

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the Consolidated financial statements of Geopetrol International Inc. ("the Group"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Loss (including Other Comprehensive Income) and the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information. These financial statements incorporate the India Project Office's interests in Block Kharsang oil field.

Without qualifying our opinion:

- (i) We report that the accounts include the assets of Rs. 22,91,89,021 and liabilities of Rs. 7,52,88,428 of Kharsang block based on the Unaudited source and Application of Funds as on 31 March 2020, certified by the Operator GeoEnpro Limited. We are not the Auditors to the block accounts and any changes in the unaudited accounts as on 31 March 2020 shall be adjusted in the subsequent year.
- (ii) We further report that we have placed reliance on technical/ commercial evaluation done by the management of the Geopetrol International Inc. in consultation with the management of GeoEnpro Petroleum Limited in respect of categorization of wells under various stages, depletion of properties on the basis of proved developed reserves and liability for abandonment costs.

Subject to our remarks above, in our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the group as at 31st March, 2020 and its Loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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



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

Management's Responsibility for the Consolidated Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, other comprehensive income, consolidated cash flows and consolidated Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

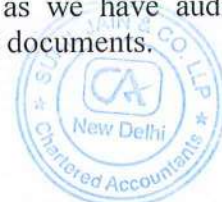
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

Other Matters

We would like to draw the attention of the users of financial statements that due to pandemic situation of COVID-19, we are unable to apply full audit procedure which are required for auditing, which comprises visiting personally for checking the documents or assets of the company. This situation has caused a limitation on scope of audit as we have audited the company's financial statements from our home by virtually checking the documents.

However, our opinion is not modified in respect of this matter.



Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we further report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the consolidated financial position, consolidated financial performance, other comprehensive income, consolidated cash flows and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. Section 164(2) of the Act is not applicable to the foreign company; and
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Notes to account;
 - (ii) The Company has disclosed the material foreseeable losses on long-term contracts including derivative contracts- Refer Notes to accounts; and
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; as such the question of delay in transferring such sums does not arise.

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


Sanchit Jain

Partner

Membership No. 511714



Place: Delhi

Date: 29.05.2020

UDIN: 20511714AAAAAN9392



Geopetrol International Inc.

(Subsidiary of Hindustan Oil Exploration Company Limited)
FCRN : F02830

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


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

Consolidated Balance Sheet as at March 31, 2020

Particulars	Notes	As at March 31, 2020		As at March 31, 2019	
		₹	US\$	₹	US\$
ASSETS					
1 Non-current assets					
Property, plant & equipment	4				
a) Oil and gas assets	4 (a)	26,74,16,821	42,03,911	30,19,51,847	46,91,150
b) Others	4 (b)	8,46,34,406	13,47,611	10,40,91,702	16,22,169
Capital work-in-progress	5	1,30,76,26,374	1,73,81,443	24,05,14,750	34,81,755
Financial assets					
Site restoration deposit	6(a)	2,77,18,767	3,67,692	2,61,77,785	3,78,456
Investment in associates	6(b)	17,73,89,547	27,07,359	17,22,12,944	26,34,325
Other Financial assets	6(c)	7,17,802	9,522	5,54,118	8,011
Total non-current assets		1,86,55,03,717	2,60,17,538	84,55,03,146	1,28,15,866
2 Current assets					
Inventories	7	4,57,12,712	6,06,383	5,11,43,301	7,39,386
Financial assets					
Trade receivables	8	1,15,09,312	1,52,672	1,84,47,609	2,66,700
Cash and cash equivalents	9	18,04,05,597	23,93,095	8,89,18,090	12,85,500
Other financial assets	10	45,36,287	60,174	5,38,08,213	7,77,913
Current tax assets (Net)	11	5,51,46,987	7,31,529	5,06,38,131	7,32,082
Other current assets	12	15,52,955	20,600	14,02,928	20,282
Total current assets		29,88,63,850	39,64,453	26,43,58,272	38,21,863
TOTAL ASSETS		2,16,43,67,567	2,99,81,991	1,10,98,61,418	1,66,37,729
EQUITY & LIABILITIES					
Equity					
Equity share capital	13	65,06,20,000	1,00,00,000	65,06,20,000	1,00,00,000
Other equity	14	(28,85,805)	(1,36,272)	2,53,69,117	3,65,171
Total equity		64,77,34,195	98,63,728	67,59,89,117	1,03,65,171
Liabilities					
1 Non-current liabilities					
Provisions	15	3,35,04,556	4,44,441	3,18,15,335	4,59,959
Deferred tax Liability (net)	16	3,02,26,540	4,00,957	3,95,30,691	5,71,501
Total non-current liabilities		6,37,31,096	8,45,398	7,13,46,026	10,31,460
2 Current liabilities					
Financial liabilities					
Trade payables due to :					
Micro and Small Enterprise					
Other than Micro and Small Enterprise		50,21,31,009	66,60,808	5,34,02,070	7,72,048
Loans	17	78,77,82,655	1,04,50,000	23,86,36,500	34,50,000
Provisions	18	13,33,62,748	17,69,068	6,71,39,743	9,70,648
Other current liabilities	19	2,96,25,864	3,92,989	33,47,962	48,402
Total current liabilities		1,45,29,02,276	1,92,72,865	36,25,26,275	52,41,098
Total liabilities		1,51,66,33,372	2,01,18,263	43,38,72,301	62,72,558
TOTAL EQUITY & LIABILITIES		2,16,43,67,567	2,99,81,991	1,10,98,61,418	1,66,37,729

