

## 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 31<sup>st</sup> March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information. These financial statements incorporate the India Project Office's interests in Block Kharsang oil field.

Without qualifying our opinion:

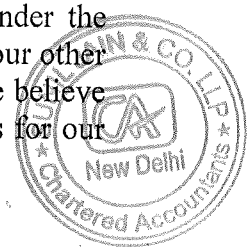
- (i) We report that the accounts include the assets of Rs. 14,11,26,930 and liabilities of Rs. 18,75,15,720 of Kharsang block based on the Unaudited source and Application of Funds as on 31 March 2022, certified by the Operator GeoEnpro Limited. We are not the Auditors to the block accounts and any changes in the unaudited accounts as on 31 March 2022 shall be adjusted in the subsequent year.
- (ii) We further report that we have placed reliance on technical/ commercial evaluation done by the management of the Geopetrol International Inc. in consultation with the management of GeoEnpro Petroleum Limited in respect of categorization of wells under various stages, depletion of properties on the basis of proved developed reserves and liability for abandonment costs.

Subject to our remarks above, in our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the group as at 31<sup>st</sup> March, 2022 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.

### Emphasis of Matter:



1. We draw attention to Note 11 of the Consolidated financial statements. Which describe the uncertainties of Going Concern. The primary duration of the PSC for Kharsang Filed was for a period of 25 year from the effective date i.e till June 15, 2020, thereafter Multiple extension were granted by Ministry of Petroleum and Natural Gas (MoPNG) to continue the Petroleum operation in Kharsang Field. As per the last communication extension has been granted till May 15, 2022. Management believe that PSC extension will be taken and financial are prepared on going concern basis.

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

### Other Matters

1. 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.
2. PSC has fixed a Cost Recovery Limit (CRL) for drilling of 10 developments wells and related production facilities at US\$ 13.371MM, on the basis of certain assumption and/or factors and/or information.

These 10 development wells were to be drilled during the F.Y 1996-97 and F.Y 1997-98 as per the provisions of the PSC. Drilling of the 10<sup>th</sup> Development well was completed in December 2008 due to delays in grant of statutory approvals. As per the audited financial statement of kharsang Field, the total Development cost as on 31<sup>st</sup> March 2009 is US\$ 40.8MM. The contractor parties have made various submissions to DGH including documentary evidence and have sought increase to the CRL as per the provision of Article 14.4.5.

The matter of increase to CRL was also deliberated at various Management Committee meetings since 2006; no consensus as arrived between Governments and contactor Parties.

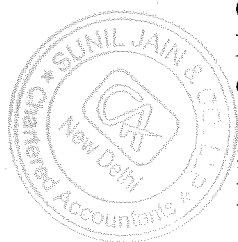
Further, the Contractor Parties had also intimated DGH, about referring the matter to a Sole Expert for dispute resolution and provisionally reversed US\$ 5.291 million of Development Costs from the Cost Petroleum entitlement of the Contractor Parties for FY 2008-09 (given effect from FY 2008-09) during FY 2015-16 and recomputed the investment Multiple. Further Contractor Parties have also reversed cost of drilling materials amounting to US\$ 2.96 million from cost recovery in the FY 2015-16. No other adjustments have been made to the accounts in the CRL matter.

MOPNG vide letter dated June 04, 2020 directed the contactor to make payment of liabilities notified from time to time, now amount to US\$ 18.2 MM (provisional principal amount as of FY 2017-18) with interest thereon provisionally computed US\$ 6.6 MM as of April 2020.

Operator, on the behalf of Contractor parties vide letter dated June 10, 2020 requested MoPNG to withdraw the demand notified to the Contractor by the MoPNG vide letter dated June 04, 2020 till the CRL enhancement matter is resolved.

Subsequently, the matter was discussed and deliberated in the Management Committee Meeting held on June 15, 2020, wherein MC recommended the following-

- a. Consideration of 6 years 5 months time delay attributable to Government agencies resulting in corresponding enhancement of PSC specified Cost Recovery Limit (CRL).



