) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019 and its loss, other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

- i. The company did not consider Land Lease rentals, Project Management Consultancy charges and other expenses, which were capitalised, in computation of the borrowing cost to be capitalised. This being directly attributable to the qualifying asset, the amount capitalised as borrowing cost is understated by Rs 11.59 lakhs. Hence the company has understated its Property, Plant and Equipment (Note No.1) to the extent of Rs 11.59 lakhs and overstated its Finance Cost (Note No.16) by Rs 11.59 lakhs.*
- ii. The company has provided for operator charges for an amount of Rs 102.06 lakhs. The company has not executed any agreement with Bharat Petroleum Corporation Limited for the same. However, the company had provided a note*



mentioning the said amount along with the margin of 16% totalling to Rs 118.40 lakhs. The note was not authorised by the company or the operator. Further, an invoice dated 01.06.2019 issued by Bharat Petroleum Corporation Limited was presented to us having value of Rs 143.45 lakhs. The company has disclosed an amount of Rs 41.39 lakhs, being the difference between the amount provided and the amount as per the said invoice, as contingent liabilities.

In the absence of sufficient and appropriate audit evidence we are not in a position to verify the said provision (Note No.10) and contingent liability (Note No.22.1).

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Report and Chairman's Statement, but does not include the standalone financial statements and our auditor's report thereon. The same has not been made available to us as on the date of auditor's report.

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



In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Management Report and Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance. Since we are not made available with the said other information, we are not in a position to comment on the same.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') 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, the statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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

Auditors' Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in



the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 to the extent applicable.
2. As required by section 143(3) of the Act, we report that:

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.

- a. 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.
- b. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.



- c. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- e. 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**”.
- f. 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**”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations 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/-

Razee Moideen, B.Com, ACA
Partner
M.No. 235281

Place: Kochi-31
Date: 17/06/2019



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 has not maintained 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, goods & service 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, goods & service tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues with the appropriate authorities 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/ Goods & Service 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 term loan was 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/-

Razee Moideen, B.Com, ACA
Partner
M.No. 235281

Place: Kochi-31
Date: 17/06/2019



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, 2019 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.

Auditor's 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 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 company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Basis for Qualified Opinion

The company does not have a system to obtain daily stock statement with movements certified by the station master and Fuel Delivery Notes for cross verification of the same due to which the company was not in a position to verify the stock movement and sale of Aviation fuel, on the basis of which revenue of the company is determined. Thus in our opinion adequate internal control over financial reporting of revenue recognition is absent to the said extent.

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

Sd/-

Place: Kochi-31
Date: 17/06/2019

Razee Moideen, B.Com, ACA
Partner
M.No. 235281



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 2018-19 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 system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has proper system in place to process all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There has been no restructuring of an existing loan or waiver/write off of debts/loans/interest etc. made by a lender to the company. Hence there is no financial impact.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term & conditions? List the cases of deviation.	No funds were received by the company for specific schemes from Central/State agencies.

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

Sd/-

Razee Moideen, B.Com, ACA
Partner
M.No. 235281

Place: Kochi-31
Date: 17/06/2019



BPCL KIAL FUEL FARM PRIVATE LIMITED

Regd Office:-C/o Kannur International Airport , Karaperavoor P.O, Mattannur-670702
CIN : U23200KL2015PTC038487

