

## INDEPENDENT AUDITOR'S REPORT

To The Members of Hindage Oilfield Services Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Hindage Oilfield Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 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, 2023, and its 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 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 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 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 financial statements.

#### 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 financial statements and our auditor's report thereon.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

### **Responsibilities of Management and Those Charged with Governance for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

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

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

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

1. As required by 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, 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.

In our opinion, the aforesaid 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 Ind AS financial statements. Refer Note 47 to the standalone 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.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities .  
  
(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in notes to accounts, no funds have been received by the Company from any persons or entities, including foreign entities  
  
(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of 11(e), as provided under clause (a) and (b) above, contain any material mis-statement.
  - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.



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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)



*Manish*

**C Manish Muralidhar**  
(Partner)  
(Membership No. 213649)  
(UDIN: 23213649BQVBY1308)

Place: Hyderabad  
Date: May 25, 2023

**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, 2023 in conjunction with our audit of 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, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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



**C Manish Muralidhar**

Partner

(Membership No. 213649)

(UDIN: 23213649BGVBYP1308)

Place: Hyderabad

Date: May 25, 2023

**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. The Company does not have any intangible assets and hence reporting under clause (i) (a) (b) is not applicable.
  - (b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
  - (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its property, plant and equipment during the year.
  - (e) Based on examination and explanation given to us no proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
  - (b) According to the information and explanation given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institution and hence reporting under clause (ii) (b) of the order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable.
  - (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
  - (v) The Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, provision for clause (v) of the Order is 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.
  - (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, 2023 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Customs Duty, Goods and Service Tax and Value Added Tax as on March 31, 2023 on account of disputes.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) In respect of Borrowings:
- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - (b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) The Company did not have any subsidiary or associate or joint venture during the year hence, reporting under clause (ix) (e) of the order is not applicable.
  - (f) To the best of our knowledge the company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors)
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).



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- (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) In our opinion and according to the information and explanations given to us the Company is not required to have an internal audit system under section 138 of Companies Act, 2013. Hence, reporting under clause (xiv)(a) and (b) of the Order is not applicable.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable. The group does have any CIC as part of the group and accordingly reporting under clause (xvi) of the order is not applicable.
- (xvii) The Company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs. (420) lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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



**C Manish Muralidhar**

Partner

(Membership No.213649)

(UDIN: 23213649BGVBYP1308)

Place: Hyderabad

Date: May 25, 2023

# 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, 2023

Particulars	Notes	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	4	16,514.56	19,211.34
Capital Work in Progress	5	239.71	239.71
<b>Total non-current assets</b>		<b>16,754.27</b>	<b>19,451.05</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	6	-	0.62
Cash and cash equivalents	7	32.56	14.87
Other Bank Balances	8	393.25	375.40
Other financial assets	9	0.20	0.20
Other current assets	10	1,128.71	936.79
Income tax assets (Net)	11	152.58	5.14
<b>Total current assets</b>		<b>1,707.30</b>	<b>1,333.02</b>
<b>TOTAL ASSETS</b>		<b>18,461.57</b>	<b>20,784.07</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	50.00	50.00
Other equity	13	430.32	(261.16)
<b>Total equity</b>		<b>480.32</b>	<b>(211.16)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	2,000.00	10,087.50
Other Financial Liabilities	15	241.75	189.77
<b>Total non-current liabilities</b>		<b>2,241.75</b>	<b>10,277.27</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	13,942.86	9,664.01
Trade payables			
Total outstanding dues of Micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	17	230.28	178.00
Other financial liabilities	18	1,433.30	848.90
Other current liabilities	19	133.06	27.05
<b>Total current liabilities</b>		<b>15,739.50</b>	<b>10,717.96</b>
<b>Total liabilities</b>		<b>17,981.25</b>	<b>20,995.23</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>18,461.57</b>	<b>20,784.07</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

*Manish*

C Manish Muralidhar  
Partner  
Place: Hyderabad  
Date: May 25, 2023



For and on behalf of the Board of Directors

*P. Elango*

P. Elango  
Chairman  
DIN No 06475821  
Date: May 25, 2023

*R. Jeevanandam*

R. Jeevanandam  
Director  
DIN No 07046442  
Date: May 25, 2023

*Deepika C.S.*

Deepika C.S.  
Company Secretary  
Date: May 25, 2023



# Hindage Oilfield Services Limited

(formerly known as HOEC Bardahl India Limited)