- b. Contractor to deposit short paid Profit Petroleum along with applicable interest in MOPNG account, after applying agreed time delay above and cost bifurcation (excluding General & Administration cost).
- c. Contractor to take a necessary steps to resolve the issue of Allocation of G&A cost, and pending resolution thereof, contractor to deposit short payout profit petroleum along with applicable interest on account of allocation. of G&A cost in an Escrow Account..
- d. Above arrangement shall serve as full and final resolution of CRL and cost bifurcation issues.
- e. The above recommendations of MC shall be submitted for approval of MOPNG.

The above recommendations of MC shall be submitted for approval of MOPNG.

The MC recommendations have been approved by all the JV Partners, DGH and MoPNG. Subsequently, Operator in accordance with MC decision dated 15 June 2020 has shared the draft calculation of the CRL with DGH for its review. As per Operator's calculations, the short paid Profit Petroleum payable in Government account is US\$ 1.66 MM inclusive of interest (excluding G&A and Service cost) and amount to be deposited in Escrow account is US\$ 5.74 MM inclusive of interest (pending resolution on the issue of cost allocation of G&A and Service cost)

DGH has addressed the letter dated 16 April 2021 to the Contractor Parties and informed that MoPNG has conveyed the approval of pavement of short paid Profit Petroleum of USD 12,742,161 (including principal and interest component as on 30 September 2020) along with applicable interest till the date of deposit to GOI by the Contractor. DGH further requested Contractor to remit the same at the earliest. No reasons or basis was provided by DGH for having arrived at US\$ 12,742,161.

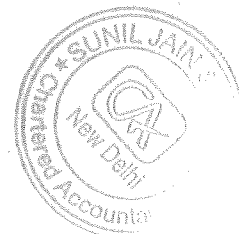
Operator has requested DGH to share the basis of calculation, detailed Working (Excel sheet) of USD 12,742,161 and breakup of short paid Profit Petroleum directly payable to MoPNG and balance amount in an Escrow account in line with MCM decision dated 15 June 2020 in order to resolve the long pending issue of CRL.

Considering the huge difference between DGH and Operator s calculations no payment has been made till date. Post receiving information from DGH, the amount will be reconciled and finalized for payment accordingly. Efforts are being made to resolve the CRL matter at the earliest.

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

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

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



maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

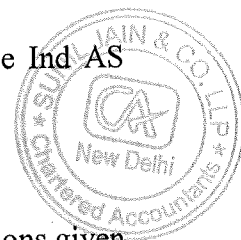
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

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

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 financial statements comply with the applicable Ind AS specified under Section 133 of the Act.
- 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.



(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;

(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;

(iv)(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 19 to the 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 group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

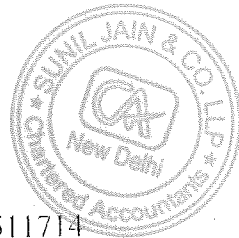
**For Sunil Jain & Co. LLP,**  
Chartered Accountants  
(Registration No. 003855N/ N500113)



