

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of Hindage Oilfield Services Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Hindage Oilfield Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then 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, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to Note 3.3 of the financial statements which describes the management's assessment of the impact of the outbreak of COVID-19. The management believes that no adjustments are required in the financial statements as there is no impact in the current financial year. However, in view of highly uncertain economic environment due to COVID-19, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.



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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report but does not include the standalone financial statements and our auditor's report thereon.

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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts for which there were any material foreseeable losses.
- iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



*Bhavani Balasubramanian*

**Bhavani Balasubramanian**

Partner

(Membership No. 22156)

(UDIN: 20022156AAAAAS2373)

CHENNAI, MAY 31, 2020

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **Hindage Oilfield Services Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of standalone Ind AS financial statements of the Company for the year 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 respective 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

*Bhavani Balasubramanian*

**Bhavani Balasubramanian**

Partner

(Membership No. 22156)

(UDIN: 20022156AAAAAS2373)

CHENNAI, MAY 31, 2020



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
  - (b) The Property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of freehold land, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
  - (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
  - (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
  - (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of clause (v) of the Order are not applicable.
  - (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
  - (vii) According to the information and explanations given to us, in respect of statutory dues:
    - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Provident fund is not applicable to the Company.
    - (b) There were no undisputed amounts payable in respect of Income-tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.



- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.





(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP** ✓  
Chartered Accountants ✓  
(Firm's Registration No. 117366W/W-100018) ✓

*Bhavani Balasubramanian*

**Bhavani Balasubramanian** ✓  
Partner ✓

(Membership No. 22156) ✓

(UDIN: 20022156AAAAS2373) ✓

CHENNAI, MAY 31, 2020



o/c.

# Hindage Oilfield Services Limited

(formerly known as HOEC Bardahl India Limited)

Registered Office: 'HOEC House', Tandalja Road, Vadodara – 390 020.

CIN: U11100GJ1988PLC011536

E-mail: hoecshare@hoec.com | Tel.: 91 (0265) 2330766, 2333565

## Balance Sheet as at March 31, 2020

Particulars	Notes	As at March 31, 2020 ₹ in lacs	As at March 31, 2019 ₹ in lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	4	24.62	30.46
Capital Work in Progress	5	5,735.55	-
<b>Total non-current assets</b>		<b>5,760.17</b>	<b>30.46</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	6	859.09	845.58
Cash and cash equivalents	7	385.29	134.98
Other financial assets	8	0.20	0.20
Other current assets	9	311.29	9.39
Income tax assets (Net)	10	1.42	10.96
<b>Total current assets</b>		<b>1,557.29</b>	<b>1,001.11</b>
<b>TOTAL ASSETS</b>		<b>7,317.46</b>	<b>1,031.57</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	50.00	50.00
Other equity	12	881.42	925.97
<b>Total equity</b>		<b>931.42</b>	<b>975.97</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Long-term borrowings	13	3,196.93	17.76
<b>Total non-current liabilities</b>		<b>3,196.93</b>	<b>17.76</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	14	-	-
Total outstanding dues of Micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,143.70	18.00
Other financial liabilities	15	20.01	19.34
Other current liabilities	16	25.40	0.50
<b>Total current liabilities</b>		<b>3,189.11</b>	<b>37.84</b>
<b>Total liabilities</b>		<b>6,386.02</b>	<b>55.60</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>7,317.46</b>	<b>1,031.57</b>

See accompanying notes forming part of the financial statements  
In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Bhavani Balasubramanian*  
Bhavani Balasubramanian  
Partner  
Place: Chennai  
Date: May 31, 2020



For and on behalf of the Board of Directors

*P. Elango*  
P. Elango  
Chairman  
DIN No 06475821

*R. Jeevanandam*  
R. Jeevanandam  
Director  
DIN No 07046442

*G. Josephin Daisy*  
G. Josephin Daisy  
Company Secretary

# Hindage Oilfield Services Limited

(formerly known as HOEC Bardahl India Limited)

Registered Office: 'HOEC House', Tandalja Road, Vadodara – 390 020.