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

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


Sanchit Jain
Partner
Membership No. 511714

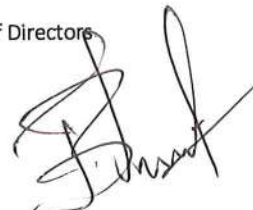
Place: New Delhi
Date: May 29, 2020



For and on behalf of the Board of Directors



P. Elango
Director



R. Jeevanandam
Director

Place: Chennai
Date: May 29, 2020





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

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

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

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

Particulars	Notes	For the year ended March 31, 2020		For the year ended March 31, 2019	
		₹	US\$	₹	US\$
Income					
Revenue from operations	20	22,21,92,054	31,34,808	28,24,66,156	40,91,933
Other income	21	41,62,880	58,732	75,72,248	1,09,695
Total income		22,63,54,934	31,93,540	29,00,38,404	42,01,628
Expenses					
Share of expenses from producing oil and gas blocks	22 (a)	9,34,10,467	13,17,886	8,97,84,220	13,00,655
Royalty, Cess and NCCD	22(b)	1,17,89,123	1,66,327	1,15,15,274	1,66,816
(Increase) / decrease in stock of crude oil and condensate	23	55,19,555	91,076	25,83,815	37,430
Employee benefits expense	24	38,82,791	54,781	1,36,28,768	1,97,433
Finance cost	25	1,05,88,310	1,49,386	12,99,904	18,831
Finance cost-others		17,12,080	24,155	17,33,465	25,111
Depreciation, depletion and amortization	4&6	5,40,44,242	7,62,486	8,65,88,155	12,54,585
Other expenses	26	8,14,09,161	12,36,426	2,64,18,609	3,43,073
Total expenses		26,23,55,729	38,02,523	23,35,52,210	33,43,934
Profit/(loss) before exceptional items and tax		(3,60,00,795)	(6,08,983)	5,64,86,194	8,57,695
Exceptional items		-	-	31,47,050	45,590
Profit/(loss) before tax		(3,60,00,795)	(6,08,983)	5,96,33,244	9,03,284
(1) Current tax		84,17,687	1,18,761	4,41,48,603	6,39,557
(2) Adjustment of tax relating to earlier periods		(16,82,806)	(23,742)	-	-
(3) Deferred tax	16	(93,04,151)	(1,29,525)	(5,21,97,876)	(7,56,162)
Total tax expense		(25,69,270)	(34,506)	(80,49,273)	(1,16,605)
Profit / (loss) for the year		(3,34,31,525)	(5,74,477)	6,76,82,518	10,19,890
Share of profit from investment		51,76,603	73,034	1,42,39,025	2,06,273
Total income/ (loss) for the year		(2,82,54,922)	(5,01,443)	8,19,21,543	12,26,162

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


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



Sanchit Jain
Partner
Membership No. 511714

Place: New Delhi
Date: May 29, 2020



For and on behalf of the Board of Directors


P. Elango
Director


R. Jeevanandam
Director



Place: Chennai
Date: May 29, 2020

UDIN: 20511714AAAAV 9392



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

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

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

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

a) Equity Share Capital

Particulars	Amount in ₹	Amount in US\$
Balance as at March 31, 2019	65,06,20,000	10,000,000
Balance as at March 31, 2020	65,06,20,000	10,000,000

b) Other Equity

Particulars	Reserves and surplus	
	Retained earnings in ₹	Retained earnings in US\$
Balance as at April 1, 2018	(5,65,52,426)	(8,60,992)
Profit for the year	8,19,21,543	12,26,163
Other comprehensive income	-	-
Total comprehensive income for the year	8,19,21,543	12,26,163
Balance as at March 31, 2019	2,53,69,117	3,65,171
Profit for the year	(2,82,54,922)	(5,01,443)
Other comprehensive income	-	-
Total comprehensive income for the year	(2,82,54,922)	(5,01,443)
Balance as at March 31, 2020	(28,85,805)	(1,36,272)

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


Sanchit Jain
Partner
Membership No. 511714

Place: New Delhi
Date: May 29, 2020



For and on behalf of the Board of Directors


P. Elango
Director


R. Jeevanandam
Director

Place: Chennai
Date: May 29, 2020



UJIN! 20511714 AAAAV 9392



Geopetrol International Inc.