**Sanchit Jain**

Partner

Membership No. 511714



Place: Delhi

Date: 18.05.2022

UDIN: 22511714AJNOXN3268



# 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, 2022

Particulars	Notes	As at March 31, 2022		As at March 31, 2021	
		₹	US\$	₹	US\$
<b>ASSETS</b>					
1 Non-current assets					
Property, plant & equipment	4				
a) Oil and gas assets	4 (a)	20,69,23,076	33,90,248	23,55,66,685	37,74,664
b) Others	4 (b)	5,64,65,578	9,68,699	6,91,01,705	11,38,284
Capital work-in-progress	5	2,65,94,00,256	3,52,95,097	1,43,76,95,465	1,93,35,277
Financial assets					
Site restoration deposit	6(a)	3,08,31,514	4,06,710	2,93,96,610	3,99,928
Investment in associates	6(b)	18,37,81,955	27,94,016	19,27,53,047	29,14,414
Other Financial assets	6(c)	5,92,808	7,820	6,11,064	8,313
Total non-current assets		3,13,79,95,187	4,28,62,590	1,96,51,24,576	2,75,70,880
2 Current assets					
Inventories	7	4,25,60,957	5,61,438	5,63,87,926	7,67,134
Trade receivables	8	2,59,81,455	3,42,732	3,04,97,847	4,14,910
Cash and cash equivalents	9	16,03,51,796	21,15,261	15,14,77,695	20,60,789
Other financial assets	10	6,36,432	8,396	37,23,754	50,660
Income tax assets (Net)	11	3,07,10,630	4,05,115	2,93,45,369	3,99,231
Other current assets	12	49,62,298	65,460	34,30,546	46,671
Total current assets		26,52,03,568	34,98,402	27,48,63,137	37,39,395
<b>TOTAL ASSETS</b>		<b>3,40,31,98,755</b>	<b>4,63,60,992</b>	<b>2,23,99,87,713</b>	<b>3,13,10,275</b>
<b>EQUITY &amp; LIABILITIES</b>					
Equity					
Equity share capital	13	65,06,20,000	1,00,00,000	65,06,20,000	1,00,00,000
Other equity	14	(16,33,49,431)	(21,04,115)	(11,81,11,455)	(19,19,247)
Total equity		48,72,70,569	78,95,885	53,25,08,545	80,80,753
Liabilities					
1 Non-current liabilities					
Financial Liabilities					
Other Financial Liabilities	15	90,30,14,175	1,19,12,000	-	-
Provisions	16	3,67,41,140	4,84,666	3,51,46,705	4,78,156
Deferred tax Liability (net)	17	97,88,950	1,29,130	1,33,12,374	1,81,109
Total non-current liabilities		94,95,44,265	1,25,25,796	4,84,59,079	6,59,265
2 Current liabilities					
Financial liabilities					
Trade payables due to:	18				
Micro and Small Enterprise		-	-	-	-
Other than Micro and Small Enterprise		19,13,28,970	25,23,892	19,37,90,874	26,36,442
Short-term borrowings	19	1,34,17,85,670	1,77,00,000	1,30,10,33,190	1,77,00,000
Other Financial Liabilities	20	29,45,66,651	38,85,740	3,32,64,091	4,52,544
Provisions	21	13,84,33,155	18,26,124	13,00,98,615	17,69,935
Other current liabilities	22	2,69,475	3,555	8,33,319	11,337
Total current liabilities		1,96,63,83,921	2,59,39,311	1,65,90,20,089	2,25,70,257
Total liabilities		2,91,59,28,186	3,84,65,107	1,70,74,79,168	2,32,29,522
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>3,40,31,98,755</b>	<b>4,63,60,992</b>	<b>2,23,99,87,713</b>	<b>3,13,10,275</b>

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: 18.05.2022



For and on behalf of the Board of Directors

*P. Elango*

P. Elango  
Director

*R. Jeevanandam*

R. Jeevanandam  
Director

Place: Chennai

Date: 18.05.2022

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

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Consolidated Statement of Profit and loss for the year ended March 31, 2022

Particulars	Notes	For the year ended March 31, 2022		For the year ended March 31, 2021	
		₹	US\$	₹	US\$
<b>Income</b>					
Revenue from operations	23	25,22,04,797	33,84,754	14,42,64,163	19,44,261
Other income	24	1,01,18,027	1,35,791	2,20,46,157	79,598
<b>Total income</b>		<b>26,23,22,824</b>	<b>35,20,545</b>	<b>16,63,10,320</b>	<b>20,23,859</b>
<b>Expenses</b>					
Share of expenses from producing oil and gas blocks	25 (a)	5,97,70,575	8,02,160	6,57,60,708	8,86,263
Royalty, Cess and NCCD	25(b)	9,39,68,977	12,61,125	4,76,70,747	6,42,463
(Increase) / decrease in stock of crude oil and condensate	26	1,48,99,733	2,05,800	(1,32,89,120)	(1,83,883)
Employee benefits expense	27	29,99,624	40,257	8,35,391	11,259
Finance cost					
-Unwinding of discount on decommissioning liability		15,94,395	21,399	18,13,926	24,446
-Others	28	3,54,81,322	4,76,183	1,30,76,486	1,76,231
Depreciation, depletion and amortization	4&6	4,12,79,736	5,54,001	4,74,41,964	6,39,380
Other expenses	29	5,21,18,770	2,71,377	1,35,52,219	1,82,643
<b>Total expenses</b>		<b>30,21,13,132</b>	<b>36,32,302</b>	<b>17,68,62,321</b>	<b>23,78,802</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(3,97,90,309)</b>	<b>(1,11,757)</b>	<b>(1,05,52,001)</b>	<b>(3,54,943)</b>
Exceptional items		-	-	(13,59,83,695)	(18,50,000)
<b>Profit/(loss) before tax</b>		<b>(3,97,90,309)</b>	<b>(1,11,757)</b>	<b>(14,65,35,696)</b>	<b>(22,04,943)</b>
(1) Current tax		-	-	-	-
(2) Adjustment of tax relating to earlier periods		-	-	9,67,620	13,041
(3) Deferred tax	17	(35,23,424)	(47,287)	(1,69,14,166)	(2,27,954)
<b>Total tax expense</b>		<b>(35,23,424)</b>	<b>(47,287)</b>	<b>(1,59,46,546)</b>	<b>(2,14,913)</b>
<b>Profit / (loss) for the year</b>		<b>(3,62,66,884)</b>	<b>(64,470)</b>	<b>(13,05,89,150)</b>	<b>(19,90,030)</b>
Share of profit from investment		(89,71,092)	(1,20,398)	1,53,63,500	2,07,055
<b>Total income/ (loss) for the year</b>		<b>(4,52,37,976)</b>	<b>(1,84,868)</b>	<b>(11,52,25,650)</b>	<b>(17,82,975)</b>