CIN: U11100GJ1988PLC011536

E-mail: hoecshare@hoec.com | Tel.: 91 (0265) 2330766, 2333565

## Statement of Profit and loss for the year ended March 31, 2020 ✓

Particulars	Notes	For the year ended March 31, 2020 ✓ ₹ in lacs	For the year ended March 31, 2019 ✓ ₹ in lacs
<b>Income</b>			
Other income	17 ✓	82.47 ✓	42.23 ✓
<b>Total income</b>		<b>82.47 ✓</b>	<b>42.23 ✓</b>
<b>Expenses</b>			
Finance cost	18 ✓	103.96 ✓	2.63 ✓
Depreciation and amortization expense	4,5 ✓	5.84 ✓	8.49 ✓
Other expenses	19 ✓	17.22 ✓	72.48 ✓
<b>Total expenses</b>		<b>127.02 ✓</b>	<b>83.60 ✓</b>
<b>Loss before tax</b>		<b>(44.55) ✓</b>	<b>(41.37) ✓</b>
<b>Tax expense</b>			
(1) Current tax		-	-
(2) Adjustment of tax relating to earlier periods		-	-
(3) Deferred tax		-	-
Total tax expense		-	-
<b>Loss for the year</b>		<b>(44.55) ✓</b>	<b>(41.37) ✓</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss:			
- Re-measurement losses on defined benefit plans		-	-
- Income tax effect on re-measurement		-	-
		-	-
		-	-
<b>Total comprehensive income for the year</b>		<b>(44.55) ✓</b>	<b>(41.37) ✓</b>
Loss per equity share of ₹ 100 attributable to equity holders.	20 ✓		
Basic		(89.09) ✓	(82.74) ✓
Diluted		(89.09) ✓	(82.74) ✓

See accompanying notes forming part of the financial statements  
In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Bhavani Balasubramanian*

Bhavani Balasubramanian  
Partner  
Place: Chennai  
Date: May 31, 2020.



For and on behalf of the Board of Directors

*P. Elango*

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Chairman  
DIN No 06475821

*G. Josephin Daisy*

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## Statement of changes in equity for the year ended March 31, 2020

### a) Equity Share Capital

Particulars	Amount ₹ in lacs
Balance as at March 31, 2019	50.00
Balance as at March 31, 2020	50.00

### b) Other Equity

Particulars	Reserves and Surplus		Total ₹ in lacs
	General reserve	Retained earnings	
Balance as at April 1, 2018	38.00	929.34	967.34
Loss for the year	-	(41.37)	(41.37)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(41.37)	(41.37)
Balance as at March 31, 2019	38.00	888.97	925.97
Loss for the year	-	(44.55)	(44.55)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(44.55)	(44.55)
Balance as at March 31, 2020	38.00	843.42	881.42

See accompanying notes forming part of the financial statements  
In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



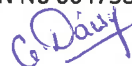
Bhavani Balasubramanian  
Partner  
Place: Chennai  
Date: May 31, 2020.