(Subsidiary of Hindustan Oil Exploration Company Limited)

FCRN : F02830

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

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

Consolidated Statement of cash flow for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	US\$	₹	US\$
Cash flow from operating activities				
Profit before tax	(3,08,24,191)	(5,35,949)	7,38,72,269	11,09,557
Adjustments for:				
Depreciation, depletion and amortization	5,40,44,242	7,62,486	8,65,88,155	12,54,585
Unwinding of discount on decommissioning liability	17,12,080	24,155	17,33,465	25,112
Provision for compensated absences	(22,883)	(2,437)	(7,36,522)	(10,648)
Share of profit from associates	(51,76,603)	(73,034)	(1,42,39,025)	(2,06,273)
Interest income	(1,58,99,042)	(2,24,312)	(27,30,926)	(39,561)
Operating profit before working capital changes	38,33,603	(49,091)	14,44,87,416	21,32,772
Working capital adjustments for:				
Trade payables and other liabilities	9,56,05,706	10,85,207	(2,06,77,056)	(4,57,603)
Trade receivables	69,38,297	1,14,028	1,80,04,784	2,93,572
Inventories	54,30,589	1,33,003	38,55,037	1,13,977
Loans and advances and other current assets	3,28,45,167	5,34,059	(4,52,12,388)	(6,19,589)
Cash Generated from operations	14,46,53,360	18,7,206	10,04,57,792	14,63,128
Direct taxes refunds (net of payments)	(1,12,43,737)	(1,35,484)	(2,17,47,717)	(3,31,234)
Net cash generated by operating activities	13,34,09,624	16,81,722	7,87,10,076	11,31,894
Cash flow from Investing activities				
Purchase of Property, plant and equipment	1,36,00,509	1,91,927	(46,79,696)	(67,655)
Capital Work-in-progress	(62,05,67,825)	(79,90,367)	(23,32,86,492)	(33,72,920)
Interest received	1,58,99,042	2,24,312	27,30,926	39,561
Net cash flows used in investing activities	(60,69,67,316)	(77,98,440)	(23,79,66,188)	(34,40,575)
Cash flow from financing activities:				
Proceeds/ (Repayment) of short term borrowings (net)	54,91,46,157	70,00,000	23,86,36,500	34,50,000
Interest Paid	1,58,99,042	2,24,312	27,30,926	39,561
Net cash used in financing activities	56,50,45,199	72,24,312	24,13,67,426	34,89,561
Net increase in cash and cash equivalents	9,14,87,508	11,07,595	8,21,11,315	11,80,880
Cash and cash equivalents at the beginning of the year	8,89,18,089	12,85,500	68,06,774	1,04,620
Cash and cash equivalents at the end of the year	18,04,05,597	23,93,095	8,89,18,089	12,85,500





Geopetrol International Inc.

(Subsidiary of Hindustan Oil Exploration Company Limited)

FCRN : F02830

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

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

Components of cash and cash equivalents	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Balances with banks - In current accounts	18,04,05,597	23,93,095	8,89,18,090	12,85,500
Total cash and cash equivalents	18,04,05,597	23,93,095	8,89,18,090	12,85,500

The accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Sanchit Jain
Partner
Membership No. 511714



Place: New Delhi
Date: May 29, 2020

For and on behalf of the Board of Directors

P. Elango
Director

R. Jeevanandam
Director

Place: Chennai
Date: May 29, 2020



UDIN: 20511714 AAAA-9392

Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

1. Corporate Information

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

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

Sl. No	Unincorporated Joint Ventures	Participants	Share %	
			As at March 31, 2020	As at March 31, 2019
1	Kharsang (Assam)	Geoenpro Petroleum Limited (O)	10	10
		Geopetrol International Inc.,	25	25
		JEKPL Private Limited	25	25
		Oil India Limited	40	40

(O)-Operator

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

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

2. Significant accounting policies

Background

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

Basis of consolidation

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

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

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

Business combinations

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

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

The group's interests in jointly controlled entities are accounted for by proportionate consolidation. The group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Consolidated financial statements. The group recognizes the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other ventures. The group does not recognize



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

its share of profits or losses from the joint venture that result from the group's purchase of assets from the joint venture until it re-sells the assets to an independent party. However, a loss on the transaction is recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets, or an impairment loss.

Interests in joint ventures/subsidiary/associates

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

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

ii) Use of estimates

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



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

future periods.

iii) Current and Non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

iv) Financial reporting of interests in Joint Venture

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

v) Basis of allocation and classification

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

Nature	Item	Basis of Allocation
Production and Exploration cost	Joint operative and exploration Costs	Expense transferred to Statement of Profit and loss in proportion of respective participating interests in the PSC, except for drilling costs, provision for site restoration costs and fixed assets, which are capitalised.
Development Cost	Development drilling Work-in-progress, development wells	Capitalised as capital work in progress and transferred to fixed assets when



Nature	Item	Basis of Allocation
		commercial production commences, in proportion of respective participating interest in PSC.
Other assets and liabilities	Inventories, cash and bank balances; loans and advances; sundry creditors; and liabilities and provisions.	Transferred to respective account head in proportion of respective participating interests in the PSC.

