

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Geopetrol International Inc. (incorporated in Panama with limited liability)**

### **Report on the Consolidated Financial Statements Opinion**

We have audited the Consolidated financial statements of Geopetrol International Inc. ("the Group"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

Without qualifying our opinion:

- (i) We report that the accounts include the assets of Rs. 22,32,92,444 and liabilities of Rs. 16,28,68,463 of Kharsang block based on the Unaudited source and Application of Funds as on 31 March 2023, certified by the Operator GeoEnpro Limited. We are not the Auditors to the block accounts and any changes in the unaudited accounts as on 31 March 2023 shall be adjusted in the subsequent year.
- (ii) We further report that we have placed reliance on technical/ commercial evaluation done by the management of the Geopetrol International Inc. in consultation with the management of GeoEnpro Petroleum Limited in respect of categorization of wells under various stages, depletion of properties on the basis of proved developed reserves and liability for abandonment costs.

Subject to our remarks above, in our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the group as at 31<sup>st</sup> March, 2023 and its Profits, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated 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 Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.



## **Management's Responsibility for the Consolidated Financial Statements**

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, other comprehensive income, consolidated cash flows and consolidated Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

## **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we further report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the consolidated financial position, consolidated financial performance, other comprehensive income, consolidated cash flows and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



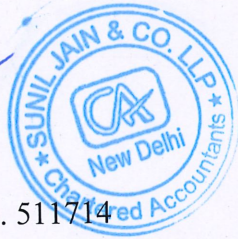
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, its subsidiary and its associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Sunil Jain & Co. LLP,**  
Chartered Accountants  
(Registration No. 003855N/ N500113)

  
**Sanchit Jain**

Partner

Membership No. 511714



Place: Chennai

Date: 13.05.2023

UDIN: 23511714 BQ QLEP 7542



**Geopetrol International Inc.**  
(Subsidiary of Hindustan Oil Exploration Company Limited)  
FCRN : F02830

Indian Project Office: 'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai – 600018, India

☎ 91 (044) 66229000 / 48535008 📠 91(044) 66229011 ✉ contact@geopetrol.net 🌐 www.geopetrol.net

Consolidated Balance Sheet as at March 31, 2023

Particulars	Notes	As at March 31, 2023		As at March 31, 2022	
		₹	US\$	₹	US\$
<b>ASSETS</b>					
1 Non-current assets					
Property, plant & equipment	4				
a) Oil and gas assets	4 (a)	18,22,08,131	30,82,815	20,69,23,076	33,90,248
b) Others	4 (b)	2,65,52,71,142	3,40,93,757	5,64,65,578	9,68,699
Capital work-in-progress	5	2,53,41,463	3,13,736	2,65,94,00,256	3,52,95,097
Financial assets					
Site restoration deposit	6(a)	3,16,84,337	3,85,375	3,08,31,514	4,06,710
Investment in associates	6(b)	18,48,93,349	28,07,841	18,37,81,955	27,94,016
Other Financial assets	6(c)	5,92,808	7,210	5,92,808	7,820
Total non-current assets		3,07,99,91,230	4,06,90,734	3,13,79,95,187	4,28,62,590
2 Current assets					
Inventories	7	2,68,53,525	3,26,618	4,25,60,957	5,61,438
Trade receivables	8	74,06,22,466	91,65,744	2,59,81,455	3,42,732
Cash and cash equivalents	9	5,59,23,628	6,80,196	16,03,51,796	21,15,261
Other bank balances	9	10,74,95,979	13,07,468	-	-
Other financial assets	10	6,78,250	8,250	6,36,432	8,396
Income tax assets (Net)	11	3,15,87,818	3,84,201	3,07,10,630	4,05,115
Other current assets	12	72,84,249	88,598	49,62,298	65,460
Total current assets		97,04,45,915	1,19,61,075	26,52,03,568	34,98,402
<b>TOTAL ASSETS</b>		<b>4,05,04,37,145</b>	<b>5,26,51,809</b>	<b>3,40,31,98,755</b>	<b>4,63,60,992</b>
<b>EQUITY &amp; LIABILITIES</b>					
Equity					
Equity share capital	13	65,06,20,000	1,00,00,000	65,06,20,000	1,00,00,000
Other equity	14	7,13,12,196	21,67,372	(16,33,49,431)	(21,04,115)
Total equity		72,19,32,196	1,21,67,372	48,72,70,569	78,95,885
Liabilities					
1 Non-current liabilities					
Financial Liabilities					
Other Financial Liabilities	15	94,72,70,235	1,15,21,600	90,30,14,175	1,19,12,000
Provisions	16	18,32,10,848	22,28,384	17,51,74,295	23,10,790
Deferred tax Liability (net)	17	95,91,876	1,16,666	97,88,950	1,29,130
Total non-current liabilities		1,14,00,72,959	1,38,66,650	1,08,79,77,420	1,43,51,920
2 Current liabilities					
Financial liabilities					
Trade payables due to:	18				
Micro and Small Enterprise		-	-	-	-
Other than Micro and Small Enterprise		18,83,47,239	22,90,858	19,13,28,970	25,23,892
Short-term borrowings	19	1,45,52,39,130	1,77,00,000	1,34,17,85,670	1,77,00,000
Other Financial Liabilities	20	45,43,82,216	55,26,628	29,45,66,651	38,85,740
Other current Liabilities	21	9,04,63,405	11,00,301	2,69,475	3,555
Total current liabilities		2,18,84,31,990	2,66,17,787	1,82,79,50,766	2,41,13,187
Total liabilities		3,32,85,04,949	4,04,84,437	2,91,59,28,186	3,84,65,107
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,05,04,37,145</b>	<b>5,26,51,809</b>	<b>3,40,31,98,755</b>	<b>4,63,60,992</b>

The accompanying notes forming part of the consolidated financial statements

In terms of our report attached

Sunil Jain & Co. LLP,  
Chartered Accountants  
(Registration No. 003855N/ N500113)

  
Sanchit Jain  
Partner  
Membership No. 511714  
Place: Chennai  
Date: 13.05.2023



For and on behalf of the Board of Directors

  
P. Elango  
Director

  
R. Jeevanandam  
Director

Place: Chennai  
Date: 13.05.2023

Registered Office: MMG Tower, 23rd Floor, Avenida Paseo del Mar, Costa del Este, Panama

UDJN: 23511714 B G Q L E P 7542





**Geopetrol International Inc.**  
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Consolidated Statement of Profit and loss for the year ended March 31, 2023