BALANCE SHEET AS AT 31st MARCH, 2019

in lakhs

	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018	Restated As at 1st April 2017
	ASSETS				
1	Non - Current Assets				
	(a) Property, Plant and Equipment	1	1,647.56	0.37	0.49
	(b) Capital Work -In-Progress		-	1,186.53	890.97
	(c) Intangible Assets	1	0.31	0.30	0.41
	(d) Other Non-Current Financial Assets	2	11.25	11.25	11.25
2	Current Assets				
	(a) Financial Assets				
	(i) Cash and Cash Equivalents	3	212.17	12.26	94.36
	(ii) Trade Receivables	4	48.80	-	-
	(b) Other Current Assets	5	49.62	16.00	7.12
	(b) Current Tax Assets (Net)	6	3.01	-	-
	Total Assets		1,972.72	1,226.71	1,004.60
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share Capital	SOCE	900.00	750.00	750.00
	(b) Other Equity				
	- Retained Earnings	SOCE	(177.58)	(57.71)	(43.26)
	LIABILITIES				
1	Non - Current Liabilites				
	(a) Deferred Tax Liabilities		13.27	-	-
	(b) Borrowings	7	899.37	444.38	-
2	Current Liabilities				
	(a) Financial Liabilities		-	-	-
	(b) Other Current Liabilities	8	174.81	89.70	291.00
	(c) Provisions	9	7.92	0.25	6.86
	(d) Trade Payables	10	154.93	-	-
	(e) Current Tax Liabilities (Net)	11	-	0.09	-
	Total Equity and Liabilities		1,972.72	1,226.71	1,004.60

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:08246324

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/-
Razee Moideen, B.Com, ACA
Partner
M.No. 235281

Place: Ernakulam
Date: 17.06.2019

Place: Ernakulam
Date: 17.06.2019

BPCL KIAL FUEL FARM PRIVATE LIMITED

Regd Office:-C/o Kannur International Airport , Karaperavoor P.O, Mattannur-670702

CIN : U23200KL2015PTC038487

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2019

in lakhs

	Particulars	Note No.	Year ended 31st March 2019	Restated Year ended 31st March 2018
	Income			
I	Revenue From Operations	12	125.73	-
II	Other Income	13	1.09	0.80
III	Total Income (I+II)		126.82	0.80
	Expenses			
IV	Fuel Farm expenses	14	116.06	-
	Employee Benefit Expense	15	16.74	2.20
	Finance Cost	16	41.36	3.34
	Depreciation and Amortization Expenses	17	22.52	0.34
	Other Expenses	18	36.70	11.74
	Total Expenses (IV)		233.38	17.62
V	Profit/(loss) before Exceptional Items and tax (III-IV)		(106.56)	(16.82)
VI	Exceptional Item	19	-	2.54
VII	Profit/(loss) before tax (V+VI)		(106.56)	(14.28)
VIII	Tax Expense:			
	(1) Current tax		-	0.17
	(2) Prior tax		0.04	-
	(3) Deferred tax		13.27	-
IX	Profit/(loss) for the year (VII-VIII)		(119.87)	(14.45)
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to		-	-
	(ii) Income tax relating to items that		-	-
	B (i) Items that will be reclassified to profit		-	-
	(ii) Income tax relating to items that will		-	-
X	Other Comprehensive Income [A(i-ii)+B(i-ii)]		-	-
XI	Total Comprehensive Income for the year (IX+X)		(119.87)	(14.45)
XII	Earnings per equity share			
	(1) Basic	20	(1.50)	(0.19)
	(2) Diluted	20	(1.49)	(0.19)

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:08246324

Sd/-
Chief Executive Officer
PAN:AACPK 2726M

For M.A. Moideen & Associates
Chartered Accountants
F.R. No. 0021265

Sd/-
Chief Financial Officer
PAN:AGPPS 4585B

Sd/-
Company Secretary
M.No.A42804

Sd/-
Razee Moideen, B.Com, ACA
Partner
M.No. 235281

Place: Ernakulam
Date: 17.06.2019

Place: Ernakulam
Date:17.06.2019

BPCL KIAL FUEL FARM PRIVATE LIMITED

Regd Office:-C/o Kannur International Airport , Karaperavoor P.O, Mattannur-670702