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

Under the Successful Efforts' Method:

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

Inventories

Stores and spares and goods in transit	Stores, spares, capital stock and drilling tangibles are valued at cost on first in first out basis and estimated net realizable value, whichever is lower. Inventories are periodically assessed for restatement at lower of cost and net realizable value. On restatement, any write-down of inventory to net realizable value is recognized as an expense in the period the write-down or loss occurs. In case of increase in the net realizable value, the increase is recognized and reversed to the extent of write-down.
Crude oil	Closing stock of crude oil and condensate in saleable condition is valued at the estimated net realizable value in the ordinary course of business



vii) Fixed assets, depreciation and depletion

Tangible fixed assets

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

Intangible fixed assets

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

Depreciation / Amortisation

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

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

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

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

Depletion

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



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

viii) Impairment

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

ix) Foreign currency transactions

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

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

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

x) Revenue recognition

Sale of Crude Oil

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

Interest

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

xi) Profit petroleum

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

xii) Taxation

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



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

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

xiii) Employee benefits

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

Short term employee benefits

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

Long term employee benefits

i) Defined Contribution Plan

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

ii) Defined Benefit Plan

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

iii) Other Long term employee benefits

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

xiv) Leases

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

xv) Provisions, contingent liabilities and contingent assets

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

xvi) Borrowing costs

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



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

4. Property, plant & equipment

Summary

Carrying amount of:	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
a) Oil and gas assets	26,74,16,821	42,03,911	30,19,51,847	46,91,150
b) Others				
- Plant and machinery	7,66,72,803	12,15,876	9,36,17,588	14,54,942
- Fire Safety facilities	61,29,342	97,258	74,83,934	1,16,369
- Buildings	4,30,447	7,203	4,52,483	7,514
- Furniture & fixtures	2,79,413	4,950	3,77,025	6,327
- Vehicles	5,26,317	9,094	7,65,329	12,466
- Office equipment	1,41,237	3,837	2,57,121	5,472
- Computers	4,54,846	9,394	11,38,222	19,079
	8,46,34,406	13,47,611	10,40,91,702	16,22,169

Carrying Amount of	Oil and gas assets ₹	Others							Total ₹
		Plant and Machinery ₹	Fire safety facilities ₹	Buildings ₹	Furnitures & Fixtures ₹	Vehicles ₹	Office equipment ₹	computers ₹	
Cost or deemed cost									
Balance as at April 1, 2018	1,41,26,64,252	18,29,94,067	1,29,09,896	28,69,823	30,65,049	19,17,720	1,01,90,327	1,22,57,577	1,63,88,68,710
Additions	-	43,77,220	-	-	5,623	-	-	-	43,82,843
Balance as at March 31, 2019	1,41,26,64,252	18,73,71,287	1,29,09,896	28,69,823	30,70,672	19,17,720	1,01,90,327	1,22,57,577	1,64,32,51,553
Additions								51,920	51,920
Balance as at March 31, 2020	1,41,26,64,252	18,73,71,287	1,29,09,896	28,69,823	30,70,672	19,17,720	1,01,90,327	1,23,09,497	1,64,33,03,473
Accumulated depreciation and impairment									
Balance as at April 1, 2018	1,05,39,33,690	7,10,71,359	39,07,464	17,84,329	20,85,568	3,57,153	82,12,968	93,25,705	1,15,06,78,237
Depreciation for the year	5,67,78,714	2,26,82,340	15,18,498	6,33,011	6,08,078	7,95,237	17,20,239	17,93,650	8,65,29,768
Adjustment (refer note 3 (vii))									
Balance as at March 31, 2019	1,11,07,12,405	9,37,53,699	54,25,962	24,17,340	26,93,646	11,52,390	99,33,207	1,11,19,355	1,23,72,08,005
Depreciation for the year	3,45,35,026	1,69,44,784	13,54,592	22,036	97,612	2,39,012	1,15,883	7,35,296	5,40,44,242
Balance as at March 31, 2020	1,14,52,47,431	11,06,98,483	67,80,554	24,39,376	27,91,258	13,91,402	1,00,49,090	1,18,54,651	1,29,12,52,247
Net book value									
Balance as at March 31, 2019	30,19,51,847	9,36,17,587	74,83,934	4,52,483	3,77,025	7,65,329	2,57,121	11,38,222	40,60,43,548
Balance as at March 31, 2020	26,74,16,821	7,66,72,803	61,29,342	4,30,447	2,79,413	5,26,317	1,41,237	4,54,846	35,20,51,226