Particulars	Notes	For the year ended March 31, 2023		For the year ended March 31, 2022	
		₹	US\$	₹	US\$
Income					
Revenue from operations	22	1,05,14,14,900	1,30,16,626	25,22,04,797	33,84,754
Other income	23	41,87,782	52,092	1,01,18,027	1,35,791
Total income		1,05,56,02,682	1,30,68,718	26,23,22,824	35,20,545
Expenses					
Share of expenses from producing oil and gas blocks	24 (a)	6,97,47,917	8,67,604	5,97,70,575	8,02,160
Royalty, Cess and NCCD	24(b)	11,07,55,351	13,77,701	9,39,68,977	12,61,125
Facility operating expenses	25	6,49,74,206	8,08,223	-	-
(Increase) / decrease in stock of crude oil and condensate	26	(79,01,981)	(88,407)	1,48,99,733	2,05,800
Employee benefits expense	27	28,65,221	35,641	29,99,624	40,257
Finance cost					
-Unwinding of discount on decommissioning liability		9,54,184	11,869	15,94,395	21,399
-Others	28	9,79,12,351	12,17,946	3,54,81,322	4,76,183
Depreciation, depletion and amortization	4&6	19,37,13,977	24,61,472	4,12,79,736	5,54,001
Other expenses	29	13,43,97,353	2,38,257	5,21,18,770	2,71,377
Total expenses		66,74,18,579	69,30,306	30,21,13,132	36,32,302
Profit/(loss)before exceptional items and tax		38,81,84,103	61,38,412	(3,97,90,309)	(1,11,757)
Exceptional items	30	(12,21,99,464)	(14,86,306)	-	-
Profit/(loss)before tax		26,59,84,639	46,52,106	(3,97,90,309)	(1,11,757)
(1) Current tax		3,26,31,480	3,96,895	-	-
(2) Adjustment of tax relating to earlier periods		-	-	-	-
(3) Deferred tax	18	(1,97,074)	(2,451)	(35,23,424)	(47,287)
Total tax expense		3,24,34,406	3,94,444	(35,23,424)	(47,287)
Profit / (loss) for the year		23,35,50,233	42,57,662	(3,62,66,884)	(64,470)
Share of profit from investment		11,11,394	13,825	(89,71,092)	(1,20,398)
Total income/ (loss) for the year		23,46,61,627	42,71,487	(4,52,37,976)	(1,84,868)

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


Sunil Jain & Co.LLP,  
Chartered Accountants  
(Registration No. 003855N/ N500113)

For and on behalf of the Board of Directors

  
Sanchit Jain  
Partner  
Membership No. 511714



  
P. Elango  
Director

  
R. Jeevanandam  
Director

Place: Chennai  
Date: 13.05.2023

Place: Chennai  
Date: 13.05.2023

UDJN: 23511714 B4QL EP7542





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Consolidated Statement of cash flow for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	US\$
<b>Cash flow from operating activities</b>				
Profit after tax	23,44,64,553	42,69,036	(4,87,61,401)	(2,32,155)
Adjustments for:				
Depreciation, depletion and amortization	19,37,13,977	24,61,472	4,12,79,736	5,54,001
Income Tax Expense	3,26,31,480	3,96,895	-	-
Unwinding of discount on decommissioning liability	9,54,184	11,869	15,94,395	21,398
Profit oil differential amount	12,21,99,464	14,86,306	-	-
Provision for compensated absences	(3,126)	(1,019)	-	-
Net Foreign Exchange differences	11,88,11,732	(52,486)	3,81,60,031	-
Share of profit from associates	(11,11,394)	(13,825)	89,71,092	1,20,398
Interest income	(10,59,797)	(13,183)	(4,54,23,310)	(6,09,611)
<b>Operating profit before working capital changes</b>	<b>70,06,01,073</b>	<b>85,45,065</b>	<b>(41,79,457)</b>	<b>(1,45,969)</b>
<b>Working capital adjustments for:</b>				
Trade payables and other liabilities	6,23,98,815	6,43,150	1,09,40,73,561	11,66,035
Trade receivables	(71,46,41,011)	(88,23,013)	45,16,392	72,179
Inventories	(81,70,375)	(55,605)	1,38,26,969	2,05,696
Loans and advances and other current assets	(23,63,769)	(22,383)	(4,53,27,692)	(5,69,506)
<b>Cash Generated from operations</b>	<b>3,78,24,733</b>	<b>2,87,214</b>	<b>1,06,29,09,773</b>	<b>7,28,435</b>
Direct taxes refunds (net of payments)	(3,35,08,668)	(3,85,994)	(13,65,261)	(10,577)
Other Bank balances- Escrow	(10,74,95,979)	(13,07,468)	-	-
<b>Net cash generated by operating activities</b>	<b>(10,31,79,914)</b>	<b>(14,06,248)</b>	<b>1,06,15,44,512</b>	<b>7,17,859</b>
<b>Cash flow from Investing activities</b>				
Purchase of Property, plant and equipment	(23,08,051)	(42,000)	-	-
Capital Work-in-progress	-	-	(1,09,80,93,721)	(12,73,000)
Interest Received	10,59,797	13,183	-	-
<b>Net cash flows used in investing activities</b>	<b>(10,44,28,168)</b>	<b>(14,35,065)</b>	<b>(3,65,49,209)</b>	<b>(5,55,141)</b>
<b>Cash flow from financing activities:</b>				
Interest Paid	-	-	4,54,23,310	6,09,611
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>4,54,23,310</b>	<b>6,09,611</b>
<b>Net increase in cash and cash equivalents</b>	<b>(10,44,28,168)</b>	<b>(14,35,065)</b>	<b>88,74,101</b>	<b>54,470</b>
Cash and cash equivalents at the beginning of the year	16,03,51,796	21,15,261	15,14,77,695	20,60,791
Cash and cash equivalents at the end of the year	5,59,23,628	6,80,196	16,03,51,796	21,15,261





# Geopetrol International Inc.

(Subsidiary of Hindustan Oil Exploration Company Limited)

FCRN : F02830

Indian Project Office: 'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai – 60018, India

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Components of cash and cash equivalents	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Cash in hand	17,673	215	15,071	199
Balances with banks				
- In current accounts	5,59,05,955	6,79,981	16,03,36,725	21,15,062
<b>Total cash and cash equivalents</b>	<b>5,59,23,628</b>	<b>6,80,196</b>	<b>16,03,51,796</b>	<b>21,15,261</b>

The accompanying notes forming part of the consolidated financial statements

In terms of our report attached

Sunil Jain & Co.LLP,

Chartered Accountants

(Registration No. 003855N/ N500113)

For and on behalf of the Board of Directors

Sanchit Jain  
Partner  
Membership No. 511714



P. Elango  
Director

R. Jeevanandam  
Director

Place: Chennai  
Date: 13.05.2023



Place: Chennai  
Date: 13.05.2023

40JN: 23511714B9OLEP7542



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Consolidated Statement of changes in equity for the year ended March 31, 2023

a) Equity Share Capital

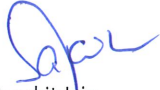
Particulars	Amount in ₹	Amount in US\$
Balance as at March 31, 2022	65,06,20,000	10,000,000
Balance as at March 31, 2023	65,06,20,000	10,000,000

b) Other Equity

Particulars	Reserves and surplus	
	Retained earnings in ₹	Retained earnings in US\$
Balance as at April 1, 2021	(11,81,11,455)	(19,19,247)
Profit/(loss) for the year	(4,52,37,976)	(1,84,868)
Other comprehensive income	-	-
Total comprehensive income for the year	(4,52,37,976)	(1,84,868)
Balance as at March 31, 2022	(16,33,49,431)	(21,04,115)
Profit/(loss) for the year	23,46,61,627	42,71,487
Other comprehensive income	-	-
Total comprehensive income for the year	23,46,61,627	42,71,487
Balance as at March 31, 2023	7,13,12,196	21,67,372

Sunil Jain & Co.LLP,  
Chartered Accountants  
(Registration No. 003855N/ N500113)

For and on behalf of the Board of Directors

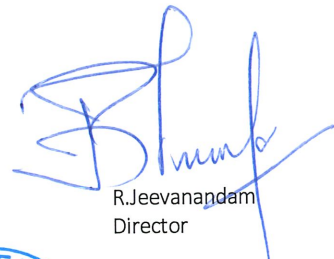
  
Sanchit Jain  
Partner  
Membership No. 511714



Place: Chennai  
Date: 13.05.2023

UDJN: 23511714B40LEP7542

  
P. Elango  
Director

  
R. Jeevanandam  
Director



Place: Chennai  
Date: 13.05.2023



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2023

#### 1. Corporate Information

Geopetrol International Inc. ("Geopetrol"), is a company established under the laws of Panama and was incorporated on 25 May 1993. Geopetrol is engaged in the exploration, development and production of crude oil and natural gas in India.