For and on behalf of the Board of Directors



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Chairman  
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R. Jeevanandam  
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## Statement of cash flows for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020 ₹ in lacs	For the year ended March 31, 2019 ₹ in lacs
Cash flow from Operating activities		
Loss before tax	(44.55)	(41.37)
Adjustments for:		
Depreciation and amortization	5.84	8.49
Net income from financial instruments at fair value through profit or loss	(79.18)	(42.23)
<b>Operating profit before working capital changes</b>	<b>(117.88)</b>	<b>(75.11)</b>
<b>Working capital adjustments for:</b>		
Trade payables and other liabilities	6,330.44	(6.53)
Trade receivables	-	41.28
Loans and advances and other current assets	(301.91)	85.09
<b>Cash Generated from operations</b>	<b>5,910.65</b>	<b>44.73</b>
Direct taxes refunds (net of payments)	9.54	-
<b>Net cash generated by operating activities</b>	<b>5,920.19</b>	<b>44.73</b>
Cash flow from Investing activities		
Purchase of property, plant and equipment	(5,735.55)	-
Profit on sale of financial assets	79.18	42.23
<b>Net cash flows used in investing activities</b>	<b>(5,656.37)</b>	<b>42.23</b>
<b>Net increase in cash and cash equivalents</b>	<b>263.82</b>	<b>86.96</b>
Cash and cash equivalents at the beginning of the year	980.56	893.60
<b>Cash and cash equivalents at the end of the year</b>	<b>1,244.38</b>	<b>980.56</b>
Components of cash and cash equivalents		
Current Investments	859.09	845.58
Cash and cash equivalents	385.29	134.98
<b>Total cash and cash equivalents</b>	<b>1,244.38</b>	<b>980.56</b>

See accompanying notes forming part of the financial statements  
In terms of our report attached

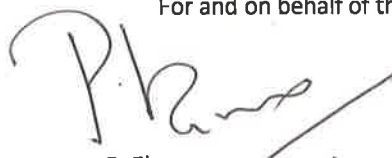
For Deloitte Haskins & Sells LLP  
Chartered Accountants



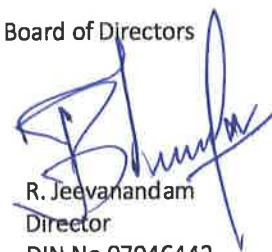
Bhavani Balasubramanian  
Partner  
Place: Chennai  
Date: May 31, 2020.



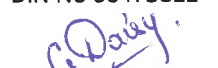
For and on behalf of the Board of Directors



P. Elango  
Chairman  
DIN No 06475821



R. Jeevanandam  
Director  
DIN No 07046442

  
G. Josephin Daisy  
Company Secretary

## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

### 1. Corporate Information

Hindage Oilfield Services Limited (formerly, HOEC Bardahl India Limited), (HOSL) was incorporated on November 24, 1988 in the state of Gujarat. HOSL has discontinued the business of marketing "Bardahl" products and entered into oil field services. It has acquired a Floating Storage Offshore ("FSO") vessel and constructing an offshore utility boat to enter into offshore support services and also examining opportunities in various oil field services.

### 2. Significant Accounting Policies

#### i) Statement of Compliance and Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015(as amended). These financial statements for the year ended March 31, 2020 the Company has prepared in accordance with Ind AS.

For all periods up to and including the year ended March 31 2020, the Company had prepared its financial statements under historical cost convention on accrual basis in accordance with the generally accepted accounting principles and the accounting standards notified under the section 133 of the Companies Act, 2013.

The Financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees, unless otherwise stated.

#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020 ✓

### ii) Foreign Exchange Transactions

The functional currency of the Company is Indian Rupee which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

### iii) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable at the transacted price.

(i) Revenue from the sale of goods is recognized when the goods are delivered and totals have passed, to which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risk and rewards of ownership of goods.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Interest income is recognized on the basis of time, by reference to the principal outstanding and at effective interest rate applicable on initial recognition.

(iii) Dividend Income from investments is recognized when the right to receive has been established.

### iv) Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

The tax rates and tax laws used to compute are the laws that are enacted or substantively enacted as on the reporting date. The management evaluates makes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### Current income taxes

The current income tax expense includes income taxes payable by the Company. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020 ✓

### Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount. It is recognised only to the extent it is probable that the taxable profit will be available against which the deductible temporary differences and the carry forward losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

### v) Property Plant and Equipment

Land and buildings held for use in the production and supply of goods or services, or for administrative purposes are stated in the balance sheet at cost less accumulated depreciation and the accumulated impairment losses. Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less depreciation.