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

Carrying Amount of	Oil and gas assets US\$	Others							Total US\$
		Plant and Machinery US\$	Fire safety facilities US\$	Buildings US\$	Furnitures & Fixtures US\$	Vehicles US\$	Office equipment US\$	computers US\$	
Cost or deemed cost									
Balance as at April 1, 2018	2,17,12,586	28,12,611	1,98,425	44,109	47,110	29,475	1,56,625	1,88,398	2,51,89,338
Additions	-	63,282	-	-	81	-	-	-	63,363
Balance as at March 31, 2019	2,17,12,586	28,75,893	1,98,425	44,109	47,191	29,475	1,56,625	1,88,398	2,52,52,701
Additions	-	-	-	-	-	-	-	689	689
Balance as at March 31, 2020	2,17,12,586	28,75,893	1,98,425	44,109	47,191	29,475	1,56,625	1,89,087	2,52,53,390
Accumulated depreciation and impairment									
Balance as at April 1, 2018	1,61,98,913	10,92,364	60,058	27,425	32,055	5,489	1,26,233	1,43,336	1,76,85,872
Depreciation for the year	8,22,523	3,28,587	21,998	9,170	8,809	11,520	24,920	25,984	12,53,510
Balance as at March 31, 2019	17,021,436	14,20,950	82,055	36,595	40,864	17,010	1,51,153	1,69,319	1,89,39,382
Depreciation for the year	4,87,239	2,39,067	19,112	311	1,377	3,371	1,635	10,374	7,62,486
Balance as at March 31, 2020	1,75,08,675	16,60,017	1,01,167	36,906	42,241	20,381	1,52,788	1,79,693	1,97,01,867
Net book value									
Balance as at March 31, 2019	46,91,150	14,54,942	1,16,369	7,514	6,327	12,466	5,472	19,079	63,13,319
Balance as at March 31, 2020	42,03,911	12,15,876	97,258	7,203	4,950	9,094	3,837	9,394	55,51,522

5. Capital work-in-progress

Particulars	Development Expenditure in ₹	Plant and Machinery in ₹	Total in ₹	Development Expenditure In US\$	Plant and Machinery In US\$	Total in US\$
Cost						
Balance as at April 1, 2018	50,39,897	-	50,39,897	77,463	-	77,463
Additions	2,96,853	23,51,78,000	23,54,74,853	4,292	34,00,000	34,04,292
Adjustment (refer note 3 (vii))						
Balance as at March 31, 2019	53,36,750	23,51,78,000	24,05,14,750	81,755	34,00,000	34,81,755
Transfer to oil and gas assets	(8,37,020)	1,06,79,48,644	1,06,71,11,624	(12,822)	1,39,12,511	1,38,99,689
Balance as at March 31, 2020	44,99,730	1,30,31,26,644	1,30,76,26,374	68,933	1,73,12,511	1,73,81,443
Net book value						
Balance as at March 31, 2019	53,36,750	23,51,78,000	24,05,14,750	81,755	34,00,000	34,81,755
Balance as at March 31, 2020	44,99,730	1,30,31,26,644	1,30,76,26,374	68,933	1,73,12,511	1,73,81,443



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

6. Financial assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
(a) Deposit under site restoration fund scheme				
Site restoration deposit with bank- maturity excess of 12 months	2,77,18,767	3,67,692	2,61,77,785	3,78,456
Total	2,77,18,767	3,67,692	2,61,77,785	3,78,456

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
(b) Investment in associates				
Unquoted equity shares of subsidiary				
5,60,000 (PY: 5,60,000) equity shares of 10 Rs. each fully paid-up in GeoEnpro Petroleum Limited	56,00,000	8265,468	56,00,000	85,663
Reserves & surplus	17,17,89,547	26,21,891	16,66,12,944	25,48,662
Total	17,73,89,547	27,07,359	17,22,12,944	26,34,325

(c) Other financial assets – non current				
i) Unsecured and considered good				
Capital Advances	-	-	-	-
Security Deposits	7,17,802	9,522	5,54,118	8,011
	7,17,802	9,522	5,54,118	8,011

7. Inventories

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Finished goods				
- Crude oil	91,01,866	1,20,737	1,46,21,421	2,11,384
Drilling and production stores, and spares	3,66,10,846	4,85,646	3,65,21,880	5,28,002
	4,57,12,712	6,06,383	51,143,301	7,39,386



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

8. Trade receivables– current

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Unsecured and considered good (unless otherwise stated)				
Other trade receivables	1,15,09,312	1,52,672	1,84,47,609	2,66,700
Within the credit period				
	1,15,09,312	1,52,672	1,84,47,609	2,66,700

9. Cash and cash equivalents

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Cash on hand	65,619	870	8,084	116
Balances with banks:				
Current accounts	18,03,39,978	23,92,225	8,89,10,006	12,85,384
Bank deposits- maturity < 3 months	-	-	-	-
	18,04,05,597	23,93,095	8,89,18,090	12,85,500