The Company is a participant in various oil and gas blocks/fields which are in the nature of joint operation through Production Sharing Contracts ('PSC') entered by the Company with Government of India along with other entities. The details of Company's participating interests and of the other entities are as follows:

Sl. No	Unincorporated Joint Ventures	Participants	Share %	
			As at March 31, 2023	As at March 31, 2022
1	Kharsang (Assam)	Geoenpro Petroleum Limited (O)	10	10
		Geopetrol International Inc.,	25	25
		JEKPL Private Limited	25	25
		Oil India Limited	40	40

(O)-Operator

The Company has various Coal Bed Methane blocks in India which were surrendered. Similarly, the Production Sharing Contract for the blocks AA-ONN-2003/2 and MZ-ONN-2004/2 were surrendered without any cost incurred during the year.

The Company has a wholly owned subsidiary Geopetrol Mauritius Limited as at the year end.

#### 2. Significant accounting policies

##### Background

Geopetrol International Inc. (Geopetrol), established under the laws of Panama having its registered office at MMG Tower, 23<sup>rd</sup> Floor, Paseo del Mar Avenue, Costal del Este, Panama, Republic of Panama. Geopetrol has entered into various Production Sharing Contracts ("PSC") with Government of India along with the other parties for exploration, development and production of oil and gas in India. Accordingly, an Indian Project Office (IPO) has been established for executing contracts with Government of India to explore, develop and produce crude oil, natural gas and coal bed methane (CBM). The Registrar of Companies approved the establishment of the India Project Office under the Companies Act, 1956, on 18 September 1996.

##### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to 31 March each year. Control is achieved where the Group has the power to govern the financial and-operating policies of an enterprise so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control. As management consider the acquisition of the subsidiaries upon inception of GIH as a reorganisation of the structure of a sub consolidation group, management have elected to measure the cost at the carrying amounts prior to acquisition.

Minority interests represent the profit or loss and net assets, presented as a separate component of equity, in subsidiaries that are not held by the Group.

##### Business combinations

The Group has a number of contractual arrangements with other parties which represent joint ventures.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control.

The group's interests in jointly controlled entities are accounted for by proportionate consolidation. The group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Consolidated financial statements. The group recognizes the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other ventures. The group does not recognize its share of profits or losses from the joint venture that result from the group's purchase of assets from the joint venture until it re-sells the assets to an independent party. However, a loss on the transaction is recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets, or an impairment loss.



# Geopetrol International Inc.

## Notes to Consolidated financial statements for the year ended March 31, 2023

### Interests in joint ventures/subsidiary/associates

The Group has a number of contractual arrangements with other parties which represent joint ventures.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control.

Geopetrol International Inc. (GPI) has the following interests in the following companies and joint ventures namely:

- ✓ Geopetrol Mauritius Ltd, Mauritius, 100% interest as from 27 September 1995 onwards which holds 50% of Geoenpro Petroleum Limited, India, which in turn has a 10% interest in the Kharsang Oil field contract; India Project office, India (these accounts are included in GPI);
- ✓ Geopetrol has entered into various Production Sharing Contracts such as Kharsang Oil Field, AA-ONN-2003/2, MZ-ONN-2004/2 and Coal Bed Methane blocks such as BS(4)-CBM-2005/III, BS(5)-CBM-2005/III, SP(N)-CBM-2005/III, KG(E)-CBM-2005/III. After carrying out various exploration activities in the blocks, the Kharsang is the only block successfully developed and is on continuous production.

The PSC's are operated through an Unincorporated Joint Venture (UJV) under the Joint Operating Agreement (JOA) executed among the contracting parties to the PSC with Government of India. All costs and expenses incurred in respect of joint operations are charged to the joint operative expenditure account maintained by the India Project Office. All expenditure and revenue of the blocks is shared by the consortium members in their respective participating interests in the PSC and is accounted for by the members in their respective books of account.

For consolidation purposes the books of account of Geopetrol International Inc. and its subsidiaries are closed on 31 March of each year. All intercompany balances and transactions between GPI and its subsidiaries have been eliminated for consolidation purposes. Intercompany advances are normally made on an interest free basis within the needs of the subsidiaries. There is no reimbursement schedule but reimbursement takes place within the possibilities of the subsidiaries.

Geopetrol is the non-operator in two blocks namely Kharsang Oil Field and Block MZ-ONN-2004/2 and Geopetrol accounts its share of expenses and revenue from the sale of crude oil and natural gas in proportion to its participating interest no expenditure is incurred in the block MZ-ONN-2004/2 in the current financial year.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of Accounting

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting under the 'Successful Efforts Method' as per the Guidance Note on Accounting for Oil and Gas Producing Activities ('Guidance Note') issued by the Institute of Chartered Accountants of India and in accordance with the Generally Accepted Accounting Principles in India ('GAAP'). The financial statements comply with the requirements under the mandatory accounting standards as notified under the Companies Act, 2013.

#### ii) Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Instances of such estimations include estimates of oil reserves, site restoration cost and useful life of fixed assets. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### iii) Current and Non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2023

- It is expected to be realized in, or is intended for sale or consumption in, the Project Office's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

#### *Liabilities*

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in Project Office's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Project Office does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### *Operating cycle*

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

#### iv) Financial reporting of interests in Joint Venture

The Unincorporated Joint Venture is in the nature of jointly controlled assets as defined in the Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures'. The India Project Office incorporates in its financial statements the revenue, expenditure, assets and liabilities in respect of the unincorporated joint venture, in proportion to its participating interest in the PSC. The balances in the financial statements include Geopetrol's participating interest in various Production Sharing Contracts.

#### v) Basis of allocation and classification

The basis of allocation of exploration costs, development costs, joint operative expenditure, current assets and liabilities of the PSC's in the financial statements of Geopetrol is as given below:

Nature	Item	Basis of Allocation
Production and Exploration cost	Joint operative and exploration Costs	Expense transferred to Statement of Profit and loss in proportion of respective participating interests in the PSC, except for drilling costs, provision for site restoration costs and fixed assets, which are capitalised.
Development Cost	Development drilling Work-in-progress, development wells	Capitalised as capital work in progress and transferred to fixed assets when commercial production commences, in proportion of respective participating interest in PSC.
Other assets and liabilities	Inventories, cash and bank balances; loans and advances; sundry creditors; and liabilities and provisions.	Transferred to respective account head in proportion of respective participating interests in the PSC.