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)



For and on behalf of the Board of Directors

Sanchit Jain  
Partner  
Membership No. 511714

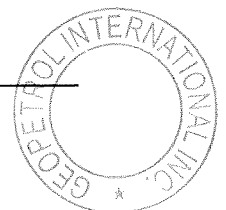
P. Elango  
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Place: New Delhi  
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## Consolidated Statement of changes in equity for the year ended March 31, 2022

### a) Equity Share Capital

Particulars	Amount in ₹	Amount in US\$
Balance as at March 31, 2021	65,06,20,000	10,000,000
Balance as at March 31, 2022	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, 2020	(28,85,805)	(1,36,272)
Profit/(loss) for the year	(11,52,25,650)	(17,82,975)
Other comprehensive income	-	-
Total comprehensive income for the year	(11,52,25,650)	(17,82,975)
Balance as at March 31, 2021	(11,81,11,455)	(19,19,247)
Profit/(loss) for the year	(4,52,37,976)	(1,84,868)
Other comprehensive income	-	-
Total comprehensive income for the year	(4,52,37,976)	(1,84,868)
Balance as at March 31, 2022	(16,33,49,431)	(21,04,115)

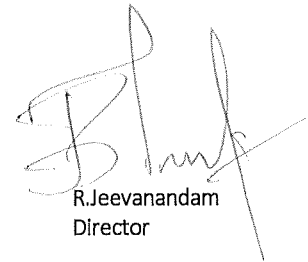
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For and on behalf of the Board of Directors