10. Other Financial assets - current

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Advances recoverable in cash or kind	44,77,901	59,400	72,20,078	1,04,382
Joint venture receivable	-	-	4,65,29,105	6,72,678
Interest Accrued	58,386	774	59,030	853
	45,36,287	60,174	5,38,08,213	7,77,913

11. Current tax assets (net)

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Advance income tax (net of provision)	5,51,46,987	7,31,529	5,06,38,131	7,32,082
	5,51,46,987	7,31,529	5,06,38,131	7,32,082



12. Other current assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Unsecured and considered good				
Prepaid expenses	14,91,457	19,784	8,02,558	11,602
Others	61,498	816	6,00,370	8,680
	15,52,955	20,600	14,02,928	20,282

13. (a) Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Authorised 1,00,00,000 (P.Y 1,00,00,000) Ordinary shares Of 1 US\$ each	65,06,20,000	1,00,00,000	65,06,20,000	1,00,00,000
Issued 1,00,00,000 (P.Y 1,00,00,000) Ordinary shares Of 1 US\$ each	65,06,20,000	1,00,00,000	65,06,20,000	1,00,00,000
Subscribed and Fully Paid up 1,00,00,000 (P.Y 1,00,00,000) Ordinary shares Of 1 US\$ each	65,06,20,000	1,00,00,000	65,06,20,000	1,00,00,000
Total issued, subscribed and fully paid-up share capital	65,06,20,000	1,00,00,000	65,06,20,000	1,00,00,000

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

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount (\$)	No. of Shares	Amount (\$)
At the beginning of the year	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,00,00,000	100%	1,00,00,000	100%

13.(c) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of \$ 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

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

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% Held	No. of Shares	% Held
Hindustan Oil Exploration Company Limited	1,00,00,000	100%	1,00,00,000	100%

14. Other equity

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Retained earnings				
Opening balance	2,53,69,117	3,65,171	(5,65,52,426)	(8,60,992)
Profit for the Year	(2,82,54,922)	(5,01,443)	8,19,21,543	12,26,163
Total Reserves and Surplus	(28,85,805)	(1,36,272)	2,53,69,117	3,65,171

15. (a) Provisions-Non current

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Provision for site restoration	3,17,38,041	4,21,008	3,00,25,938	4,34,089
Provision for Employee benefits	17,66,515	23,433	17,89,397	25,870
	3,35,04,556	4,44,441	3,18,15,335	4,59,959

15(b). Movement of Provision for decommissioning

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Balance at beginning of the year	3,00,25,938	4,34,089	2,82,92,505	4,35,109
Additions during the year	17,12,103	24,155	17,33,433	25,122
Foreign exchange fluctuation	-	(37,236)	-	(26,142)
Balance at end of the year	3,17,38,041	4,21,008	3,00,25,938	4,34,089

16. Deferred tax liability net

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Deferred tax liability				
Depreciation, depletion, amortization assets	3,02,26,540	4,00,957	3,95,30,691	5,71,501
Deferred tax asset	-	-	-	-
Net deferred tax liability	3,02,26,540	4,00,957	3,95,30,691	5,71,501
Deferred tax expense/ (Income) for the year	(93,04,151)	(1,29,525)	(5,21,97,876)	(7,56,162)



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

17. Loans

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Loan received from Parent company	65,96,26,625	87,50,000	12,10,47,500	17,50,000
Loan from others	12,81,56,030	17,00,000	11,75,89,000	17,00,000
	78,77,82,655	1,04,50,000	23,86,36,500	34,50,000

The above loan carries the rate of interest Libor+1% per annum and it is repayable on demand.

18. Provisions-Current

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Provision for unfinished work programme	13,33,62,748	17,69,068	6,71,39,743	9,70,648
	13,33,62,748	17,69,068	6,71,39,743	9,70,648

19. Other current liabilities

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹	US\$	₹	US\$
Statutory dues payable	9,98,379	13,244	21,02,556	30,397
Interest payable	1,18,22,705	1,56,829	12,45,406	18,005
Others payable	55,93,709	74,200	-	-
Joint venture payable	1,12,11,071	1,48,716	-	-
	2,96,25,864	3,92,989	33,47,962	48,402

20. Revenue from operations

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	US\$	₹	US\$
Sale of crude oil / Condensate	25,89,16,429	36,52,936	302,768,507	43,86,042
Less: Profit petroleum to Government of India	(3,67,24,375)	(5,18,128)	(20,302,351)	(294,109)
Net sales	22,21,92,054	31,34,808	28,24,66,156	40,91,933

21. Other income

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	US\$	₹	US\$
Interest income on bank deposits	22,46,613	31,696	27,30,926	39,561
Miscellaneous Income	19,16,267	27,036	48,41,322	70,134
	41,62,880	58,732	75,72,248	1,09,695