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

CIN: U11100GJ1988PLC011536

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## Statement of Profit and loss for the year ended March 31, 2023

Particulars	Notes	For the year ended March 31, 2023 ₹ in lacs	For the year ended March 31, 2022 ₹ in lacs
<b>Income</b>			
Vessel Hire charges	20	7,272.57	-
Other income	21	19.83	38.52
<b>Total income</b>		<b>7,292.40</b>	<b>38.52</b>
<b>Expenses</b>			
Vessel Opertaing Expenses	22	1,997.21	266.75
Finance cost	23	1,587.09	159.78
Depreciation and amortization expense	4,5	2,667.85	723.79
Other expenses	24	348.75	14.65
<b>Total expenses</b>		<b>6,600.90</b>	<b>1,164.97</b>
<b>Profit/(Loss) before tax</b>		<b>691.50</b>	<b>(1,126.45)</b>
<b>Tax expense</b>			
(1) Current tax		-	-
(2) Adjustment of tax relating to earlier periods		0.02	4.33
(3) Deferred tax		-	-
<b>Total tax expense</b>		<b>0.02</b>	<b>4.33</b>
<b>Profit / (Loss) for the year</b>		<b>691.48</b>	<b>(1,130.78)</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/(Loss) for the year</b>		<b>691.48</b>	<b>(1,130.78)</b>
Earnings per equity share of ₹ 100 attributable to equity holders.	25		
Basic		1,382.90	(2,261.46)
Diluted		1,382.90	(2,261.46)

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

For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Manish*

C Manish Muralidhar  
Partner  
Place: Hyderabad  
Date: May 25,2023



For and on behalf of the Board of Directors

*P. Elango*

P. Elango  
Chairman  
DIN No 06475821  
Date: May 25,2023

*R. Jeevanandam*

R. Jeevanandam  
Director  
DIN No 07046442  
Date: May 25,2023

*Deepika C.S*

Deepika C.S  
Company Secretary  
Date: May 25,2023



# Hindage Oilfield Services Limited

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

### a) Equity Share Capital

Particulars	As at the period ended			
	March 31,2023		March 31,2022	
	No. of Shares	Equity Share Capital ₹ in lacs	No. of Shares	Equity Share Capital ₹ in lacs
Balance at the beginning of the current reporting Year	50,002	50	50,002	50
Changes in Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-
Changes in share capital during the current year	-	-	-	-
Balance at the end of the current reporting year	50,002	50	50,002	50

### b) Other Equity

Particulars	Reserves and Surplus		Total ₹ in lacs
	General reserve	Retained earnings	
Balance as at April 1, 2021	38.00	831.62	869.62
Loss for the year	-	(1,130.78)	(1,130.78)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(1,130.78)	(1,130.78)
Balance as at March 31, 2022	38.00	(299.16)	(261.16)
Profit for the year	-	691.48	691.48
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	691.48	691.48
Balance as at March 31, 2023	38.00	392.32	430.32