CIN : U23200KL2015PTC038487

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

in lakhs

Particulars	Period ended 31st March 2019	Period ended 31st March 2018
A. Cash Flow from Operating Activities		
Profit before Exceptional Items and Tax	(106.56)	(16.82)
Adjustment for ;		
Depreciation and amortization expenses	22.52	0.34
Exceptional income	-	2.54
Deferred revenue expenses		
Finance Cost	40.78	2.30
Operating profit before working capital changes	(43.26)	(11.64)
Adjustments for ;		
(Increase)/Decrease in current assets	(85.43)	(8.88)
Increase/(Decrease) in other current liabilities	240.04	(201.30)
Increase/(Decrease) in provisions	7.67	(6.61)
Cash Generated from Operations	162.28	(216.79)
Income Taxes paid	(0.04)	(0.17)
Net Cash Flow from/(used in) Operating Activities	118.98	(228.60)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(463.56)	(290.18)
Net Cash Flow from/(used in) Investing Activities	(463.56)	(290.18)
C. Cash Flow from Financing Activities		
Issue of Share Capital	150.00	-
Increase of Term Loan	454.99	444.38
Interest Paid	(60.50)	(7.79)
Net Cash from Financing Activities	544.49	436.59
Net Increase in Cash and Cash Equivalents	199.91	(82.19)
Cash and Cash Equivalents at the beginning of the year	12.26	94.36
Cash and Cash Equivalents at the end of the year	212.17	12.26

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:08246324

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/- Razee Moideen, B.Com, ACA
Partner
M.No. 235281

Place: Ernakulam
Date: 17.06.2019

Place: Ernakulam
Date: 17.06.2019

BPCL KIAL FUEL FARM PRIVATE LIMITED

Regd Office:-C/o Kannur International Airport , Karaperavoor P.O, Mattannur-670702

CIN : U23200KL2015PTC038487

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

A. Equity Share Capital

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Balance as at 31st March 2018	18000000	1,800.00	18000000	1,800.00
Changes in Authorised Equity Share capital during the year	0	-	0	-
Balance as at 31st March 2019	18000000	1,800.00	18000000	1,800.00
Issued Share Capital				
Balance as at 31st March 2018	7500000	750.00	7500000	750.00
Changes in Equity Share capital during the year	1500000	150.00	-	-
Balance as at 31st March 2019	9000000	900.00	-	-

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 shareholder.

Shares in the Company held by each shareholder holding more than five percent shares	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Bharath Petroleum Corporation Limited (BPCL)	6660000	74.00%	5550000	74.00%
Kannur International Airport Limited (KIAL)	2340000	26.00%	1950000	26.00%

B. Other Equity

in lakhs

Particulars	Reserves and Surplus		Total
	Other Reserves	Retained Earnings	
Balance as on April 1, 2016	-	(56.17)	(56.17)
Impact due to change in accounting estimates	-	30.35	30.35
Restated Balance at the beginning of the reporting period	-	(25.82)	(25.82)
Profit / (Loss) for the year ended March 31, 2017	-	(86.28)	(86.28)
Impact due to change in accounting estimates	-	68.84	68.84
Balance as on March 31, 2017	-	(43.26)	(43.26)
Profit / (Loss) for the year (Restated)	-	(14.45)	(14.45)
Balance as on March 31, 2018	-	(57.71)	(57.71)
Profit / (Loss) for the year	-	(119.87)	(119.87)
Other Comprehensive Income for the year, net of tax	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	-	-
Balance as on March 31, 2019	-	(177.58)	(177.58)

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:08246324

Sd/-
Chief Executive Officer
PAN:AACPK 2726M

For M.A. Moideen & Associates
Chartered Accountants
F.R. No. 0021265

Sd/-
Chief Financial Officer
PAN:AGPPS 4585B

Sd/-
Company Secretary
M.No.A42804

Sd/-
Razee Moideen, B.Com, ACA
Partner
M.No. 235281

Place: Ernakulam
Date: 17.06.2019

Place: Ernakulam
Date: 17.06.2019

Notes to financial statements for the year ended 31st March 2019

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 has commenced its operations on 9th of December 2018 and the fuel farm also commenced commercial operation on the date of commissioning of the airport. The Airport is constructed at Mattanur, Kannur District in Kerala over an average of 2000 acres. KIAL and BPCL have signed a shareholders’ agreement for the investment in the proportion of 26:74 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

The financial statements have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. Basis of preparation and presentation

The principal accounting policies applied in the preparation of these financial statements are set out in Para C below. These policies have been consistently applied to all the years presented.