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2023

#### vi) Exploration cost, development cost and abandonment sinking fund.

Under the Successful Efforts' Method:

- (i) Geological and Geophysical ('G&G') studies and any other G&G costs are written off in the year in which these are incurred;
- (ii) Costs relating to the acquisition of properties are capitalised. Costs relating to drilling of exploratory wells are included in the wells-in-progress (intangible assets under development/capital work in progress) and transferred to producing properties when determined by the management to be successful or expensed when it is unsuccessful. All other exploration costs are expensed when incurred. Cost of successful exploratory wells in progress are not carried over for more than 2 years from the date of completion of drilling, unless it is reasonably demonstrated that the development of the field is being planned with adequate resources to prove its commerciality.
- (iii) Producing properties are created in respect of an area/ field when ready to commence commercial production. Cost of drilling, completion, testing of wells and other development costs incurred in carrying out development operations are transferred to producing properties.
- (iv) Producing properties are depleted using the unit of production method, with reference to the estimated proved developed reserves as assessed by the management, which are based on annual estimates made by the Operator or independent expert's evaluation. Impact of changes in estimate, if any, is dealt prospectively, i.e. in the current and future periods;
- (v) Development costs, representing all direct and allocated indirect expenditure incurred in respect of the development operations, are included in capital work-in-progress until drilling or construction is completed; and
- (vi) Geopetrol recognizes the full eventual liability for costs relating to dismantling, site restoration and restoring well sites and other facilities, net of estimated salvage value in the period of installation of well sites and other facilities. The estimated liability is capitalized and is added to the cost of producing properties with a corresponding provision for site restoration.

#### Inventories

Stores and spares and goods in transit	Stores, spares, capital stock and drilling tangibles are valued at cost on first in first out basis and estimated net realizable value, whichever is lower. Inventories are periodically assessed for restatement at lower of cost and net realizable value. 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.
Crude oil	Closing stock of crude oil and condensate in saleable condition is valued at the estimated net realizable value in the ordinary course of business.

#### vii) Fixed assets, depreciation and depletion

##### Tangible fixed assets

- a) Fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). The cost of fixed assets includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred upto the date of commissioning of the assets.

##### Intangible fixed assets

Intangible assets include software. The cost of such assets include purchase price, import duties, other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use.



## Geopetrol International Inc. Notes to Consolidated financial statements for the year ended March 31, 2023

### Depreciation / Amortisation

Depreciation on fixed assets except leasehold improvement and offshore production unit is charged on pro rata basis over the useful life of the asset on written down value method. Useful lives of assets considered for various assets, which are greater than or equal to the lives prescribed in Schedule II of the Companies Act, 2013 are as follows:

Fixed asset	Life of Asset (years)
Building	60
Fire safety facility	8
Plant and machinery	8
Office equipment	8
Computer	3
Furniture and fixture	10
Vehicle	10
Vessel Offshore Production processing unit	15

Leasehold improvements are amortized over the period of lease. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase. Intangible assets and vessel offshore production processing unit amortised on a straight-line basis over their estimated useful lives of 5 years as determined by the management.

The appropriateness of depreciation/amortisation period and depreciation/amortisation method is reviewed by the management each financial year.

### Depletion

Producing properties are depleted using the unit of production method, with reference to the estimated proved developed reserves as assessed by the management, which are based on annual estimates made by the Operator or independent expert's evaluation. Impact of changes in estimate, if any, is dealt prospectively, i.e. in the current and future periods.

### viii) Impairment

The carrying values of assets are reviewed at each reporting date to determine if there exists any impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or depletion, if no impairment loss had been recognized.

### ix) Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains/ losses arising on account of realisation/ settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Statement of Profit and loss.

The results and financial position of all the group subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- ✓ assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; and
- ✓ income and expenses for each income statement are translated at average exchange rates



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2023**

x) Revenue recognition

*Sale of Crude Oil*

Revenue from sale of crude oil is recognised on transfer of custody. Geopetrol's share of crude oil sold is determined after allocation of profit petroleum payable to the Ministry of Petroleum and Natural Gas, Government of India, as per the provisions of the Production Sharing Contract.

Revenue from giving hiring of Vessel Offshore Production processing unit to Hindustan Oil Exploration Company Limited-Block MB/OSDSF/B80/2016 recognised.

*Interest*

Interest on deployment of surplus fund is recognised using the time-proportion method, based on the interest rate implicit in the transaction.

xi) Profit petroleum

The amount payable to the Government of India under the PSC is based on the profit sharing statement prepared on a quarterly basis by the operators of the respective PSC's and is recognised on accrual basis.

xii) Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Consequent to the take-over by Hindustan Oil Exploration Company Limited on 09.04.2018, the company becomes the Domestic Company under the Indian Income Tax Act, 1961. The register of members is maintained in India, the centralized control and the management including the board meeting and the annual general meetings are conducted in India. The company has made no arrangement to declare dividend outside India. Therefore, the tax rates as applicable to domestic companies are considered for current tax as well as deferred tax.

xiii) Employee benefits

The following policy pertains to accounting for employee benefits for employees of the India Project Office.

*Short term employee benefits*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, bonus, etc, are recognised in the Statement of Profit and loss in the period in which the employee renders the related service.

*Long term employee benefits*

*i) Defined Contribution Plan*

The employees' provident fund scheme is a defined contribution plan. The India Project Office's contribution paid/payable under this scheme is recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

*ii) Defined Benefit Plan*

The India Project Office's gratuity plan is a defined benefit plan. The benefit is as per the provisions of Gratuity Act, 1972. Payment of Gratuity to employees is covered by the Geopetrol International Inc Employees Group Gratuity Scheme of the LIC of India, which is a defined benefit scheme. The India Project Office makes contribution to Life Insurance Corporation of India ("LIC") of an amount payable by the trusts to LIC, which is charged to the Statement of Profit and loss.



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2023

#### iii) Other Long term employee benefits

Benefits under the India Project Office's compensated absence policy constitute other long term employee benefits, recognised as an expense in the Statement of Profit and loss for the period in which the employee renders services. The benefit is calculated annually by the management on estimate basis.

#### xiv) Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under an operating lease are recognised as an expense in the Statement of Profit and loss on a straight-line basis over the lease term, considering the renewal terms, if appropriate.

#### xv) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Geopetrol has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Geopetrol does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the financial statements of the year in which the change occurs.

#### xvi) Borrowing costs

Borrowing cost, less any income on the temporary investment out of these borrowings, that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset. Other borrowing costs are recognised as expense in the period in which they are incurred.