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

For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Manish*

C Manish Muralidhar  
Partner  
Place: Hyderabad,  
Date: May 25, 2023



For and on behalf of the Board of Directors

*P. Elango*

P. Elango  
Chairman  
DIN No 06475821  
Date: May 25, 2023

*R. Jeevanandam*

R. Jeevanandam  
Director  
DIN No 07046442  
Date: May 25, 2023

*Deepika C.S*

Deepika C.S  
Company Secretary  
Date: May 25, 2023



# 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 cash flows for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023 ₹ in lacs	For the year ended March 31, 2022 ₹ in lacs
<b>Cash flow from Operating activities</b>		
Profit/(Loss) after tax	<b>691.48</b>	<b>(1,130.78)</b>
Adjustments for :		
Tax Expense	0.02	4.33
Depreciation and amortization	2,667.85	723.79
Net gain on sale of investments	-	(2.89)
Net gain on fair valuation of investments	-	(17.30)
Forex Exchange Gain/Loss on Swap	(51.98)	-
<b>Operating profit before working capital changes</b>	<b>3,307.37</b>	<b>(422.85)</b>
<b>Working capital adjustments for:</b>		
Loans and advances and other current assets	(191.92)	(398.27)
Trade receivables	-	-
Trade payables and other liabilities	(5,859.28)	(342.52)
<b>Cash used in operations</b>	<b>(2,743.83)</b>	<b>(1,163.64)</b>
Direct taxes refunds (net of payments)	(147.44)	(6.16)
<b>Net cash used in operating activities</b>	<b>(2,891.27)</b>	<b>(1,169.80)</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment	(556.72)	(8,060.10)
Net gain on sale of investments	-	2.89
Bank deposit -Lien for bank guarantees	(17.85)	497.52
<b>Net cash flows used in investing activities</b>	<b>(574.57)</b>	<b>(7,559.69)</b>
<b>Cash flows from financing activities</b>		
Loan received	5,832.91	8767.70
Repayment of Non current Borrowings	(2,350.00)	(1,690.00)
<b>Net cash flow used in financing activities</b>	<b>3,482.91</b>	<b>7,077.70</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>17.07</b>	<b>(1,651.79)</b>
Cash and cash equivalents at the beginning of the year	15.49	1,667.28
Cash and cash equivalents at the end of the year	32.56	15.49
<b>Components of cash and cash equivalents</b>		
Current Investments	-	0.51
Cash and cash equivalents	32.56	14.87
<b>Total cash and cash equivalents</b>	<b>32.56</b>	<b>15.49</b>

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

For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Manish*

C Manish Muralidhar  
Partner  
Place: Hyderabad  
Date: May 25, 2023



For and on behalf of the Board of Directors

*P. Elango*

P. Elango  
Chairman  
DIN No 06475821  
Date: May 25, 2023

*R. Jeevanandam*

R. Jeevanandam  
Director  
DIN No 07046442  
Date: May 25, 2023

*Deepika C.S*

Deepika C.S  
Company Secretary  
Date: May 25, 2023



# Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

## 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 purchased 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, 2023 has prepared in accordance with Ind AS.

For all periods up to and including the year ended March 31 2023, 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 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, 2023

### 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

The Company derives revenues primarily through hire charges from Floating Storage Vessel and Single point Mooring System. The Company has adopted Ind AS 115, Revenue from Contracts with Customers. The following is a summary of the significant accounting policies related to revenue recognition.

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

- 1 Identifying the contract with customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

### iv) Other Income

- (i) Interest income is recognized on the basis of time, by reference to the principal outstanding and at effective interest rate applicable on initial recognition.
- (ii) Dividend Income from investments is recognized when the right to receive has been established.

### v) 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.

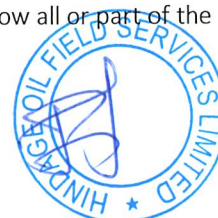
#### Current income taxes

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.

#### 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.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

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.

### vi) 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 property, plant and equipment 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
- Computers	: 03 Years
- Furniture and Fixtures	: 10 Years
- Vehicles	: 08 Years
- Vessel (FSO & SPM)	: 20 Years

#### De-recognition of Property, Plant & Equipment

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.

### vii) 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 6 years.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### viii) 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.

### ix) 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.

### x) 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.

#### 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.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

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

xi) Financial Instrument

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are initially measured at fair value except for trade receivables which are initially measured at a transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial assets**

All regular purchases or sales of financial assets are recognized and derecognized on the fair value. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

Financial assets held with the objective to collect contractual cash flows and the terms give rise on specified dates to cash flows that are solely payments of principal and interest are subsequently measured at amortized cost except for financial assets that are designated at fair value through profit or loss on initial recognition.

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

**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.

xii) 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.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### xiii) 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 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.

### xiv) 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.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### xv) 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.

### xvi) Cash and cash equivalents

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

### xvii) 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 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.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

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### 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
- Vessel	: 20 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 Standards issued/amended but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company has evaluated that the aforesaid amendments does not have any significant impact in its standalone financial statements.



# Hindage Oilfield Services Limited

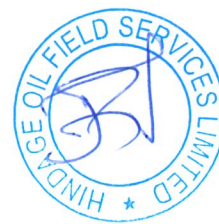
Notes forming part of financial statements for the year ended March 31, 2023

## 4. Property, plant & equipment

### Summary

Carrying amount of:	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Freehold land	11.76	11.76
Plant & Machinery	-	-
Furniture & Fixtures	-	-
Vehicles	4.18	6.08
Office Equipment	-	-
Computers	-	-
Leasehold Improvements	-	-
Floating storage Vessel (FSO)	12,849.90	14,926.28
Single Point Mooring (SPM)	3,648.72	4,267.22
	<b>16,514.56</b>	<b>19,211.34</b>