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

- a) Certain financial assets/liabilities measured at fair value and
- b) Any other item as specifically stated in the accounting policy.



The Financial Statement is presented in INR (₹) and all values are rounded off to Rupees Lakhs except share data and per share data unless otherwise stated.

The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

The financial statements of the Company for the year ended 31st March, 2019 were authorised for issue in accordance with the Board of Director's Approval.

iii. Use of Estimate and judgment

In the application of accounting policy which are described in note (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 relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

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

Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, a different useful life has been considered taking into account their design life. The expenditure that forms part of the assets is reallocated by restating the financial statements of prior years as per Ind AS 8. Refer point 18 of Summary of Significant Accounting Policies

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the company is required to estimate the cash



flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in calculations includes an estimate of risk assessment specific to the asset.

Impairment of Financial Assets:

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include estimation on forward looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

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, improvements in leasehold land is amortized over the lease period of 60 years (inclusive of the extendable period).

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price after deducting trade discount /rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located.

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

The depreciable amount of an asset is determined after deducting its residual value. Where



the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under the schedule II to the Companies Act, 2013 except for the list of assets mentioned in the following table, where useful life is estimated by the management, which is different as compared to those prescribed under the Schedule II to the Companies Act, 2013.

Tangible:	Useful Lives
Buildings	30-60 years
Plant & machinery	8-35 years
Office equipments	5 years
Electrical installations	10-40 years

Depreciation on fixed assets added/disposed off during the year 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

2) Intangible Assets

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Cost of software is capitalized as intangible asset and amortized on a straight-line basis over the economic useful life of five years.



Gains or losses 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.

The residual values, useful lives and methods of depreciation of intangible assets are reviewed by the management at each financial year and adjusted prospectively, if appropriate.

3) Impairment

Impairment of non – Financial Asset

The carrying amounts of assets are reviewed at each balance sheet date for if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount the recoverable amount is the greater of the asset's net selling price 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 risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation /amortization is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment of Financial Assets:

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

4) Inventories

The company is running the business of providing infrastructural facility for storage



and supply of Aviation Turbine fuel and does not maintain any inventories other than the dead stock fuel in the tanks. As the dead stock fuel is a permanent stock it has been capitalized in the books of accounts.

5) 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 running on lease hold land provided by Kannur International Airport Limited, the lease agreement is not finalized yet and presently as per the arrangement the lease is for a period of 30 years which is extendable by another 30 years. As the finalization of the agreement is pending the license fees agreed on September 4, 2015 is being paid at the rate of Rs.150/- per Sqm per annum for the 28000 square meters.

6) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that an outflow of resources will not be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability. Contingent assets are not recognized in the books of account. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset

7) Share Capital and Share Premium:

Ordinary shares are classified as equity, Par value of the equity share is recorded as share capital and the amount received in excess if any on the par value will be classified as share premium.

8) Cash Flows and Cash and Cash Equivalents



Statement of cash flows is prepared in accordance with the indirect method prescribed in the Ind AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9) Revenue Recognition

Revenue from operations comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Revenue is recognised 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- Fuel Infrastructure Charges

Fuel Infrastructure Charges are charged from the Oil companies one month in advance based on the projected sales to airline companies in the given month and any variances on the actual sales are adjusted at the end of the month. The infrastructure charges are fixed on the basis of the guidelines of Airport Economic Regulatory Authority of India on a kilo liter basis.

Interest Income

Other incomes are recognised on accrual basis except when there are significant uncertainties. Interest income is recognised on accrual basis.

10) 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 using weighted average interest rate 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. The borrowing cost capitalized during the year is Rs. 19.19 Lakhs.

11) Employee Benefits

The company has only two staff in the current financial year and is drawing monthly consolidated pay. There are no short-term or long term employee benefits defined in the employee contracts hence no provision has been made in the accounts other than for the consolidated pay.

12) Taxation

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.