  
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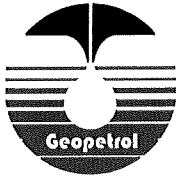
Place: New Delhi  
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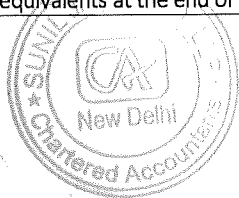
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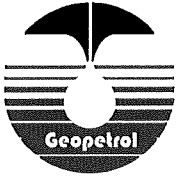
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Consolidated Statement of cash flow for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	US\$	₹	US\$
<b>Cash flow from operating activities</b>				
Profit before tax	(4,87,61,401)	(2,32,155)	(13,11,72,196.00)	(19,97,888.00)
Adjustments for:				
Depreciation, depletion and amortization	4,12,79,736	5,54,001	4,74,41,964	6,39,380
Unwinding of discount on decommissioning liability	15,94,395	21,398	18,13,926	24,446
Profit oil differential amount	-	-	13,59,83,695	18,50,000
Provision for compensated absences	-	-	(1,71,774)	(1,738)
Net Foreign Exchange differences	3,81,60,031	-	(2,39,42,086)	-
Share of profit from associates	89,71,092	1,20,398	(1,53,63,500)	(2,07,055)
Interest income	(4,54,23,310)	(6,09,611)	(1,89,97,890)	(2,56,036)
<b>Operating profit before working capital changes</b>	<b>(41,79,457)</b>	<b>(1,45,969)</b>	<b>(44,07,861)</b>	<b>51,109</b>
<b>Working capital adjustments for:</b>				
Trade payables and other liabilities	1,20,74,38,950	1,58,52,857	(42,66,23,514)	(55,62,081)
Trade receivables	45,16,392	72,179	(1,89,88,535)	(2,62,238)
Inventories	1,38,26,969	2,05,696	(1,06,75,214)	(1,60,751)
Loans and advances and other current assets	(4,53,27,692)	(5,69,506)	(1,91,29,068)	(2,77,107)
<b>Cash Generated from operations</b>	<b>1,17,62,75,163</b>	<b>1,54,15,257</b>	<b>(47,98,24,192)</b>	<b>(62,11,068)</b>
Direct taxes refunds (net of payments)	(13,65,261)	(10,577)	2,48,33,998	3,27,363
<b>Net cash generated by operating activities</b>	<b>1,17,49,09,902</b>	<b>1,54,04,680</b>	<b>(45,49,90,194)</b>	<b>(58,83,705)</b>
<b>Cash flow from Investing activities</b>				
Purchase of Property, plant and equipment	-	-	(59,128)	(804)
Capital Work-in-progress	(1,21,14,59,111)	(1,59,59,821)	(13,00,69,092)	(19,53,833)
<b>Net cash flows used in investing activities</b>	<b>(1,21,14,59,111)</b>	<b>(1,59,59,821)</b>	<b>(13,01,28,220)</b>	<b>(19,54,637)</b>
<b>Cash flow from financing activities:</b>				
Proceeds/ (Repayment) of short term borrowings (net)	-	-	51,71,92,622	72,50,000
Interest Paid	4,54,23,310	6,09,611	1,89,97,890	2,56,036
<b>Net cash used in financing activities</b>	<b>4,54,23,310</b>	<b>6,09,611</b>	<b>53,61,90,512</b>	<b>75,06,036</b>
<b>Net increase in cash and cash equivalents</b>	<b>88,74,101</b>	<b>54,470</b>	<b>(2,89,27,902)</b>	<b>(3,32,306)</b>
Cash and cash equivalents at the beginning of the year	15,14,77,695	20,60,791	18,04,05,598	23,93,095
Cash and cash equivalents at the end of the year	16,03,51,796	21,15,261	15,14,77,695	20,60,789





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

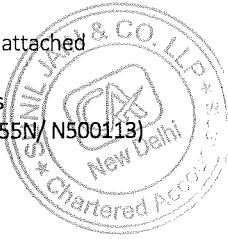
Indian Project Office: 'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai – 600018, India

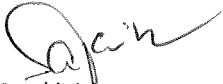
☎ 91 (044) 66229000 / 48535008 📠 91(044) 66229011 ✉ contact@geopetrol.net 🌐 www.geopetrol.net

Components of cash and cash equivalents	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Cash in hand	15,071	199	7,889	107
Balances with banks				
- In current accounts	16,03,36,725	21,15,062	15,14,69,806	20,60,682
<b>Total cash and cash equivalents</b>	<b>16,03,51,796</b>	<b>21,15,261</b>	<b>15,14,77,695</b>	<b>20,60,789</b>

The accompanying notes forming part of the standalone financial statements

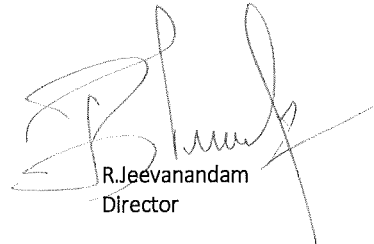
In terms of our report attached  
Sunil Jain & Co.LLP,  
Chartered Accountants  
(Registration No. 003855N/ N500113)



  
Sanchit Jain  
Partner  
Membership No. 511714

For and on behalf of the Board of Directors

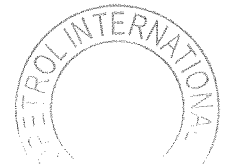
  
P. Elango  
Director

  
R. Jeevanandam  
Director

Place: Chennai  
Date: 18.05.2022

Place: New Delhi  
Date: 18.05.2022

UPI: - 22511714AJNOXN3268



## Geopetrol International Inc. Notes to Consolidated financial statements for the year ended March 31, 2022

### 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, 2022	As at March 31, 2021
1	Kharsang (Assam)	Geoenpro Petroleum Limited (O)	10	10
		Geopetrol International Inc.,	25	25
		JEKPL Private Limited	25	25
		Oil India Limited	40	40