Carrying Amount of	Freehold land ₹ in lacs	Plant & Machinery ₹ in lacs	Furniture & fixtures ₹ in lacs	Vehicles ₹ in lacs	Office equipment ₹ in lacs	Computers ₹ in lacs	Leasehold Improvements ₹ in lacs	Floating storage unit (FSO) ₹ in lacs	Single Point Mooring system (SPM) ₹ in lacs	Total ₹ in lacs
Cost										
Balance as at April 1, 2021	11.76	20.07	7.55	36.00	11.82	13.12	22.32	-	-	122.64
Add: Additions	-	-	-	-	-	-	-	15,487.00	4,427.53	19,914.53
Less: Deletions	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	11.76	20.07	7.55	36.00	11.82	13.12	22.32	15,487.00	4,427.53	20,037.17
Add: Additions	-	-	-	-	-	-	-	-	-	-
Less: Deletions	-	-	-	-	-	-	-	-	(28.93)	(28.93)
Balance as at March 31, 2023	11.76	20.07	7.55	36.00	11.82	13.12	22.32	15,487.00	4,398.60	20,008.24
Accumulated depreciation										
Balance as at April 1, 2021	-	20.07	7.55	27.16	11.82	13.12	22.32	-	-	102.04
Depreciation for the year	-	-	-	2.76	-	-	-	560.73	160.30	723.79
Balance as at March 31, 2022	-	20.07	7.55	29.92	11.82	13.12	22.32	560.73	160.30	825.83
Depreciation for the year	-	-	-	1.90	-	-	-	2,076.37	589.58	2,667.85
Balance as at March 31, 2023	-	20.07	7.55	31.82	11.82	13.12	22.32	2,637.10	749.88	3,493.68
Carrying value as at March 31, 2023	11.76	-	-	4.18	-	-	-	12,849.90	3,648.72	16,514.56
Carrying value as at March 31, 2022	11.76	-	-	6.08	-	-	-	14,926.28	4,267.23	19,211.34





## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### 5. Capital Work in Progress

Particulars	Vessels ₹ in lacs
Cost	
Balance as at April, 2021	11,674.81
Add : Additions	8,262.57
Less : Transfer to Property, Plant & Equipment	(19,697.67)
Balance as at March 31, 2022	239.71
Add : Additions	-
Less : Transfer to Property, Plant & Equipment	-
Balance as at March 31, 2023	239.71
Carrying value as at March 31, 2023	239.71
Carrying value as at March 31, 2022	239.71

#### (i). 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	-	-	239.71	-	239.71
Projects temporarily suspended	-	-	-	-	-

\* Note : Construction, Fit out and supply of seagoing patrolling cum offshore Utility Vessel

Particulars	As at 31 Mar 2022				
	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	-	239.71	-	-	239.71
Projects temporarily suspended	-	-	-	-	-

Note: There are no projects which are under suspension. With regard to the above ongoing projects there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, and consequent amendments approved by the Board thereon.

### 6. Investments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units	₹ in lacs	Units	₹ in lacs
i) Mutual Funds				
Units of Liquid/Liquid plus/Short Term/Medium Term schemes				
Tata Unclaimed Redemption Scheme	-	-	2,289.63	0.62
	-	-	2,289.63	0.62
Particulars	As at March 31, 2023 ₹ in lacs		As at March 31, 2022 ₹ in lacs	
Aggregate amount (cost) of mutual fund Investments	-	-	-	0.51
Fair value of mutual fund Investments	-	-	-	0.62



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### 7. Cash and cash equivalents

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Balances with banks:		
Current accounts	31.14	14.87
Cheques, drafts on Hand	1.42	-
	32.56	14.87

### 8. Other Bank Balances

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Bank deposits- maturity < 3 months	393.25	375.40
	393.25	375.40

Note 1: Fixed deposits with bank which are under lien for issue of bank guarantees.

### 9. Other Financial assets

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Unsecured and considered good Security deposits	0.20	0.20
	0.20	0.20

### 10. Other current assets

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ 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	5.02
Balances with Government Authorities*	761.60	895.93
Advances to suppliers	352.70	26.45
	1,128.71	936.79

\*Represents Input Tax Credit (GST) availment on purchase of goods and on services received

### 11. Income tax assets (net)

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Advance income tax (net of provision)	152.58	5.14
	152.58	5.14



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### 12. Equity share capital

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ 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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	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