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 year is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements 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 recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to



apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

13) Earnings per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

14) 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.

Fair value measurement

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

Expected to be realized or intended to be sold or consumed in 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.

A liability is classified as current when:

It is expected to be settled in 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. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

15) Financial Instruments

Financial assets



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

Investments in joint ventures

Investments in equity shares of subsidiaries are carried at cost less impairment. Impairment is provided for on the basis explained in Paragraph (3) of Note C above.

Financial assets other than above

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, loans/advances to employee / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised 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 of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

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

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are Amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and



interest on the principal amount outstanding. At initial recognition, an irrevocable election is made to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognised in the other comprehensive income (OCI).

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

The Company's financial liabilities include trade payable, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss.

Subsequent measurement

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

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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged /



cancelled / expired.

Offsetting of financial instruments

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

16) Operating Segments

The company has only one operating segment which is provision of infrastructure for fuel farm operations.

17) Recent accounting pronouncements

Ind AS 116- LEASES:

The Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 116, Leases on 30th March 2018. The standard replaces existing standard on leases i.e. Ind AS 17 leases with effect from accounting period beginning on or after 1 April 2019. The new Standard, globally implemented in several countries from 1st Jan 2019, is called IFRS 16. The Standard eliminates the 6-decade old distinction between financial and operating leases, from lessee accounting perspective, thereby putting all leases on the balance sheet.

The effective date for adoption of Ind AS 116 is financial periods beginning on or after 1 April 2019. The Company has not finalized the lease agreement and hence the impact of the change in the Accounting standard could not be calculated.

18) Restatement of previous financial statement

The company has considered expenses of capital nature as revenue nature in the prior financial statements. These expenses are directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management which falls under the elements of cost as detailed in Para 16 of Ind AS 16 Property Plant and Equipment. The various amounts that are charged off in the statement of profit and loss on various financial years are as follows;

Particulars	2015-2016	2016-2017	2017-2018
Consultancy charges	-	9.45	-
Project Managers salary	5.30	14.14	23.45
Land lease cost during construction	25.05	45.25	43.58
Total	30.35	68.84	67.03

The change in the accounting assumption may be construed as a prior period error which requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied as per Ind AS 8, Accounting Policies, Changes In Accounting Estimates And Errors.

The impact due to the restatement of financial statements on EPS and Taxes are as stated below;

	2015-2016	2016-2017	2017-2018
Impact of the prior period error in Basic EPS	1.44	1.01	0.90
Impact of the prior period error in Taxes	-	-	-

The restated statements of profit and loss of the various financial years are as follows;

Particulars	Restated Earnings	As per Audited financial statements
Balance as on April 1, 2016	(25.82)	(56.17)
Profit / (Loss) for the year ended March 31, 2017	(17.44)	(86.28)
Profit / (Loss) for the year ended March 31, 2018	(14.45)	(82.07)
Profit / (Loss) for the year ended March 31, 2019	(119.87)	
Balance as on March 31, 2019	(177.58)	