**Geopetrol International Inc.**

**Notes to Consolidated financial statements for the year ended March 31, 2023**

4. Property, plant & equipment

(a).Summary

Carrying amount of:	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
a) Oil and gas assets	18,22,08,131	30,82,815	20,69,23,076	33,90,248
b) Others				
- Plant and machinery	4,26,46,837	7,66,883	5,14,49,728	8,76,592
- Fire Safety facilities	33,67,173	60,855	41,11,323	70,112
- Buildings	3,70,570	6,417	3,89,541	6,653
- Furniture & fixtures	1,13,731	2,761	1,53,462	3,256
- Vehicles	1,71,178	4,395	2,48,913	5,362
- Office equipment	23,408	2,272	42,615	2,511
- Computers	25,787	3,665	69,997	4,215
	<b>4,67,18,683</b>	<b>8,47,248</b>	<b>5,64,65,578</b>	<b>9,68,699</b>
MOPU	2,60,85,52,459	3,32,46,509	-	-
	<b>2,65,52,71,142</b>	<b>3,40,93,757</b>	<b>5,64,65,578</b>	<b>9,68,699</b>

Carrying Amount of	Oil and gas assets ₹	Others								Total ₹
		Plant and Machinery ₹	MOPU ₹	Fire safety facilities ₹	Buildings ₹	Furnitures & Fixtures ₹	Vehicles ₹	Office equipment ₹	computers ₹	
Cost or deemed cost										
Balance as at April 1, 2021	1,41,26,64,252	18,74,30,415	-	1,29,09,896	28,69,823	30,70,672	19,17,720	1,01,90,327	1,23,09,497	1,64,33,62,601
Additions	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	1,41,26,64,252	18,74,30,415	-	1,29,09,896	28,69,823	30,70,672	19,17,720	1,01,90,327	1,23,09,497	1,64,33,62,601
Additions	-	7,53,637	2,76,70,50,960	-	-	-	-	-	-	2,76,78,04,597
Balance as at March 31, 2023	1,41,26,64,252	18,81,84,051	2,76,70,50,960	1,29,09,896	28,69,823	30,70,672	19,17,720	1,01,90,327	1,23,09,497	4,41,11,67,198
Accumulated depreciation and impairment										
Balance as at April 1, 2021	1,17,70,97,567	12,45,94,727	-	78,89,966	24,60,340	28,63,598	15,55,770	1,01,12,747	1,21,19,495	1,33,86,94,211
Depreciation for the year	2,86,43,609	1,13,85,959	-	9,08,607	19,942	53,611	1,13,036	34,966	1,20,005	4,12,79,736
Balance as at March 31, 2022	1,20,57,41,176	13,59,80,686	-	87,98,573	24,80,282	29,17,210	16,68,807	1,01,47,712	1,22,39,500	1,37,99,73,947
Depreciation for the year	2,47,14,945	95,56,530	15,84,98,501	7,44,150	18,971	39,731	77,735	19,207	44,210	19,37,13,976
Balance as at March 31, 2023	1,23,04,56,121	14,55,37,216	15,84,98,501	95,42,723	24,99,253	29,56,941	17,46,542	1,01,66,919	1,22,83,710	1,57,36,87,923
Net book value										
Balance as at March 31, 2022	20,69,23,076	5,14,49,728		41,11,323	3,89,541	1,53,462	2,48,913	42,615	69,997	26,33,88,654
Balance as at March 31, 2023	18,22,08,131	4,26,46,836	2,60,85,52,459	33,67,173	3,70,570	1,13,731	1,71,178	23,408	25,787	2,83,74,79,274





**Geopetrol International Inc.**
**Notes to Consolidated financial statements for the year ended March 31, 2023**

Carrying Amount of	Oil and gas assets US\$	Plant and Machinery US\$	Others							Total US\$
			MOPU US\$	Fire safety facilities US\$	Buildings US\$	Furnitures & Fixtures US\$	Vehicles US\$	Office equipment US\$	computers US\$	
Cost or deemed cost										
Balance as at April 1, 2021	2,17,12,586	28,76,697	-	1,98,425	44,109	47,191	29,475	1,56,625	1,89,087	2,52,54,195
Additions										
Balance as at March 31, 2022	2,17,12,586	28,76,697	-	1,98,425	44,109	47,191	29,475	1,56,625	1,89,087	2,52,54,195
Additions		9,166	3,52,69,931							3,52,79,097
Balance as at March 31, 2023	2,17,12,586	28,85,863	3,52,69,931	1,98,425	44,109	47,191	29,475	1,56,625	1,89,087	6,05,33,292
Accumulated depreciation and impairment										
Balance as at April 1, 2021	1,79,37,922	18,47,298	-	1,16,119	37,189	43,216	22,596	1,53,645	1,83,262	2,03,41,247
Depreciation for the year	3,84,416	1,52,807	-	12,194	268	720	1,517	469	1,611	5,54,001
Balance as at March 31, 2022	1,83,22,338	20,00,105	-	1,28,313	37,456	43,935	24,114	1,54,114	1,84,872	2,08,95,247
Depreciation for the year	3,07,433	1,18,875	20,23,422	9,257	236	494	967	239	550	24,61,472
Balance as at March 31, 2023	1,86,29,771	21,18,980	20,23,422	1,37,570	37,692	44,429	25,080	1,54,353	1,85,422	2,33,56,720
Net book value										
Balance as at March 31, 2022	33,90,248	8,76,592	-	70,112	6,653	3,256	5,362	2,511	4,215	43,58,947
Balance as at March 31, 2023	30,82,815	7,66,883	3,38,45,549	60,855	6,417	2,761	4,395	2,272	3,665	3,71,76,572

**5. Capital work-in-progress**

Particulars	Development Expenditure in ₹	Plant and Machinery in ₹	Total in ₹	Development Expenditure In US\$	Plant and Machinery In US\$	Total in US\$
Cost						
Balance as at April 1, 2021	48,40,828	1,43,28,54,637	1,43,76,95,465	73,573	1,92,61,704	1,93,35,277
Additions	-	1,22,17,04,791	1,22,17,04,791	-	1,59,59,820	1,59,59,820
Balance as at March 31, 2022	48,40,828	2,65,45,59,428	2,65,94,00,256	73,573	3,52,21,524	3,52,95,097
Additions/(Deletions)	(33,77,172)	(2,65,45,59,428)	(2,65,79,36,600)	(50,262)	(3,52,21,524)	(3,52,71,786)
Additions- Drilling stores & Spares		2,38,77,807	2,38,77,807	-	2,90,425	2,90,425
Balance as at March 31, 2023	14,63,656	2,38,77,807	2,53,41,463	23,311	2,90,425	3,13,736
Net book value						
Balance as at March 31, 2022	48,40,828	2,65,45,59,428	2,65,94,00,256	73,573	3,52,21,524	3,52,95,097
Balance as at March 31, 2023	14,63,656	2,38,77,807	2,53,41,463	23,311	2,90,425	3,13,736



**Geopetrol International Inc.**
**Notes to Consolidated financial statements for the year ended March 31, 2023**
**(a) Capital-work-in progress ageing schedule**

Particulars	As at 31 Mar 2023				
	Amount in CWIP for a period of				
Capital Work in Progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	14,63,656	2,38,77,807	-	-	2,53,41,463
Projects temporarily suspended	-	-	-	-	-

**(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given\*\*:**

Particulars	As at 31 Mar 2023				
	To be completed in				
Capital Work in Progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	14,63,656	2,38,77,807	-	-	2,53,41,463
Project 1	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Project 1	-	-	-	-	-

**6. Financial assets**

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
(a) Deposit under site restoration fund scheme				
Site restoration deposit with bank- maturity excess of 12 months	3,16,84,337	3,85,375	3,08,31,514	4,06,710
<b>Total</b>	<b>3,16,84,337</b>	<b>3,85,375</b>	<b>3,08,31,514</b>	<b>4,06,710</b>

The above amount has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipment's and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc. This amount is considered as restricted cash and hence not considered as 'Cash and cash equivalents'.