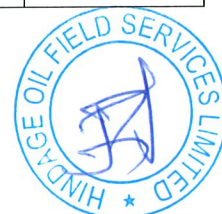
The Company has one class of equity shares having par value of ₹100 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event 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, 2023	As at March 31, 2022
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, 2023		As at March 31, 2022	
	No.	% holding	No.	% holding
Equity shares of ₹ 100 each fully paid				
Hindustan Oil Exploration Company Limited and its nominees	50,002	100	50,002	100



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### 13. Other equity

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
General reserve	38.00	38.00
Surplus in the statement of profit and loss		
Opening balance as at year	(299.16)	831.62
Profit/(Loss) for the Year	691.48	(1,130.78)
Closing balance as at year	392.32	(299.16)
<b>Total Reserves and Surplus</b>	<b>430.32</b>	<b>(261.16)</b>

### 14. Non- Current borrowings

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Loan From Axis Bank	2,000.00	4,400.00
Loan From Hindustan Oil Exploration company Limited (Refer note 26)	-	5,687.50
	<b>2,000.00</b>	<b>10,087.50</b>

#### Terms of the Loan

Particulars	Original Tenor	Interest Rate	No of Installments outstanding as at March 31, 2023	Repayment Terms	Security	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Secured Loan Vehicle Loan	59 Monthly Installments	8.98%	-	Principal & Interest – monthly	Vehicle	-	1.49
Secured Term Loan from Axis Bank	60 Months	9.15%	22 Months	Repayable in Monthly instalments	(i) Parent guarantee (ii) Exclusive charge on the asset Funded (FSO)	4,400.00	6,750.00
Unsecured Loan from HOEC	16 Months	9%	12 Months	Repayable in Monthly installments	No Security	11,542.86	13,000.00
<b>Sub Total</b>						<b>15,942.86</b>	<b>19,751.49</b>
<b>Less: Current Maturities of Non-Current borrowings</b>						<b>13,942.86</b>	<b>9,663.99</b>
<b>Non-Current Borrowings</b>						<b>2,000.00</b>	<b>10,087.50</b>



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### 15. Other Financial Liabilities

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Fair value of Foreign exchange derivative liabilities	241.75	189.77
	241.75	189.77

### 16. Borrowings

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Current Maturities of Non current Borrowings		
- Axis Bank	2,400.00	2,350.00
- Sundaram Finance	-	1.49
- HOEC (Refer note 26)	11,542.86	7,312.52
	13,942.86	9,664.01

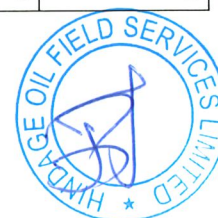
### 17. Trade payables

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
(a) Trade payables		
Micro, small & medium enterprises (refer note (i))	-	-
HOEC (parent company) (Refer Note 26)	-	22.45
Others	230.28	155.55
	230.28	178.00

#### 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	217.36	-	-	12.92	230.28
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Particulars	As at 31 March 2022				
	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	178.00	-	-	-	178.00
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

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

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ 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.

18. Other financial liabilities-Current

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Payable on purchase of Property, Plant & Equipment	263.30	848.90
Interest Payable on Non current borrowings (Refer note 26)	1,170.00	-
	1,433.30	848.90

19. Other current liabilities

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Statutory dues payable	133.06	27.05
	133.06	27.05



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### 20. Revenue from operations

Particulars	For the year ended March 31, 2023 ₹ in lacs	For the year ended March 31, 2022 ₹ in lacs
Vessel hire charges	7,272.57	-
	7,272.57	-

### 21. Other income

Particulars	For the year ended March 31, 2023 ₹ in lacs	For the year ended March 31, 2022 ₹ in lacs
Interest on deposits	19.83	18.33
Net gain on sale of investments	-	2.89
Forex Gain/(Loss) on Swap	-	17.30
	19.83	38.52

### 22. Vessel Operating Expenses

Particulars	For the year ended March 31, 2023 ₹ in lacs	For the year ended March 31, 2022 ₹ in lacs
Crew Expenses	897.23	215.76
Vessel Repairs & Maintenance	654.21	0.96
Provisions & stores	80.08	14.44
Vessel Consumables	81.72	-
Vessel Communication	24.40	5.80
Vessel Insurance	148.23	-
Vessel Management fee & Other expenses	111.34	29.79
	1,997.21	266.75

### 23. Finance cost

Particulars	For the year ended March 31, 2023 ₹ in lacs	For the year ended March 31, 2022 ₹ in lacs
Interest on Borrowings	1,525.02	144.61
Other Finance charges	62.07	15.17
	1,587.09	159.78