1. Property Plant and Equipments

in Lakhs

Description of Assets	Gross Block				Depreciation Adjustment				Net Block	
	As at 01-04-2018	Additions during the year	Sales/ Disposals	As at 31-03-2019	As at 01-04-2018	Depreciation for the year	Adjustments during the year	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
A. Tangible Assets										
Buildings	-	525.23	-	525.23	-	4.41	-	4.41	520.82	-
Computers & Peripherals	0.70	0.76	-	1.46	0.50	0.18	-	0.68	0.78	0.20
Culverts & Drains	-	106.43	-	106.43	-	1.03	-	1.03	105.40	-
Electrical Equipments	-	161.45	-	161.45	-	2.40	-	2.40	159.05	-
Furnitures & Fixtures	0.20	23.87	-	24.07	0.03	0.72	-	0.75	23.32	0.17
Lab Equipments	-	5.40	-	5.40	-	0.16	-	0.16	5.24	-
Office Equipments	-	12.05	-	12.05	-	0.70	-	0.70	11.35	-
Plant & Machinery	-	179.23	-	179.23	-	2.13	-	2.13	177.10	-
Roads	-	259.72	-	259.72	-	7.57	-	7.57	252.15	-
Tanks	-	186.42	-	186.42	-	2.17	-	2.17	184.25	-
Dead Stock	-	28.37	-	28.37	-	-	-	-	28.37	-
Land Improvement	-	180.65	-	180.65	-	0.92	-	0.92	179.73	-
Total	0.90	1,669.58	-	1,670.48	0.53	22.39	-	22.92	1,647.56	0.37
	0.79	0.11	-	0.90	0.29	0.23	-	0.53	0.37	0.49
B. Intangible Assets										
Computer Software	0.54	0.13	-	0.67	0.24	0.12	-	0.36	0.31	0.30
Total	0.54	0.13	-	0.67	0.24	0.12	-	0.36	0.31	0.30
	0.54	-	-	0.54	0.14	0.11	-	0.24	0.30	0.41

2 Other Non-Current Financial Assets ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposits		
<i>Unsecured, Considered good</i>		
Land Lease Rent Deposit	10.50	10.50
Balance with Banks - Marked against Lien	0.75	0.75
Total	11.25	11.25

3 Financial Assets - Cash and cash equivalents ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Banks		
<i>In current Accounts</i>	209.63	10.85
<i>In Deposit Accounts (maturity < 3 months)</i>	2.03	1.41
Cash in Hand	0.51	-
Total	212.17	12.26

4 Trade Receivables ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables outstanding Less than one Year		
Unsecured, Considered Good	48.80	-
Unsecured, Considered Doubtful	-	-
Less: Impairment provision on Expected Credit Loss Model	-	-
Total	48.80	-

5 Other Current Assets ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
PMC charges	4.49	4.49
GST Credit Entitlement	41.81	11.51
Prepaid Expense	3.32	-
Total	49.62	16.00

6 Current Tax Assets (Net) ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Assessment year 2018-19	-	-
Assessment year 2019-20	3.01	-
Total	3.01	-



7 Borrowings ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
HDFC Bank Ltd - Term Loan	899.37	444.38
Total	899.37	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 first quarter of 2020 and will end by the last quarter of 2029. The interest is to be serviced on a monthly basis during the moratorium period and during the period of principal repayment

8 Other Current Liabilities ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits	1.25	1.25
Retention Money Payable	18.75	36.82
Salary Payable	6.12	9.11
Statutory Dues	25.21	9.63
Expenses Payable	9.21	2.72
Contractual liabilities	114.27	30.17
Total	174.81	89.70



8.1 Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under:

` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	100.75	38.12
Interest accrued and due to suppliers on above amount, unpaid	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-
Total	100.75	38.12

9 Provisions

` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for:		
Audit Fee	0.25	0.25
Interest on term loan	6.82	-
Professional Charges	0.85	-
Total	7.92	0.25

10 Trade Payables

` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Operator Charges Payable	102.06	-
Through put Royalty payable	41.81	-
Land lease rent payable	11.06	26.64
Total	154.93	26.64

11 Current Tax Liabilities (Net)

` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Assessment year 2018-19		0.09
Assessment year 2019-20	-	-
Total	-	0.09

12 Revenue from Operations ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Fuel Infrastructure Charges	125.73	-
Total	125.73	-

13 Other Income ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Interest Income	1.03	0.80
Discount Received	0.06	-
Total	1.09	0.80

14 Fuel Farm Expenses ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Operator Charges	102.06	-
Land Lease Rent	14.00	-
Total	116.06	-

15 Employee Benefit Expense ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Salaries & Allowances	16.74	2.20
Total	16.74	2.20

16 Finance Cost ` in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Interest on HDFC Loan	40.76	1.52
Bank Processing Fee	0.02	0.78
Interest on others	0.58	1.04
Total	41.36	3.34



17 Depreciation and Amortization Expenses ₹ in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Amortization	1.04	0.11
Depreciation	21.48	0.23
Total	22.52	0.34