Historical cost comprises the purchase price and any attributable cost of bringing the asset for its intended use. It includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs for acquisition of fixed assets are capitalized till such assets are ready to be put to use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Improvements to Leasehold premises are amortized over the remaining primary lease period.

### Useful lives used for depreciation

The Company follows the useful lives set out under Schedule II of the Companies Act 2013 for the purpose of determining the useful lives of respective blocks of property plant and equipment. The following are the useful lives followed:

- Plant & Machinery	: 15 Years
- Office Equipment's	: 05 Years
- Electrical Fittings	: 10 Years
- Computers	: 03 Years
- Furniture and Fixtures	: 10 Years
- Vehicles	: 08 Years





## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020 ✓

### De-recognition of assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continuous use of the asset. Any gain or loss arising from such disposal, retirement or de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item. Such gain or loss is recognized in the statement of profit and loss. ✓

In case of de-recognition of a revalued asset, the corresponding portion of the revaluation surplus as is attributable to that asset is transferred to retained earnings on such de-recognition. Such transfers to retained earnings are made through Other Comprehensive Income and not routed through profit or loss. ✓

### vi) Intangible Assets

Intangible assets with a finite useful life acquired separately are measured on initial recognition, at costs. Intangible assets are carried at cost less accumulated amortization and impairment losses. ✓

The Company amortizes intangible assets with a finite useful life using the straight-line method. The useful life considered for computer software is 10 years.

### vii) Impairment

The carrying values of assets/cash generating units are assessed for impairment at the end of every reporting period. If the carrying amount of an asset exceeds the estimated recoverable amount, an impairment is recognized as expense in the statement of profit and loss. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate present value factor. ✓

An impairment loss recognised in prior periods for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In that case, the carrying amount of the asset is increased to its recoverable amount. However, such reversal shall not exceed the carrying amount had there been no impairment loss.

### viii) Inventories

The accounting treatment in respect of recognition and measurement of inventory is as follows:

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a specific identification basis. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale. On restatement, any write-down of inventory to net realizable value is recognized as an expense in the period the write-down or loss occurs. ✓  
In case of increase in the net realizable value, the increase is recognized and reversed to the extent of write-down.

### ix) Employee benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

#### a) Defined Contribution plan

The Company's contribution to provident fund is considered as defined contribution plan and are recognized as an when the employees have rendered services entitling them to contributions. ✓



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020 ✓

### b) Defined benefit plan

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date using the Projected Unit Credit method. ✓

Remeasurement comprising actuarial gains and losses are reflected immediately in the balance sheet with a charge or credit recognized in the Other Comprehensive Income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. ✓

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised the Statement of Profit and Loss except those included in cost of assets as permitted. ✓

Defined benefit costs are categorized as Service cost, Net interest expense and remeasurement cost. ✓

### c) Long term employee benefit

The liability for long term compensated absences which are not expected to occur within 12 months after the end of the period in which the employee rendered related service are recognized as liability based on actuarial valuation as at the balance sheet date. ✓

d) Other Employee Benefits including allowances, incentives etc. are recognized based on the terms of the employment. ✓

### x) Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All finance assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or disposal are added to or deducted from the fair value of the financial assets or financial liabilities. ✓

#### Financial Assets

All regular purchases or sales of financial assets are recognized and derecognized on the trade date. Recognized financial assets are subsequently measured in their entirety at the fair value. In case of investments in wholly owned subsidiary, the investments are considered at cost subject to impairment if any. ✓

A financial asset is de-recognized only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. ✓

### a) Cash and Cash Equivalents

Cash comprises for the purposes of cash flow statement comprise balance with banks and investments in mutual funds. Cash equivalents are short-term balances with a maturity of not exceeding three months, highly liquid investments that are readily convertible in to known amount of cash which are subject to insignificant risk of change in value. ✓