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### 24. Other expenses

Particulars	For the year ended March 31, 2023 ₹ in lacs	For the year ended March 31, 2022 ₹ in lacs
Insurance	0.41	0.49
Travelling and Conveyance	0.11	0.07
Legal and professional fees	40.70	3.73
Director's sitting fee	0.80	0.91
Rates & Taxes	112.47	-
Repairs and Maintenance	1.37	0.95
Bank charges	3.01	3.08
Commision	4.85	-
Net Loss on Foreign exchange	178.85	-
Miscellaneous expenses	0.28	0.42
	<b>342.85</b>	<b>9.65</b>
Payment to Auditor:		
Audit fee	5.90	5.00
	<b>5.90</b>	<b>5.00</b>
<b>Total other expenses</b>	<b>348.75</b>	<b>14.65</b>

### 25. Earnings per share (EPS)

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

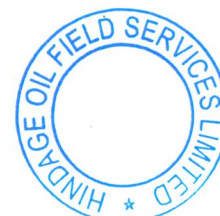
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit/(Loss) for the year as per Statement of Profit &amp; Loss</b>	<b>691.48</b>	<b>(1,130.78)</b>
Weighted average number of equity shares used in calculating basic & diluted EPS (No)	50,002	50,002
Par value per share	₹ 100	₹ 100
Loss per equity share in ₹ computed on the basis of profit for the year -Basic and Diluted	<b>1,382.90</b>	<b>(2,261.46)</b>

### 26. Related Party Disclosures

#### a) Related Parties as of March 31, 2023

- (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, 2023 ₹ in lacs	For the year ended March 31, 2022 ₹ in lacs
Expenditure		
Reimbursement of expenses	-	-
Sitting fee – Independent Director	0.80	0.91
Advance received	-	13,022.45
Loan	11,542.86	13,000.00
Loan payable adjusted against receivable from HOEC	1,457.14	-





## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### Loan and advances to Parent Company

Particulars	Outstanding as at March 31, 2023 ₹ in lacs	Maximum amount outstanding during the year ₹ in lacs	Outstanding as at March 31, 2022 ₹ in lacs
Advance Payable to HOEC	-	-	22.45
Loan	11,542.86	13,000	13,000.00
Interest payable on Loan	1,169.99	1,169.99	-
Service availed from HOSL towards B80 block Floating Storage Offshore Vessel hire- for storage and offloading	7,636.19	-	-

### 27. Commitments and Contingencies

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
(i) Contingent Liabilities Capital commitments	115.56	114.82

### 28. Segment reporting

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

### 29. Financial instrument disclosure

#### (a) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings disclosed in notes 14, 16 and 6,7 after deducting cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings as disclosed in notes 12 and 13). The Company is not subject to any externally imposed capital requirements. The Company monitors capital using a gearing ratio which is net debt divided by total capital plus net debt.

#### Gearing Ratio:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	15,942.86	19,751.49
Less: Cash and cash equivalent	(32.56)	(15.49)
Net Debt	15,910.30	19,736.00
Equity	480.32	(211.16)
Total Capital	480.32	(211.16)
Capital and Net Debt	16,390.62	19,524.84
Gearing Ratio	97.07%	101.08%



# Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

## 30. Financial Instruments

### Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

### Financial instruments by category

Particulars	As at March 31, 2023 (₹ in lacs)			As at March 31, 2022 (₹ in lacs)		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
<b>Financial Assets</b>						
Investments	-	-	-	0.62	-	0.62
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	32.56	32.56	-	14.87	14.87
Other bank balances	-	393.25	393.25	-	375.40	375.40
Other financial assets	-	0.20	0.20	-	0.20	0.20
<b>Total Financial Assets</b>	-	<b>426.01</b>	<b>426.01</b>	<b>0.62</b>	<b>781.56</b>	<b>391.09</b>
<b>Financial Liabilities</b>						
Borrowings	-	15,942.86	15,942.86	-	19,751.49	19,751.49
Trade Payables	-	230.28	230.28	-	178.00	178.00
Other financial liabilities	-	-	-	-	1,038.67	1038.67
<b>Total Financial Liabilities</b>	-	<b>16,173.14</b>	<b>16,173.14</b>	-	<b>20,968.16</b>	<b>20,968.16</b>

### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

#### (a) Financial assets and liabilities valued at fair value

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

#### As at March 31, 2023

Particulars	Fair Value Measurements using			
	Total ₹ in lacs	Level 1 ₹ in lacs	Level 2 ₹ in lacs	Level 3 ₹ in lacs
<b>Assets measured at fair value (refer note 6)</b>				
- Quoted equity instruments	-	-	-	-
- Mutual fund investments	-	-	-	-

#### As at March 31, 2022

Particulars	Fair Value Measurements using			
	Total ₹ in lacs	Level 1 ₹ in lacs	Level 2 ₹ in lacs	Level 3 ₹ in lacs
<b>Assets measured at fair value (refer note 6)</b>				
- Quoted equity instruments	-	-	-	-
- Mutual fund investments	0.62	0.62	-	-

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 where fair value measurement is unobservable.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### (b) Financial assets and liabilities measured at amortised cost

The Company has not disclosed fair values of financial instruments such as input, cash and cash equivalents, other Bank balances, security deposits, loans and advances to related parties, interest accrued on fixed deposits, trade payables and employee benefits payables (that are short term in nature), because their carrying amounts are reasonable approximations of their fair values.

### (c) Offsetting

The Company has not offset financial assets and financial liabilities as at 31 March 2023 and 31 March 2022. The Company's borrowings are secured, the details of which are more fully described in Note 14.

### Financial Risk Management Objectives & Policies

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to the Company's working capital cycle. The Company has trade and other receivables, loans and advances that arise directly from its operations.

The Company is accordingly exposed to market risk, credit risk and liquidity risk.

The Company's senior Management oversees Management of these risks. The senior professionals working to manage the financial risks for the Company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and overall risk appetite.

The Board of directors reviews and agree policies for managing each of these risks which are summarised below:

#### (a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency rate risk and interest rate risk. Financial instruments affected by market risk include borrowings.

##### (i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and operational contracts with the rates payable in foreign currencies.

##### (ii) Commodity Risk

The Company is exposed to volatility in the oil and gas prices since the Company does not undertake any oil price hedge. The impact of a falling oil price is however partly mitigated via the production sharing formula in the PSCs, whereby the share of gross production to the company increases in a falling oil price environment and the recovery of costs. Gas prices are fixed for certain duration and the same are based on policy guidelines issued by the Government.

##### (iii) Interest Risk

Particulars	As at March 31, 2023 ₹ in lacs	As at March 31, 2022 ₹ in lacs
Variable Rate Borrowings	-	-
Fixed Rate Borrowings	15,942.86	19,751.49
Total	15,942.86	19,751.49

The Company has only Fixed rate borrowings and hence sensitivity analysis is not provided.

#### (b) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk as there is no sale during the year.



# Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

## Cash and Bank balances

The Company holds cash and cash equivalents with credit worthy Banks as at the reporting date. The credit worthiness of such Banks are evaluated by the Management on an ongoing basis and is considered to be good.

## (ii) Financial instruments and cash deposits

Credit risk from balances with Banks is managed by Company's treasury team in accordance with the policy approved by the Board. Investments of surplus funds are made temporarily with approved counterparties, mainly mutual funds, who meet the minimum threshold requirements under the counterparty risk assessment process.

## (c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash Management system. It maintains adequate sources of financing including loans from domestic banks at an optimised cost.

The table below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	As at March 31, 2023 ₹ in lacs				Carrying Value
	Less than 1 year	1-5 years	More than 5 years	Total	
Borrowings	13,942.86	2,000.00	-	15,942.86	15,942.86
Trade Payables	217.36	12.92	-	230.28	230.28
Other Financial liabilities	1,433.27	241.75	-	1,675.02	1,675.02
<b>Total</b>	<b>15,593.49</b>	<b>2,254.67</b>	<b>-</b>	<b>17,848.16</b>	<b>17,848.16</b>

Particulars	As at March 31, 2022 ₹ in lacs				Carrying Value
	Less than 1 year	1-5 years	More than 5 years	Total	
Borrowings	9,663.99	10,087.50	-	19,951.49	19,951.49
Trade Payables	178.00	-	-	178.00	178.00
Other Financial liabilities	848.90	-	-	848.90	848.90
<b>Total</b>	<b>10,690.89</b>	<b>10,087.50</b>	<b>-</b>	<b>20,978.39</b>	<b>20,978.39</b>

## 31. Derivative contract Swap

The company was sanctioned a loan from Axis Bank Limited of ₹ 8,500 lakhs by the company at an interest rate 9.15 p.a. The company had entered into a swap agreement with the bank, where in the company agreed to pay an interest rate of 5.70% p.a. interest payment being monthly, on US dollars 4.47 Million. The Company will settle the difference between the interest rates on a net basis. The outstanding balance is adjusted for foreign exchange rate differences. The cumulative fair value adjustment to the loan was ₹ 241.75 lakhs for FY 2022-23..