18 Other Expenses ₹ in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Audit Fee	0.25	0.25
Accommodation Expenses	1.47	0.29
Advertisement Expense	1.72	-
Insurance Expenses	1.89	-
Power & Fuel	2.92	0.08
Professional & Consultancy Charges	4.78	1.65
License Fee	0.83	-
Rates & Taxes	0.22	0.16
Security Charge	10.55	3.65
Accounting Charges'	1.50	1.95
Travelling Expenses	4.89	2.71
Office Expenses	0.93	0.80
Filing Fees	0.57	0.03
Food Expenses	0.65	0.07
Inauguration Expenses	0.14	-
Repairs & Maintenance	0.74	0.03
Dematerialization Facility Charges	0.24	-
Postage and Courier Charges	0.07	0.04
Printing and Stationery	0.17	0.03
Telephone Charges	0.02	-
Website Development Charges	0.86	-
Water Charges	1.29	-
Total	36.70	11.74

19 Exceptional Items ₹ in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Prior Period Income	-	2.54
Total	-	2.54



20 Disclosure as per Ind AS 33 - Earnings per share

Particulars	As at 31 March 2019	As at 31 March 2018
Profit attributable to equity holders of the company	(119.87)	(14.45)
Weighted average number of Equity shares of Rs. 10/- each (fully paid up)	80,13,699	75,00,000
Earnings Per Share- Basic	(1.50)	(0.19)
Weighted average number of Equity shares of Rs. 10/- each (fully paid up)	80,54,795	75,00,000
Earnings Per Share- Diluted	(1.49)	(0.19)

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

21.1 Related Parties and Nature of Relationships

Name of the Entity	Principal Activity	Ownership Interest	
		As at 31 March 2019	As at 31 March 2018
Holding Company			
Bharath Petroleum Corporation Limited (BPCL)	Exploration & Production of Hydrocarbons and Refining & Marketing Petroleum Products	74%	74%
Associate Company			
Kannur International Airport Limited (KIAL)	Airport & Allied Operation	26%	26%

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
Sandeep Kumar P	Company Secretary	01-12-2017	6,60,000

21.2 Transactions During the year

Entity	Nature of Transaction	As at 31 March 2019	As at 31 March 2018
Kannur International Airport Limited (KIAL)	Lease Rent Paid	42.00	43.58
	Office Rent Paid		0.12
	Fuel throughput Royalty charges paid	64.62	-
	Reimbursement of Expenses	6.56	-
Bharath Petroleum Corporation Limited (BPCL)	Salaries & Allowance of the Project Manager on	26.28	23.45
	Purchase of ATF as dead stock	28.37	-
	Fuel throughput Royalty charges received	40.47	
	Operator Charges	102.06	
	Fuel Infrastructure charges	78.73	-

21.3 Balance outstanding

Entity	As at 31 March 2019	As at 31 March 2018
Kannur International Airport Limited (KIAL)	60.11 Cr	26.64 Cr
Bharath Petroleum Corporation Limited	31.16 Dr	-
Bharath Petroleum Corporation Limited	125.94 Cr	4.08 Cr

22 Contingent Liabilities & Contingent Assets

22.1 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	6.02	6.02
ii) Interest Payable on Delayed Payment of ;	-	-
Lease Rent	14.61	10.73
Office Rent	0.06	0.06
iii) Operator Charges	41.39	-

The operator charges provided in the accounts is on the basis of the initial statement provided by the BPCL but as per the of BPCL the operator charges is Rs 143.44 Lakhs (excluding taxes). In the absence of a signed agreement the actual liability could not be ascertained.

23 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
Mechanical Works	-	29.60
Electrical Works	-	10.95
Miscellaneous Works	-	192.57
Project Management Consultancy	-	3.30
Materials - Steel Plates	-	-
b. Uncalled liability on shares and other investments partly paid	-	-
c. Other commitments	-	-

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

in lakhs

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

25 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.