(O)-Operator

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

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

### 2. Significant accounting policies

#### Background

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

#### Basis of consolidation

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

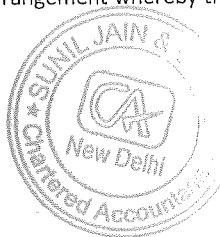
Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control. As management consider the acquisition of the subsidiaries upon inception of GIH as a reorganisation of the structure of a sub consolidation group, management have elected to measure the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

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

#### Business combinations

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

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



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2022

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

#### 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.

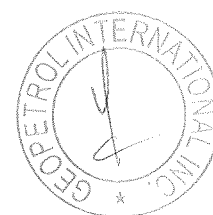
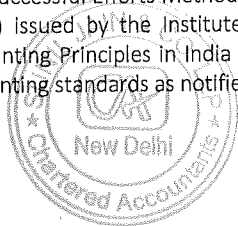
For consolidation purposes the books of account of Geopetrol International Inc. and its subsidiaries are closed on 31 March of each year. All intercompany balances and transactions between GPI and its subsidiaries have been eliminated for consolidation purposes. Intercompany advances are normally made 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.



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2022

#### ii) Use of estimates

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

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

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

##### *Assets*

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

- 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.

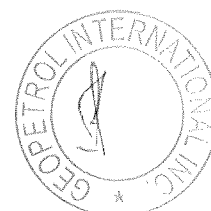
All other liabilities are classified as non-current.

##### *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.



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2022**

v) Basis of allocation and classification

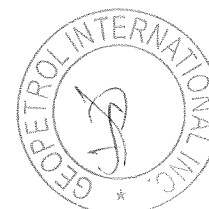
The basis of allocation of exploration costs, development costs, joint operative expenditure, current assets and liabilities of the PSC's in the financial statements of Geopetrol is as given below:

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

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.



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2022

#### Inventories

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

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

##### Tangible fixed assets

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

##### Intangible fixed assets

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

##### 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, 2022

#### 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*

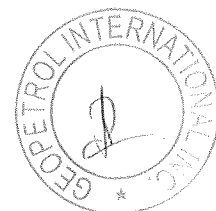
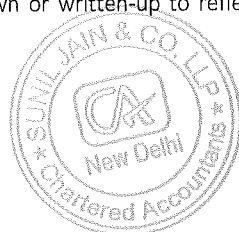
Interest on deployment of surplus fund is recognised using the time-proportion method, based on the interest rate implicit in the transaction.

#### 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, 2022

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.**

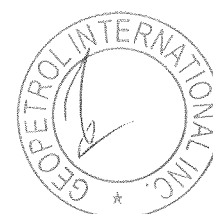
**Notes to Consolidated financial statements for the year ended March 31, 2022**

4. Property, plant & equipment

(a).Summary

Carrying amount of:	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
a) Oil and gas assets	20,69,23,076	33,90,248	23,55,66,685	37,74,664
b) Others				
- Plant and machinery	5,14,49,728	8,76,592	6,28,35,687	10,29,398
- Fire Safety facilities	41,11,323	70,112	50,19,930	82,306
- Buildings	3,89,541	6,653	4,09,483	6,921
- Furniture & fixtures	1,53,462	3,256	2,07,073	3,975
- Vehicles	2,48,913	5,362	3,61,949	6,879
- Office equipment	42,615	2,511	77,581	2,980
- Computers	69,997	4,215	1,90,002	5,825
	5,64,65,578	9,68,699	6,91,01,705	11,38,284