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
(b) Investment in associates				
Unquoted equity shares of subsidiary				
5,60,000 (PY: 5,60,000) equity shares of 10 Rs. each fully paid-up in GeoEnpro Petroleum Limited	56,00,000	85,663	56,00,000	85,663
Reserves & surplus	17,92,93,349	27,22,178	17,81,81,955	27,08,353
	<b>18,48,93,349</b>	<b>28,07,841</b>	<b>18,37,81,955</b>	<b>27,94,016</b>

(c) Other financial assets – non current				
i) Unsecured and considered good				
Capital Advances	-	-	-	-
Security Deposits	5,92,808	7,210	5,92,808	7,820
	<b>5,92,808</b>	<b>7,210</b>	<b>5,92,808</b>	<b>7,820</b>



**Geopetrol International Inc.**  
**Notes to consolidated financial statements for the year ended March 31,2023**

7. Inventories

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Finished goods				
- Crude oil	1,53,93,233	1,87,227	74,91,252	98,820
Drilling and production stores, and spares	1,14,60,292	1,39,391	3,50,69,705	4,62,618
	2,68,53,525	3,26,618	4,25,60,957	5,61,438

8. Trade receivables– current

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Unsecured and considered good (unless otherwise stated)				
Other Trade receivables within the credit period	74,06,22,466	91,65,744	2,59,81,455	3,42,732
	74,06,22,466	91,65,744	2,59,81,455	3,42,732

Particulars	As at 31 March 2023					
	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	74,06,22,466	-	-	-	-	74,06,22,466
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-

9. Cash and cash equivalents

For the purposes of statement of cash flow, cash and cash equivalents include cash on hand and balance with banks. Cash & cash equivalents and term deposits not exceeding 3 months at the end of the reporting period can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Cash on hand	17,673	215	15,071	199
Balances with banks:				
Current accounts	5,59,05,955	6,79,981	16,03,36,725	21,15,062
Total (a)	5,59,23,628	6,80,196	16,03,51,796	21,15,261
Other Bank Balances (refer note no 29)	10,74,95,979	13,07,468	-	-
Total (b)	10,74,95,979	13,07,468		
	16,34,19,607	19,87,664	16,03,51,796	21,15,261



**Geopetrol International Inc.**
**Notes to Consolidated financial statements for the year ended March 31, 2023**
**10. Other Financial assets - current**

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Advances recoverable in cash or kind	5,51,005	6,702	5,07,202	6,691
Interest Accrued	1,27,245	1,548	1,29,230	1,705
	6,78,250	8,250	6,36,432	8,396

**11. Income tax assets (net)**

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Advance income tax (net of provision)	3,15,87,818	3,84,201	3,07,10,630	4,05,115
	3,15,87,818	3,84,201	3,07,10,630	4,05,115

**12. Other current assets**

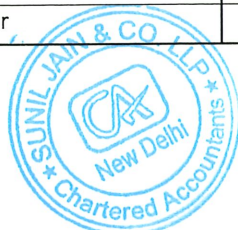
Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Unsecured and considered good				
Prepaid expenses	8,76,137	10,656	11,32,884	14,944
GST Credit	35,47,010	43,142	31,95,388	42,152
Others	28,61,102	34,800	6,34,026	8,364
	72,84,249	88,598	49,62,298	65,460

**13. (a) Share Capital**

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
<b>Authorised</b>				
10,000,000 (P.Y 10,000,000) Ordinary shares Of 1 US\$ each	65,06,20,000	10,000,000	65,06,20,000	10,000,000
<b>Issued</b>				
10,000,000 (P.Y 10,000,000) Ordinary shares Of 1 US\$ each	65,06,20,000	10,000,000	65,06,20,000	10,000,000
<b>Subscribed and Fully Paid up</b>				
10,000,000 (P.Y 10,000,000) Ordinary shares Of 1 US\$ each	65,06,20,000	10,000,000	65,06,20,000	10,000,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>65,06,20,000</b>	<b>10,000,000</b>	<b>65,06,20,000</b>	<b>10,000,000</b>

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

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount (\$)	No. of Shares	Amount (\$)
At the beginning of the year issued during the year	10,000,000	10,000,000	10,000,000	10,000,000
Outstanding at the end of the year	10,000,000	100%	10,000,000	100%



**Geopetrol International Inc.****Notes to Consolidated financial statements for the year ended March 31, 2023**

## (c) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of \$ 1 per share. Each holder of equity shares is entitled to one vote per share. 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

## (d).THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES :

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% Held	No. of Shares	% Held
Hindustan Oil Exploration Company Limited	1,00,00,000	100%	1,00,00,000	100%

## 14. Other equity

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Retained earnings				
Opening balance	(16,33,49,431)	(21,04,115)	(11,81,11,455)	(19,19,247)
Profit for the Year	23,46,61,627	42,71,487	(4,52,37,976)	(1,84,868)
Total Reserves and Surplus	7,13,12,196	21,67,372	(16,33,49,431)	(21,04,115)

## 15. Financial Liabilities –Non Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Installment due for Production Equipment	94,72,70,235	1,15,21,600	90,30,14,175	1,19,12,000
	94,72,70,235	1,15,21,600	90,30,14,175	1,19,12,000

## 16. (a) Provisions-Non current

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Provision for site restoration	3,61,00,585	4,39,090	3,51,46,401	4,63,629
Provision for Employee benefits	15,91,613	19,359	15,94,739	21,037
Provision for unfinished work programme	14,55,18,650	17,69,936	13,84,33,155	18,26,124
	18,32,10,848	22,28,384	17,51,74,295	23,10,790

## (b) Movement of Provision for decommissioning

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Balance at beginning of the year	3,51,46,401	4,63,629	3,35,51,967	4,56,460
Additions during the year	9,54,184	-	15,94,435	21,398
Foreign exchange fluctuation	-	(24,539)	-	(14,229)
Balance at end of the year	3,61,00,585	4,39,090	3,51,46,401	4,63,629



## Geopetrol International Inc.

### Notes to consolidated financial statements for the year ended March 31, 2023

#### 17. Deferred tax liability net

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Deferred tax liability				
Depreciation, depletion, amortization assets and Unabsorbed business losses	95,91,876	1,16,666	97,88,950	1,29,130
Deferred tax asset	-	-	-	-
Net deferred tax liability	95,91,876	1,16,666	97,88,950	1,29,130
Deferred tax expense/ (Income) for the year	(1,97,074)	(2,451)	(35,23,424)	(47,287)

#### 18. Trade payables

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Micro and small enterprises	-	-	-	-
Other than Micro and small enterprises	18,83,47,239	22,90,858	19,13,28,970	25,23,892
	18,83,47,239	22,90,858	19,13,28,970	25,23,892

#### Trade Payables ageing schedule

Particulars	As at 31 March 2023				
	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues – MSME	-	-	-	-	-
(ii) Undisputed dues – Others	18,83,47,239	-	-	-	18,83,47,239
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Note : The amount includes differential profit petroleum of ₹ 1,074.96 lakhs deposited in an Escrow account with State Bank of India

#### 19. Short-term borrowings

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Loan received from Parent company	1,08,93,73,925	1,32,50,000	1,00,44,44,075	1,32,50,000
Loan from others	36,58,65,205	44,50,000	33,73,41,595	44,50,000
	1,45,52,39,130	1,77,00,000	1,34,17,85,670	1,77,00,000

The above loan carries the rate of interest Libor+3.4% per annum and it is repayable on demand.