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

The company does not have any pending litigations

19) Capital Management

The Company's objective when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximise the share holders' value. The Company's overall strategy remains unchanged from previous year. The Company sets the amounts of capital required on the basis of annual business and long term operating plans.

20) Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purpose nor does it write options. The most significant financial risk to which the company is exposed are described below:-

The Company has assessed market risk, credit risk and liquidity risk to its financial instruments.

1. Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings, investments and foreign currency receivables, payables and borrowings.

1a Interest Rate Risk

The company borrowed funds in Indian Rupees and Foreign currency, to meet both the long term and short term funding Requirements. The Company due to its ratings is having one of the cheapest sources of funding. Interest rate is fixed for the tenor of the Long term loans availed by the company. The sensitivity analysis detailed below has been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 2% higher / lower and all other variables held constant, the Group's profit for the year ended 31st March, 2019 would have been decreased/increased by Rs. 13.02Lakhs.

1b 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 has no exposure to the risk of changes in foreign exchange rates

1c Price Risk



"The Company is not affected by the price stability of commodities. The price is fixed as per the guidelines of Airport Economic Regulatory Authority (AERA). The revenue varies with the change in the rates fixed by AERA but as per the management there is no material price risk for the company.

2 Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company is exposed to credit risk for receivable, cash and cash equivalents. As the sole source of revenue is collected and remitted by its own parent company the credit risk may be considered as minimal

3 Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term.

21) Events after the reporting period

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

22) 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 year's classification and layout.

23) Derivative Contracts

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/-
Chairman & Director	Director	Chief Executive Officer
DIN: 06476857	DIN:08246324	PAN:AACPK 2726M

For M.A. Moideen & Associates
Chartered Accountants
F.R. No. 0021265

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

Sd/-
Razee Moideen, B.Com, ACA
Partner
M.No. 235281

Place: Ernakulam
Date: 17.06.2019

Place: Ernakulam
Date: 17.06.2019

BPCL-KIAL FUEL FARM PRIVATE LIMITED

Corporate Identification No. (CIN) – U23200KL2015PTC038487

Registered Office: BPCL-KIAL Fuel Farm Pvt Ltd, C/o Kannur Int. Airport, Karaperavoor(PO), Mattannur,
Kannur-670702

ATTENDANCE SLIP
(To be presented at the entrance)

04th ANNUAL GENERAL MEETING ON MONDAY, 30 SEPTEMBER, 2019, at 14:30 hrs.

at Registered Office: C/o Kannur Int. Airport, Karaperavoor(PO), Mattannur, Kannur-670702, Kerala

Folio No. _____ No. of Shares held. _____

Name of the Shareholder/Proxy holder _____

I /We hereby record my/our presence at the 04th Annual General Meeting of the Company on Monday, 30 September 2019, at 14.30 hrs, at the Registered Office of the Company ie. BPCL-KIAL Fuel Farm Pvt Ltd, C/o Kannur Int. Airport, Karaperavoor(PO), Mattannur, Kannur-670702, Kerala.

Signature of the Member/Proxy



PROXY FORM

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

CIN : U23200KL2015PTC038487
Name of the Company : BPCL KIAL Fuel Farm Private Limited
Registered Office : C/o Kannur Int. Airport, Karaperavoor(PO), Mattannur, Kannur-670702

Name of the Member(s): _____

Registered address : _____

E-mail Id : _____

Folio No. /Client ID No.: _____ DP ID No. _____

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint

1. Name: _____ E-mail Id: _____

Address: _____ Signature: _____

or failing him/her

2. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

or failing him/her

3. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 04th Annual General Meeting of the Company to be held on Monday, September 30, 2019 at 14.30 p.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Annual Results.
2. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2019-20.
3. Appointment of Shri Vijay Ranjan as Director.
4. Appointment of Shri KP Jose as Director.
5. To increase the Authorised Share Capital of the Company
6. Alteration in the Capital Clause of Memorandum of Association

Signed this day of 2019

Affix

Revenue

Signature of shareholder: _____ Signature of Proxy holder(s): _____

NOTES: 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

ROUTE MAP