### b) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition ✓



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020 ✓

### Financial Liabilities

All financial liabilities are recognized initially at fair value. In the case of loans, borrowings and payables, recognition is net of directly attributable transaction and other costs. The Company's financial liabilities may include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments. The measurement of financial liabilities is at fair value and adjustment thereon is routed through profit or loss. ✓

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### xi) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. ✓

Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. ✓

In case of contingent liabilities, where there is no certainty of outflow or the amount of obligation cannot be measured reliably, disclosure is made in the notes forming part of the financial statements. Contingent assets are not recognized in the financial statements. However, where the realization of income is reasonably certain, a disclosure of the fact is provided. ✓

### xii) Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: ✓  
(i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. ✓

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ✓

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to ✓



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Operating lease payments for land are recognized as prepayments and amortized on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

### xiii) Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### xiv) Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### xv) Borrowing costs

Borrowing costs include interest and amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. Interest Income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period which they incurred.

## 3. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, impairment, useful lives of Property, Plant and Equipment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

### 3.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 4.2), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

#### i. Determination of functional currency

Currency of the primary economic environment in which the Company operates "the functional currency" is Indian Rupee in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee.

### 3.2 Assumptions and key sources of estimation uncertainty

#### i. Useful lives of property, Plant & Equipment's

The Company follows the useful lives set out under Schedule II of the Companies Act 2013 for the purpose of determining the useful lives of respective blocks of property plant and equipment. The following are the useful lives followed:

- Plant & Machinery	: 15 Years
- Office Equipment's	: 05 Years
- Electrical Fittings	: 10 Years
- Computers	: 03 Years
- Furniture and Fixtures	: 10 Years
- Vehicles	: 08 Years

#### ii. Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### 3.3 Estimation Uncertainty relating to COVID-19 outbreak

The company is in the business Oil and Gas, in assessing the recoverability of its assets including receivables and Inventory, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any Material changes to future economic conditions.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

### 4. Property, plant & equipment

#### Summary

Carrying amount of:	As at March 31, 2020 ₹ in lacs	As at March 31, 2019 ₹ in lacs
Freehold land	11.76	11.76
Furniture & fixtures	-	-
Vehicles	12.86	18.70
Office equipment	-	-
Computers	-	-
	<b>24.62</b>	<b>30.46</b>

Carrying Amount of	Others							Total ₹ in lacs
	Freehold land ₹ in lacs	Plant and machinery ₹ in lacs	Furniture & fixtures ₹ in lacs	Vehicles ₹ in lacs	Office equipment ₹ in lacs	Computers ₹ in lacs	Leasehold improvements ₹ in lacs	
Cost								
Balance as at April 1, 2018	11.76	20.07	7.55	36.00	11.82	13.12	22.32	122.64
Additions/(Deletions)*	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	11.76	20.07	7.55	36.00	11.82	13.12	22.32	122.64
Additions/(Deletions)	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	11.76	20.07	7.55	36.00	11.82	13.12	22.32	122.64
Accumulated depreciation								
Balance as at April 1, 2018	-	20.07	7.55	8.81	11.82	13.12	22.32	83.69
Depreciation for the year	-	-	-	8.49	-	-	-	8.49
Deletions	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	-	20.07	7.55	17.30	11.82	13.12	22.32	92.18
Depreciation for the year	-	-	-	5.84	-	-	-	5.84
Deletions	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	-	20.07	7.55	23.14	11.82	13.12	22.32	98.02
Carrying value as at March 31, 2020	11.76	-	-	12.86	-	-	-	24.62
Carrying value as at March 31, 2019	11.76	-	-	18.70	-	-	-	30.46



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

### 5. Capital Work in Progress

Particulars	Vessels ₹ in lacs
Cost	
Balance as at March 31, 2019	-
Additions	5,735.55
Balance as at March 31, 2020	5,735.55
Carrying value as at March 31, 2020	5,735.55
Carrying value as at March 31, 2019	-