#### 20. Financial Liabilities-Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Interest Payable	14,86,58,182	18,08,122	6,13,46,317	8,09,242
Interest Payable-Others	3,59,19,126	4,36,883	1,44,34,354	1,90,409
Joint Venture Payable	1,12,96,715	1,37,401	84,34,765	1,11,266
Installment due for Production Equipment	24,04,67,989	29,24,800	19,21,25,514	25,34,400
Other Payables	1,80,40,204	2,19,422	1,82,25,701	2,40,423
	45,43,82,216	55,26,628	29,45,66,651	38,85,740



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2023

#### 21. Other current liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹	US\$	₹	US\$
Statutory dues payable	9,04,63,405	11,00,301	2,69,475	3,555
	9,04,63,405	11,00,301	2,69,475	3,555

#### 22. Revenue from operations

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	US\$
Sale of crude oil / Condensate	31,47,11,437	39,14,740	28,68,33,606	38,49,495
Less: Profit petroleum to Government of India	(3,23,26,508)	(4,02,114)	(3,46,28,809)	(4,64,741)
Vessel Offshore Production processing unit	76,90,29,971	9,04,000	-	-
Net sales	1,05,14,14,900	1,30,16,626	25,22,04,797	33,84,754

#### 23. Other income

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	US\$
Interest income on bank deposits	10,59,797	13,183	17,07,567	22,917
Miscellaneous Income	31,27,985	38,909	84,10,460	1,12,874
	41,87,782	52,092	1,01,18,027	1,35,791

#### 24. Share of expenses from producing oil and gas blocks

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	US\$
Manpower costs	4,03,27,269	5,01,637	3,38,21,811	4,53,911
Repairs and maintenance	20,31,778	25,274	15,40,944	20,680
Insurance	8,14,132	10,127	12,57,658	16,879
Other production expenses	2,35,46,054	2,92,891	1,96,50,298	2,63,720
Consumables	25,68,632	31,952	30,42,431	40,831
Transportation and logistics	4,60,052	5,723	4,57,433	6,139
(a)	6,97,47,917	8,67,604	5,97,70,575	8,02,160
Royalty	5,79,63,569	7,21,017	4,61,63,206	6,19,540
Cess	5,27,91,782	6,56,684	4,78,05,771	6,41,585
(b)	11,07,55,351	13,77,701	9,39,68,977	12,61,125
Total (a+b)	18,05,03,268	22,45,305	15,37,39,552	20,63,285

#### 25. Facility operating expenses

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	US\$
Manpower costs	87,31,572	1,08,613	-	-
Other production expenses	5,29,82,481	6,59,056	-	-
Consumables	32,60,153	40,554	-	-
	6,49,74,206	8,08,223	-	-



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2023**

26. (Increase)/decrease in stock of crude oil

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	₹
Inventories at the end of the year	1,53,93,233	1,87,227	74,91,253	98,820
Less: Inventories at the beginning of the year	74,91,252	98,820	2,23,90,986	3,04,620
Net (Increase)/decrease in inventories	(79,01,981)	(88,407)	1,48,99,733	2,05,800

27. Employee benefits expense

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	US\$
Salaries, wages and bonus	10,99,690	13,679	26,55,903	35,644
Contribution to provident fund and other funds	17,58,044	21,869	2,22,332	2,984
Staff welfare expenses	7,487	93	1,21,389	1,629
	28,65,221	35,641	29,99,624	40,257

28. Finance cost- others

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2021	
	₹	US\$	₹	US\$
Interest on Intercompany loan	8,03,01,329	9,98,880	3,54,81,322	4,76,183
Interest expenses	1,76,11,022	2,19,066	-	-
	9,79,12,351	12,17,946	3,54,81,322	4,76,183

29. Other Expenses

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	US\$
Office and guest house rent	36,87,925	45,875	36,87,926	49,494
Rates and taxes	6,619	82	-	-
Travelling and conveyance	1,27,865	1,591	1,26,412	1,697
Communication expenses	19,470	242	31,985	429
Legal and professional fees	25,48,275	31,698	11,50,000	15,434
Printing and stationary	2,180	27	9,166	123
Corporate expenses	-	-	2,980	40
Miscellaneous expenses	83,96,287	1,04,443	79,87,270	1,07,194
Forex difference	11,88,11,732	44,385	3,81,60,031	84,042
	13,36,00,353	2,28,343	5,11,55,770	2,58,453
Payment to Auditor:				
Audit fee	7,97,000	9,914	9,63,000	12,924
	7,97,000	9,914	9,63,000	12,924
Total other expenses	13,43,97,353	2,38,257	5,21,18,770	2,71,377





**Geopetrol International Inc.****Notes to consolidated financial statements for the year ended March 31, 2023**

## 30. Exceptional items

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	₹	US\$	₹	US\$
Profit petroleum-Cost recovery limit- Differential	12,21,99,464	14,86,306	-	-
Total other expenses	12,21,99,464	14,86,306	-	-

In order to resolve the loan-standing issue of CRL enhancement and PSC extension, the contractor parties of Kharsang PSC have unanimously agreed and paid the total demand of USD 12.74 Million in order to secure the PSC extension. Out of the total demand of USD 3.185 million (Geopetrol share 25%) made by MOPNG, Geopetrol already provided a liabilities of short paid profit petroleum amounting to Rs 1,359.84 lacs in its books of accounts FY 2020-21 and the balance amount of Rs.1,221.99 lacs provided in current year. In disputed Geopetrol profit petroleum of ₹ 1,074.96 lakhs deposited in an Escrow account with State Bank of India. The dispute is referred by the parties and GOI to a Committee of Eminent External Experts constituted by MoPNG. The exceptional item includes the above amount as well all the additional demand of GOI for ₹ 147.03 lakhs, to secure the extension of the block.

## 31. Lease payments of assets on operating lease

GML has an operating lease for its office premises which is cancellable and the lease charges for the year is Rs.34,68,315(previous year Rs.36,87,924).

Geopetrol has an operating lease for its office premises which is cancellable and the lease charges for the year is Nil (previous year Rs.36,87,924).

## 32. Lease obligations

GML has an operating lease for rentals entered towards office premises which is cancellable. The obligations of the lease charges payable within the next year is Rs. 34,68,315.