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, 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
Additions	-	59,128	-	-	-	-	-	-	59,128
Balance as at March 31, 21	1,41,26,64,252	18,74,30,415	1,29,09,896	28,69,823	30,70,672	19,17,720	1,01,90,327	1,23,09,497	1,64,33,62,601
Additions	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	1,41,26,64,252	18,74,30,415	1,29,09,896	28,69,823	30,70,672	19,17,720	1,01,90,327	1,23,09,497	1,64,33,62,601
Accumulated depreciation and impairment									
Balance as at April 1, 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
Depreciation for the year	3,18,50,136	1,38,96,244	11,09,412	20,964	72,340	1,64,368	63,656	2,64,844	4,74,41,964
Adjustment (refer note 3 (vii))									
Balance as at March 31, 2021	1,17,70,97,567	12,45,94,727	78,89,966	24,60,340	28,63,598	15,55,770	1,01,12,747	1,21,19,495	1,33,86,94,211
Depreciation for the year	2,86,43,609	1,13,85,959	9,08,607	19,942	53,611	1,13,036	34,966	1,20,005	4,12,79,736
Balance as at March 31, 2022	1,20,57,41,176	13,59,80,686	87,98,573	24,80,282	29,17,210	16,68,807	1,01,47,712	1,22,39,500	1,37,99,73,947
Net book value									
Balance as at March 31, 2021	23,55,66,685	6,28,35,687	50,19,930	4,09,483	2,07,073	3,61,949	77,581	1,90,002	30,46,68,390
Balance as at March 31, 2022	20,69,23,076	5,14,49,728	41,11,323	3,89,541	1,53,462	2,48,913	42,615	69,997	26,33,88,654



**Geopetrol International Inc.**

**Notes to Consolidated financial statements for the year ended March 31, 2022**

Carrying Amount of	Oil and gas assets US\$	Others							Total US\$
		Plant and Machinery	Fire safety facilities	Buildings	Furnitures & Fixtures	Vehicles	Office equipment	computers	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Cost or deemed cost									
Balance as at April 1, 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
Additions		804							804
Balance as at March 31, 2021	2,17,12,586	28,76,697	1,98,425	44,109	47,191	29,475	1,56,625	1,89,087	2,52,54,195
Additions									
Balance as at March 31, 2022	2,17,12,586	28,76,697	1,98,425	44,109	47,191	29,475	1,56,625	1,89,087	2,52,54,195
Accumulated depreciation and impairment									
Balance as at April 1, 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
Depreciation for the year	4,29,247	1,87,281	14,952	283	975	2,215	858	3,569	6,39,380
Balance as at March 31, 2021	1,79,37,922	18,47,298	1,16,119	37,189	43,216	22,596	1,53,645	1,83,262	2,03,41,247
Depreciation for the year	3,84,416	1,52,807	12,194	268	720	1,517	469	1,611	5,54,001
Balance as at March 31, 2022	1,83,22,338	20,00,105	1,28,313	37,456	43,935	24,114	1,54,114	1,84,872	2,08,95,248
Net book value									
Balance as at March 31, 2021	37,74,664	10,29,399	82,306	6,921	3,975	6,879	2,980	5,825	49,12,948
Balance as at March 31, 2022	33,90,248	8,76,592	70,112	6,653	3,256	5,362	2,511	4,215	43,58,947

**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, 2020	44,99,730	1,30,31,26,644	1,30,76,26,374	68,933	1,73,12,511	1,73,81,444
Additions	3,41,098	12,97,27,993	13,00,69,091	4,640	19,49,193	19,53,833
Balance as at March 31, 2021	48,40,828	1,43,28,54,637	1,43,76,95,465	73,573	1,92,61,704	1,93,35,277
Additions	-	1,22,17,04,791	1,22,17,04,791	-	1,59,59,820	-
Balance as at March 31, 2022	48,40,828	2,65,45,59,428	2,65,94,00,256	73,573	3,52,21,524	3,52,95,097
Net book value						
Balance as at March 31, 2021	48,40,828	1,43,28,54,637	1,43,76,95,465	73,573	1,92,61,704	1,93,35,277
Balance as at March 31, 2022	48,40,828	2,65,45,59,428	2,65,94,00,256	73,573	3,52,21,524	3,52,95,097



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2022**

(a) Capital-work-in progress ageing schedule

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	1,22,17,04,791	13,00,69,091	1,06,71,11,624	24,05,14,750	2,65,94,00,256
Projects temporarily suspended	-	-	-	-	-

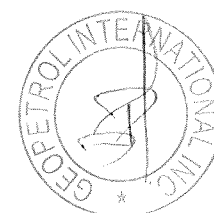
(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given\*\*:

Particulars	As at 31 Mar 2022				
	To be completed in				
Capital Work in Progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,65,94,00,256	-	-	-	2,65,94,00,256
Project 1	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Project 1	-	-	-	-	-

6. Financial assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
(a) Deposit under site restoration fund scheme				
Site restoration deposit with bank- maturity excess of 12 months	3,08,31,514	4,06,710	2,93,96,610	3,99,828
Total	3,08,31,514	4,06,710	2,93,96,610	3,99,828

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'.