## 32. 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.

### 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.



## Hindage Oilfield Services Limited

Notes forming part of financial statements for the year ended March 31, 2023

### 33. Going Concern

The company has a net profit of Rs.691.48 lakhs during the year ended March 31, 2023, and, as at March 31, 2023, the company has current liabilities exceeds its current assets by Rs.14,032.20 lakhs and has a net worth of Rs. 480 lakhs. The Company has entered into an agreement with B-80 UJV to generate Revenue from FSO as Vessel hire charges from Q1 of FY 2022-23 and started generating revenue. Considering the cash flows projections by the management based on the new revenue stream the directors are confident that they will be able to meet the deficit in the net working capital and cash outflows for investing activities for the next 12 months. Taking into consideration of the projected cash flows, the financial statements for the year ended March 31, 2023 have been prepared on a going concern basis

### 34. Accounting Ratios

Particulars	As at FY 2022-23	As at FY 2021-22	Variation	Remarks for variation more than 25%
(a) Current Ratio	0.11	0.12	12.78%	
(b) Debt-Equity Ratio	33.19	(93.54)	135.48%	Due to generation of Revenue
(c) Debt Service Coverage Ratio,	1.26	(5.66)	122.27%	Due to generation of Revenue
(d) Return on Equity Ratio	1.44	(5.36)	126.88%	Due to generation of Revenue
(e) Return on Capital employed	13.87	(11.19)	223.99%	Due to generation of Revenue
(f) Net Profit Ratio	9.51	-		
(g) Net capital Turnover ratio	(0.52)	-		

Explanations to items included in computing the above ratios:

1. Current Ratio: Current Asset over Current Liabilities
  2. Debt-Equity Ratio: Debt (includes Borrowings and Current & Non-Current Lease Liabilities) over total share holders equity (including Reserves & Surplus)
  3. Debt Service Coverage Ratio: EBIT + Interest on lease liabilities + Depreciation over Lease payments (principle + interest)
  4. Return on Equity Ratio: Profit After Tax over average Equity (including Reserves & Surplus)
  5. Inventory turnover ratio: Revenue over average Inventory
  6. Trade Receivables turnover ratio: Revenue from operations over average Trade Receivable
  7. Trade payables turnover ratio: Purchases over average Trade Payable
  8. Net capital turnover ratio: Revenue from operations over average working capital
  9. Net profit ratio: Profit After Tax over Revenue from operations
  10. Return on Capital employed: Profit Before Interest & Tax over Capital employed (Capital employed includes total share holders equity, borrowings, short term and long term lease liabilities)
  11. Return on investment: Interest income on fixed deposit + Mutual fund investment gain over average investments (investments includes investments in mutual funds, margin money and other bank deposits)
35. The Company does not have any charges or satisfaction of charge which is yet to be registered with the Registrar of Companies beyond the statutory period.
36. The Company has not been declared a willful defaulter by any bank or financial institution or other lender.
37. No proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.
38. Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.
39. The Company has not traded / invested in Crypto currency or virtual currency.
40. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries



## Hindage Oilfield Services Limited


Notes forming part of financial statements for the year ended March 31, 2023

41. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
  - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
42. The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
43. The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
44. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
45. No schemes of arrangements have been applied or approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.
46. The title deeds of all immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date.
47. **Previous Year Figures**  
Previous year's figures have been regrouped and reclassified wherever necessary to confirm to the current year's presentation.
48. **Events after the reporting period**  
There is no material event after the reporting period.
49. **Approval of financial statements**  
The financial statements were approved for issue by the Board of Directors on May 25, 2023

For Deloitte Haskins & Sells LLP  
Chartered Accountants

C Manish Muralidhar  
Partner  
Place: Hyderabad  
Date: May 25, 2023

For and on behalf of the Board of Directors

  
P. Elango                      R. Jeevanandam                      Deepika C.S.  
Chairman                      Director                      Company Secretary  
DIN NO 06475821                      DIN No 07046442  
Date: May 25, 2023                      Date: May 25, 2023                      Date: May 25, 2023