## 33. CIF Value of imports

(i) CIF value of imports for the share Geopetrol:

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	₹	US\$	₹	US\$
Stores and Spares	9,95,520	12,080	10,13,475	13,321

(ii) Value of stores and spares both imported and indigenous consumed for the share of Geopetrol:

Stores and Spares	Year ended 31 March 2023			Year ended 31 March 2022		
	%	₹	US\$	%	₹	US\$
Imported	24%	10,70,210	13,655	33%	14,29,993	20,811
Indigenous	76%	33,35,227	41,813	67%	28,72,065	38,957
Total	100	44,05,437	55,468	100%	43,02,058	59,768

## 34. Related Party Disclosures:

Hindustan Oil Exploration Company Limited: Holding Company

Transactions during the year:

Particulars	31 March 2023		31 March 2022	
	₹	US\$	₹	US\$
Loan taken during the year	-	-	-	-
Interest on loan	8,03,01,329	9,98,880	3,54,81,322	476,183



## Geopetrol International Inc.

### Notes to consolidated financial statements for the year ended March 31, 2023

Outstanding balance at the end of the year:

Particulars	31 March 2023		31 March 2022	
	₹	US\$	₹	US\$
Loan repayable including interest	1,23,80,32,107	1,50,58,122	1,06,57,90,392	14,059,242

Geoenpro Petroleum Limited (Operator)- Kharsang block

Transactions during the year:

Particulars	31 March 2023		31 March 2022	
	₹	US\$	₹	US\$
PSC overhead income	31,14,552	38,742	83,86,289	112,550

#### 35. Expenditure in foreign currency

Description	Year ended 31 March 2023		Year ended 31 March 2022	
	₹	US\$	₹	US\$
Others	1,18,581	1,457	-	-

#### 36. Oil and Gas Reserves

As at 31 March 2023, the proved and probable reserves for the Kharsang Block as estimated by the Operator are as follows:

Proved Reserves (Crude Oil in KL):

Particulars	JV 100%		Geopetrol share 25%	
	As on March 31, 2023	As on March 31, 2022	As on March 31, 2023	As on March 31, 2022
Opening reserve	2,18,126	2,48,320	54,532	62,080
Addition/ (Deletion)		-	-	-
Production for the year	(26,053)	(30,194)	(6,513)	(7,549)
Closing balance	1,92,073	2,18,126	48,019	54,531
Proved undeveloped reserves	10,90,962	10,90,962	2,72,741	2,72,741

#### 37. Income Tax Matters:

- The Assessing Officer has charged an amount of Rs 6,333,588 under section 234 B of the Income Tax Act, 1961 for the financial year 2007-08, which was appealed before the Commissioner of Income Tax and the appeal was allowed in favour of Geopetrol. This was again brought before the Income Tax Appellate Tribunal ("ITAT") by the department and the Hon'ble tribunal also passed an order on 3rd July 2012 in favour of Geopetrol. However, the department has again filed an appeal before the Hon'ble High Court of Delhi and is being adjudicated. Considering the above facts, no liability is provided in the books of accounts.
- In case of financial year 2010-11, the assessing officer has disallowed certain development expenses and charged interest under section 234B & 234C of the Income Tax Act. This was appealed before the Commissioner of Appeals which was not allowed, and an order was passed on 9 January 2015. The demand of Rs 13,915,816 was made and has already been paid under protest. Geopetrol has appealed before the Hon'ble Income Tax Appellate Tribunal stating that the interest charged is incorrect and is not tenable under the Act, the Hon'ble tribunal also passed an order on 7<sup>th</sup> August, 2019 in favour of Geopetrol. However, the department has again filed an appeal before the Hon'ble High Court of Delhi and is being adjudicated. Considering the above facts, no liability is provided in the books of accounts.



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2023

- c. In case of financial year 2017-18, the assessing officer has disallowed certain development expenses and charged interest under section 234B & 234C of the Income Tax Act. This was appealed before the Dispute Resolution Panel (DRP) after considering the order of DRP the assessing officer deleted some additions, however in the final assessment order the addition of Rs 3,60,96,05 was made by the assessing officer. The addition were appealed before the Hon'ble Income Tax Appellate Tribunal. Since the development expenses is allowable expenses and in the view of this no liability is provided in the books of accounts.
38. The Coal Bed Methane (CBM) blocks KG(E), BS (4) and BS (5), KG(E)-CBM-2005/III Blocks were surrendered and accepted by the Government of India.
39. In case of the CBM block SP(N)-CBM-2005/III, wherein the 10% Participating Interest of Geopetrol was assigned to Reliance Infrastructure Limited which was duly approved by the GOI. Therefore, the books of accounts have no assets or liabilities for the block SP(N) CBM-2005/III.

#### 40. Commitments and Contingent liabilities

##### Contingent liabilities

- (i) In respect of Block AA ONN 2003/2, Geopetrol has estimated the liability of unfinished work program as US\$ 39,97,141 (₹32,86,32,562) in terms of the PSC. Out of which an amount of US 22,27,205 (₹ 18,31,13,891) was realized by GOI by invocation of bank guarantee provided by Geopetrol and for the balance US\$ 17,69,936 (₹ 14,55,18,672) liability was created. However, DGH has made a claim of US 56,37,020 (₹ 46,34,58,310) which has no basis and is being disputed. Accordingly, no liability is created for the disputed amount of US\$ 16,39,879 (₹ 13,48,25,747).
- (ii) MZ-ONN-2004/2 block was terminated by the GOI, as M/s Naftogaz as the Operator to the block has made certain misrepresentation to GOI while awarding the contract. Therefore, no basis exists to claim any costs by DGH for the share of unfinished work program from Geopetrol as the Production Sharing Contract itself is void. Accordingly, no liability is considered for the unfinished work program in the block.

##### Commitments

Geopetrol share of estimated value of contracts to be executed for the Kharsang block is estimated as Rs.61,40,138 (previous year Rs.72,00,186).

41. PSC Extension- The primary duration of the PSC for Kharsang Field is for a period of twenty five (25) years from the Effective Date, i.e. till June 15, 2020, and may be extended by the Government of India.

Production Sharing Contract for Kharsang block, wherein Geopetrol holds 25% participating interest had expired on 15 June 2020 and the company has got an interim extension for 36 months from Government of India to continue the production till a formal extension of 10 years is granted effective from 15 June 2020. all issues with the extension of the block for a further period of 10 years from June 16, 2020 stand resolved.

Currently, the proposal for extension of PSC is under consideration with MoPNG. Operator is taking the necessary steps to expedite the PSC extension approval process.

42. The subsidiary asset of vessel offshore installation unit Key Gibraltar put to commercial use on June 4, 2022, at B80 field. Accordingly, the capital work in progress of vessel Offshore installation unit Key Gibraltar is now moved to other asset.
43. Geopetrol's project office in India is engaged in a single business segment of Oil & Gas in one geographic segment in India. Therefore, there are no separate reportable segments for Segment Reporting.
44. Previous year's figures have been regrouped and reclassified wherever necessary to confirm to the current year presentation.

For Sunil Jain & Co.LLP,  
Chartered Accountants  
(Registration No. 003855N/ N500113)

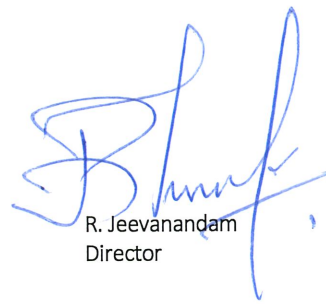
  
Sanchit Jain  
Partner  
Membership No. 511714  
Place: Chennai  
Date: 13.05.2023



For and on behalf of the Board of Directors

  
P. Elango  
Director



  
R. Jeevanandam  
Director

Place: Chennai  
Date: 13.05.2023