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

22. Share of expenses from producing oil and gas blocks

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	US\$	₹	US\$
Manpower costs	3,98,02,494	5,61,556	3,27,23,880	4,74,053
Repairs and maintenance	40,55,029	57,211	19,14,984	27,741
Insurance	7,25,393	10,234	5,88,822	8,530
Other production expenses	4,47,96,301	6,32,010	4,85,63,627	7,03,515
Consumables	35,57,272	50,188	54,18,964	78,501
Transportation and logistics	4,73,978	6,687	5,73,943	8,315
	9,34,10,467	13,17,886	8,97,84,220	13,00,655
Royalty	45,76,021	64,561	37,39,165	54,167
Cess	72,13,102	1,01,766	77,76,109	1,12,649
	1,17,89,123	1,66,327	1,15,15,274	1,66,816
Total	10,51,99,590	14,84,213	10,12,99,494	14,67,471

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

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	US\$	₹	US\$
Inventories at the end of the year	91,01,866	1,20,737	14,621,421	211,813
Less: Inventories at the beginning of the year	1,46,21,421	2,11,813	17,205,236	249,243
Net (Increase)/decrease in inventories	55,19,555	91,076	2,583,815	37,430

24. Employee benefits expense

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	US\$	₹	US\$
Salaries, wages and bonus	30,88,777	43,578	1,21,62,512	1,76,193
Contribution to provident fund and other funds	7,57,782	10,692	9,79,427	14,188
Staff welfare expenses	36,232	511	4,86,829	7,052
	38,82,791	54,781	1,36,28,768	1,97,433

25. Finance cost

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	US\$	₹	US\$
Interest on Intercompany loan	1,05,88,310	1,49,386	12,99,904	18,831
	1,05,88,310	1,49,386	12,99,904	18,831



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

26. Other expenses

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹	US\$	₹	US\$
Office and guest house rent	58,50,324	82,540	3,517,106	50,950
General office expenses	-	-	376,617	5,456
Rates and taxes	4,844	68	-	-
Repairs and maintenance	30,000	423	-	-
Travelling and conveyance	4,69,051	6,618	715,343	10,363
Communication expenses	27,592	389	57,519	833
Legal and professional fees	52,17,607	73,613	26,11,693	37,834
Printing and stationary	3,148	44	62,150	900
Corporate expenses	28,52,879	40,250	1,40,37,389	2,03,352
MWIP written off	6,02,36,039	8,49,843	-	-
Miscellaneous expenses	52,52,218	74,101	13,67,563	19,812
Forex difference	1,56,558	90,070	28,46,152	1,592
	8,01,00,261	12,17,959	2,55,91,532	3,31,092
Payment to Auditor :				
Audit fee	11,90,900	16,802	6,50,077	9,417
Tax audit fee	1,18,000	1,665	1,18,000	1,709
Other services	-	-	59,000	855
	13,08,900	18,467	8,27,077	11,981
Total other expenses	8,14,09,161	12,36,426	2,64,18,609	3,43,073

27. Lease payments of assets on operating lease

Geopetrol has an operating lease for its office premises which is cancellable and the lease charges for the year is Rs.5,802,329 (previous year Rs.3,517,106).

28. Lease obligations

Geopetrol has an operating lease for rentals entered towards office premises which is cancellable. The obligations of the lease charges payable within the next year is Rs.5,802,329.

29. CIF Value of imports

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

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	₹	US\$	₹	US\$
Stores and Spares	41,07,622	57,383	28,73,969	31,442
Capital Equipment	-	-	25,03,291	35,003



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

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

Stores and Spares	Year ended 31 March 2020			Year ended 31 March 2019		
	%	₹	US\$	%	₹	US\$
Imported	40%	44,96,874	63,472	30%	23,12,923	35,011
Indigenous	60%	67,87,138	96,470	70%	81,58,136	1,17,005
	100%	1,12,84,012	1,59,942	100%	1,04,71,059	1,52,016

30. Related Party Disclosures:

Hindustan Oil Exploration Company Limited: Holding Company

Transactions during the year:

Particulars	31 March 2020		31 March 2019	
	₹	US\$	₹	US\$
Loan taken during the year	49,94,80,000	70,00,000	12,10,47,500	17,50,000
Interest on loan	1,05,88,310	1,49,386	5,70,809	8,269

Outstanding balance at the end of the year:

Particulars	31 March 2020		31 March 2019	
	₹	US\$	₹	US\$
Loan repayable including interest	67,14,49,330	8,906,829	12,16,18,309	1,758,269

31. (a) Expenditure in foreign currency

Description	Year ended 31 March 2020		Year ended 31 March 2019	
	₹	US\$	₹	US\$
Professional and technical services	1,08,017	1,437	26,43,583	38,197

32 (b) Earnings in foreign currency (on accrual basis):

Description	Year ended 31 March 2020		Year ended 31 March 2019	
	₹	US\$	₹	US\$
Sale of crude Oil	22,21,92,054	31,34,808	28,24,66,156	40,91,933



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

32. Oil and Gas Reserves

As at 31 March 2020, the proved and probable reserves for the Kharsang Block as estimated by the Operator are as follows:

Proved Reserves (Crude Oil in KL):

Particulars	JV 100%		Geopetrol share 25%	
	As on March31, 2020	As on March 31, 2019	As on March31, 2020	As on March31, 2019
Opening reserve	53,044	91,485	13,261	22,871
Addition/ (Deletion)	2,65,254	-	66,314	-
Production for the year	(36,404)	(38,441)	(9,101)	(9,610)
Closing balance	2,81,894	53,044	70,474	12,479
Proved undeveloped reserves as on April 1,2020	10,90,962	49,917	2,72,741	22,871

33. The Coal Bed Methane (CBM) blocks KG(E), BS (4) and BS (5), KG(E)-CBM-2005/III Blocks were surrendered and accepted by the Government of India.

34. In case of the CBM block SP(N)-CBM-2005/III, wherein the 10% Participating Interest of Geopetrol was assigned to Reliance Infrastructure Limited which was duly approved by the GOI. Therefore, the books of accounts have no assets or liabilities for the block SP(N) CBM-2005/III.

35. Commitments and Contingent liabilities

Contingent liabilities

- (i) In respect of Block AA ONN 2003/2, Geopetrol has estimated the liability of unfinished work program as US\$ 39,97,141 (INR 30,11,80,77) (previous year US\$ 3,197,713, INR 22,11,85,808) in terms of the PSC. Out of which an amount of US 22,27,205 (₹ 16,78,17,447) was realized by GOI by invocation of bank guarantee provided by Geopetrol and for the balance US\$ 17,69,936 (INR 13,33,62,731) liability was created. However, DGH has made a claim of US 56,37,020 (₹ 42,47,43,256) which has no basis and is being disputed. Accordingly, no liability is created for the disputed amount of US\$ 16,39,879 (₹ 12,35,63,060).
- (ii) MZ-ONN-2004/2 block was terminated by the GOI, as M/s Naftogaz as the Operator to the block has made certain misrepresentation to GOI while awarding the contract. Therefore, no basis exists to claim any costs by DGH for the share of unfinished work program from Geopetrol as the Production Sharing Contract itself is void. Accordingly, no liability is considered for the unfinished work program in the block.

(i) Commitments

Geopetrol share of estimated value of contracts to be executed for the Kharsang block is estimated as Rs.1,09,40,144 (previous year Rs.13,00,91,477).

Capital commitments of the wholly owned subsidiary, Geopetrol Mauritius Ltd, is USD 6,40,000 (INR 4,82,46,976).

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

Policy for the Grant of Extension to the Production Sharing Contracts signed by the Government awarding small, medium size and discovered fields to private Joint Ventures dated March 28, 2016 (Extension Policy) announced by the Government of India, has provision for the extension of duration of the PSC for Kharsang Field by ten (10) years for both oil and gas fields or economic life of the field, whichever is earlier and also the necessary framework for granting of such extension.



Geopetrol International Inc.

Notes to consolidated financial statements for the year ended March 31, 2020

Application for Extension of Production Sharing Contract for Kharsang Field under the GOI Policy dated March 28, 2016 has been submitted to MoPNG/DGH on June 14, 2018 along with the Field Development Plan (FDP). The Field Development Plan has been approved by Management Committee in the MCM held on February 20, 2019, which clearly establishes the intent of the Government of India on the extension of the PSC. Operator is taking the necessary steps to expedite the PSC extension approval process.

37. Geopetrol's project office in India is engaged in a single business segment of Oil & Gas in one geographic segment in India. Therefore, there are no separate reportable segments for Segment Reporting.
38. The company is in the business of exploration, development and production of crude oil and natural gas in India. Production of crude oil and gas is classified as essential commodities as per Section 2 of the Essential Commodities Act, 1955. Presently, oil production of the company at Kharsang field in Arunachal Pradesh under production as per the offtakes of the buyer, which the company expects to be at previous levels immediately after removal of lockdown.

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

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

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

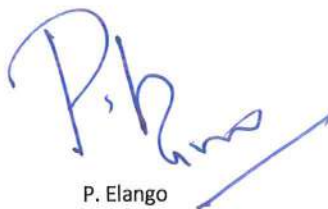


Sanchit Jain
Partner
Membership No. 511714

Place: New Delhi
Date: May 29, 2020

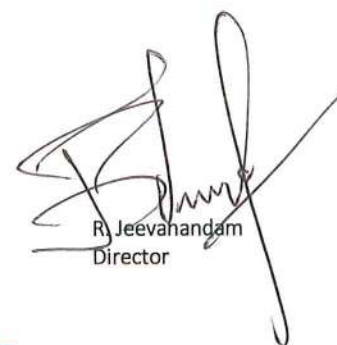


For and on behalf of the Board of Directors



P. Elango
Director

Place: Chennai
Date: May 29, 2020



R. Jeevanandam
Director



UDIN: 20511714 AAAA 49392