### 6. Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	₹ in lacs	Units	₹ in lacs
i) Mutual Funds				
Units of Liquid/Liquid plus/Short Term/Medium Term schemes				
Axis Liquid Fund-Regular Growth	12,338	270.61	-	-
HDFC Liquid fund-Regular plan-Growth @1,000 each	-	-	5,787	211.84
HDFC Dynamic debt fund-Regular plan-Growth @₹10 each	3,08,002	196.09	3,08,002	185.83
IDFC SSIF – Medium Term Fund – Growth @₹10 each	5,97,993	204.18	8,67,382	270.84
Tata Treasury Advantage Fund – Growth @₹10 each	1,638	47.93	1,638	46.54
TATA Dynamic Bond Fund – Growth @₹10 each	4,64,322	140.28	4,64,322	130.53
		859.09		845.58
Particulars	As at March 31, 2020 ₹ in lacs		As at March 31, 2019 ₹ in lacs	
Aggregate amount (cost) of mutual fund Investments		710.91		715.41
Fair value of mutual fund Investments		859.09		845.58

### 7. Cash and cash equivalents

Particulars	As at March 31, 2020 ₹ in lacs	As at March 31, 2019 ₹ in lacs
Balances with banks:		
Current accounts	385.29	134.98
	385.29	134.98



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020 ✓

### 8. Other Financial assets

Particulars	As at March 31, 2020 ✓ ₹ in lacs	As at March 31, 2019 ✓ ₹ in lacs
Unsecured and considered good Security deposits	0.20	0.20
	0.20	0.20

### 9. Other current assets

Particulars	As at March 31, 2020 ✓ ₹ in lacs	As at March 31, 2019 ✓ ₹ in lacs
Advances recoverable in cash or kind	0.25	0.25
Additional fund with LIC for gratuity	8.95	8.95
Prepaid expenses	0.19	0.19
Income Tax Pre deposit	5.02	-
Balances with Govt Authorities	296.89	-
	311.29	9.39

### 10. Income tax assets (net)

Particulars	As at March 31, 2020 ✓ ₹ in lacs	As at March 31, 2019 ✓ ₹ in lacs
Advance income tax (net of provision)	1.42	10.96
	1.42	10.96

### 11. Equity share capital

Particulars	As at March 31, 2020 ✓ ₹ in lacs	As at March 31, 2019 ✓ ₹ in lacs
Authorized		
1,00,000 (PY: 1,00,000) equity shares of ₹ 100 each	100.00	100.00
Issued Subscribed and Fully Paid up		
50,002 (PY: 50,002) equity shares of ₹ 100 each	50.00	50.00
Total issued, subscribed and fully paid-up share capital	50.00	50.00





## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

(a) Reconciliation of equity shares and the amount outstanding at the beginning and at the end of the period:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No.	Amount ₹ in lacs	No.	Amount ₹ in lacs
At the beginning of the year	50,002	50.00	50,002	50.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	50,002	50.00	50,002	50.00

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of ₹100 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities.

(c) Shares held by holding company

Particulars	As at March 31, 2020	As at March 31, 2019
Holding Company and its nominees		
Hindustan Oil Exploration Company Limited and its nominees	50,002	50,002

(d) Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of the Share holders	As at March 31, 2020		As at March 31, 2019	
	No.	% holding	No.	% holding
Equity shares of INR 100 each fully paid				
Hindustan Oil Exploration Company Limited and its nominees	50,002	100	50,002	100

12. Other equity

Particulars	As at March 31, 2020 ₹ in lacs	As at March 31, 2019 ₹ in lacs
General reserve	38.00	38.00
Surplus in the statement of profit and loss		
Opening balance	887.97	929.34
Loss for the Year	(44.55)	(41.37)
Closing balance	843.42	887.97
Total Reserves and Surplus	881.42	925.97



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

### 13. Long-term borrowings

Particulars	As at March 31, 2020 ₹ in lacs	As at March 31, 2019 ₹ in lacs
Loan from Sundaram Finance Limited (Secured by way of Hypothecation of vehicle)	9.99	17.76
Loan From Axis Bank	3,186.94	-
	<b>3,196.93</b>	<b>17.76</b>

Particulars	Original Tenor	Interest Rate	No of Installments outstanding as at March 31, 2020	Repayment Terms	Security	As at March 31, 2020 ₹ in lacs	As at March 31, 2019 ₹ in lacs
Vehicle Loan	59 Monthly Installments	8.98%	26 monthly installments	Principal & Interest - monthly	Vehicle	17.76	24.87
Term loan - 1	60 Months	9.15%	56 Months	Repayable in Monthly instalments	Parent guarantee	3,186.94	-
<b>Sub Total</b>						<b>3,204.70</b>	<b>24.87</b>
Less: Current Maturities of Long term borrowings						<b>7.77</b>	<b>7.11</b>
<b>Non-Current Borrowings</b>						<b>3,196.93</b>	<b>17.76</b>

### 14. Trade payables

Particulars	As at March 31, 2020 ₹ in lacs	As at March 31, 2019 ₹ in lacs
(a) Trade payables		
Micro, small & medium enterprises (refer note (i))		-
Others	3,143.70	18.00
	<b>3,143.70</b>	<b>18.00</b>

(i) Details of dues to micro, small & medium enterprises



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020 ✓

Particulars	As at March 31, 2020 ✓ ₹ in lacs	As at March 31, 2019 ✓ ₹ in lacs
Principal amount payable (but not due) to suppliers as at year end	-	-
Interest accrued and due to suppliers on the above amount as at year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers (other than Section 16)	-	-
Interest paid to suppliers (Section 16)	-	-
Interest due and payable to suppliers for payments already made	-	-
Interest accrued and remaining unpaid to suppliers as at year end	-	-

All payments due to Micro, small & medium enterprises have been made within the prescribed time limits and / or date agreed upon under the contract.

### 15. Other financial liabilities

Particulars	As at March 31, 2020 ✓ ₹ in lacs	As at March 31, 2019 ✓ ₹ in lacs
Payable to employees	12.23	12.23
Current Maturities of Long Term Borrowings	7.78	7.11
	20.01	19.34

### 16. Other current liabilities

Particulars	As at March 31, 2020 ✓ ₹ in lacs	As at March 31, 2019 ✓ ₹ in lacs
Statutory dues payable	0.63	0.50
Interest Payable	24.77	-
	25.40	0.50

### 17. Other income

Particulars	For the year ended March 31, 2020 ✓ ₹ in lacs	For the year ended March 31, 2019 ✓ ₹ in lacs
Interest on Income Tax Refund	1.34	-
Net income from financial instruments at fair value through profit or loss	79.18	42.23
Miscellaneous Income	1.95	-
	82.47	42.23



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

### 18. Finance cost

Particulars	For the year ended March 31, 2020 ₹ in lacs	For the year ended March 31, 2019 ₹ in lacs
Interest on Borrowings	1.96	2.47
Other charges	102.00	0.17
	<b>103.96</b>	<b>2.64</b>

### 19. Other expenses

Particulars	For the year ended March 31, 2020 ₹ in lacs	For the year ended March 31, 2019 ₹ in lacs
Insurance	0.62	0.99
Travelling and conveyance	0.81	4.20
Legal and professional fees	4.64	24.20
Directors' sitting fees	1.18	0.94
Rates,taxes and fees	-	8.11
Repairs & maintenance - others	2.58	2.97
Provision for doubtful advances	-	-
VAT paid for earlier years	-	24.67
Miscellaneous expenses	2.39	0.50
	<b>12.22</b>	<b>66.58</b>
<b>Payment to Auditor:</b>		
Audit fee	5.00	5.90
Reimbursements	-	-
	<b>5.00</b>	<b>5.90</b>
<b>Total other expenses</b>	<b>17.22</b>	<b>72.48</b>

### 20. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2020 ₹ (44.55)lacs	For the year ended March 31, 2019 ₹ (41.37) lacs
	No.	No.
Weighted average number of equity shares used in calculating basic & diluted EPS	50,002	50,002
Par value per share	₹ 100	₹ 100
Loss per equity share in ₹ computed on the basis of profit for the year -Basic and Diluted	<b>(89.09)</b>	<b>(82.74)</b>



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

### 21. Related Party Disclosures

#### a) Related Parties as of March 31, 2020

- (i) Holding company: Hindustan Oil Exploration Company Limited
- (ii) Key managerial personnel:
  - Mr.P.Elango – Chairman
  - Mr.R.Jeevanandam - Director
  - Mr.P.K.Borthakur- Non-executive independent Director

Particulars	For the year ended March 31, 2020 ₹ in lacs	For the year ended March 31, 2019 ₹ in lacs
<b>Expenditure</b>		
Reimbursement of expenses	5.77	35.49
Sitting fee – Independent Director	-	0.80
Advances- Holding company *		
Advance received	4,935	-
Advance paid	2,095	-

#### Loan and advances to Parent Company

Particulars	Outstanding as at March 31, 2020 ₹ in lacs	Maximum amount outstanding during the year ₹ in lacs	Outstanding as at March 31, 2019 ₹ in lacs
Advance Payable to HOEC	2,845.43	2,845.43	-

\* Represents advance received for business purposes, which has been repaid during the last year

### 22. Commitments and Contingencies

Particulars	As at March 31, 2020 ₹ in lacs	As at March 31, 2019 ₹ in lacs
(i) <b>Contingent Liabilities</b>		
(a) Central excise demand*	-	1.49

\* Immunity granted from Central excise demand as per SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019.

### 23. Segment reporting

The business of the company falls under a single segment, Therefore, there are no separate reportable segments for Segment Reporting.

### 24. Financial Risk Management objectives

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The primary commodity price risks that the company is exposed to include oil and natural gas prices that could adversely affect the value of the company's financial assets, liabilities or expected future cash flow. Market risk comprises the risk of interest rate, currency risk and the other commodity price.



# Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2020

## Liquidity risk

A format budgeting and forecasting process is in place and cash forecasts identifying liquidity requirements of the Company are reviewed regularly by Board and financing plans are approved based on end utilization of proceeds and cost of capital.

## 25. Fair Value Measurements

The following table gives information about how the fair value of these financial assets are determined.

As at March 31, 2020

	Fair Value Measurements using			
	Total ₹ in lacs	Level 1 ₹ in lacs	Level 2 ₹ in lacs	Level 3 ₹ in lacs
Assets measured at Fair Value				
- Mutual Fund investments (refer note 6)	859.09	859.09	-	-

As at March 31, 2019

	Fair Value Measurements using			
	Total ₹ in lacs	Level 1 ₹ in lacs	Level 2 ₹ in lacs	Level 3 ₹ in lacs
Assets measured at Fair Value				
- Mutual Fund investments (refer note 6)	845.58	845.58	-	-

\* Note:

Level 1: Quoted market prices in active markets, where available.

Level 2: Valuation techniques where fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for where fair value measurement is unobservable.

## 26. Events after the reporting period

There is no material event after the reporting period.

## 27. Approval of financial statements

The financial statements were approved for issue by the board of directors on May 31, 2020

## 28. Previous Year Figures

Previous year's figures have been regrouped and reclassified wherever necessary to confirm to the current year's presentation.

For and on behalf of the Board of Directors

P. Elango  
Chairman  
DIN No 06475821

R. Jeevanandam  
Director  
DIN No 07046442

G. Josephin Daisy  
Company Secretary

Place: Chennai  
Date: May 31, 2020