**Geopetrol International Inc.**

**Notes to Consolidated financial statements for the year ended March 31, 2022**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
(b) Investment in associates Unquoted equity shares of subsidiary 5,60,000 (PY: 5,60,000) equity shares of 10 Rs. each fully paid-up in GeoEnpro Petroleum Limited	56,00,000	85,663	56,00,000	85,663
Reserves & surplus	17,81,81,955	27,08,353	18,71,53,047	28,28,751
<b>Total</b>	<b>18,37,81,955</b>	<b>27,94,016</b>	<b>19,27,53,047</b>	<b>29,14,414</b>

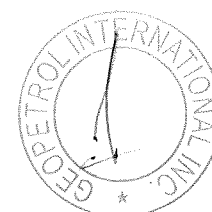
(c) Other financial assets – non current				
i) Unsecured and considered good				
Capital Advances	-	-	-	-
Security Deposits	5,92,808	7,820	6,11,064	8,313
	<b>5,92,808</b>	<b>7,820</b>	<b>6,11,064</b>	<b>8,313</b>

**7. Inventories**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Finished goods				
- Crude oil	74,91,252	98,820	2,23,90,986	3,04,620
Drilling and production stores, and spares	3,50,69,705	4,62,618	3,39,96,940	4,62,514
	<b>4,25,60,957</b>	<b>5,61,438</b>	<b>5,63,87,926</b>	<b>7,67,134</b>

**8. Trade receivables– current**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Unsecured and considered good (unless otherwise stated)				
Other Trade receivables within the credit period	2,59,81,455	3,42,732	3,04,97,847	4,14,910
	<b>2,59,81,455</b>	<b>3,42,732</b>	<b>3,04,97,847</b>	<b>4,14,910</b>



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2022**

Particulars	As at 31 March 2022					
	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	2,59,81,455	-	-	-	-	2,59,81,455
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-

**9. Cash and cash equivalents**

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

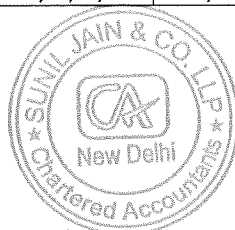
Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Cash on hand	15,071	199	7,889	107
Balances with banks:				
Current accounts	16,03,36,725	21,15,062	15,14,69,806	20,60,682
Bank deposits- maturity < 3 months	-	-	-	-
	16,03,51,796	21,15,261	15,14,77,695	20,60,789

**10. Other Financial assets - current**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Advances recoverable in cash or kind	5,07,202	6,691	24,80,964	33,752
Joint venture receivable	-	-	11,15,108	15,171
Interest Accrued	1,29,230	1,705	1,27,682	1,737
	6,36,432	8,396	37,23,754	50,660

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Advance income tax (net of provision)	3,07,10,630	4,05,115	2,93,45,369	3,99,231
	3,07,10,630	4,05,115	2,93,45,369	3,99,231



**Geopetrol International Inc.**

**Notes to Consolidated financial statements for the year ended March 31, 2022**

12. Other current assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Unsecured and considered good				
Prepaid expenses	11,32,884	14,944	13,52,173	18,396
GST Credit	31,95,388	42,152	20,16,877	27,439
Others	6,34,026	8,364	61,498	837
	49,62,298	65,460	34,30,548	46,671

13. (a) Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Authorised 10,000,000 (P.Y 10,000,000) Ordinary shares Of 1 US\$ each	65,06,20,000	10,000,000	65,06,20,000	10,000,000
Issued 10,000,000 (P.Y 10,000,000) Ordinary shares Of 1 US\$ each	65,06,20,000	10,000,000	65,06,20,000	10,000,000
Subscribed and Fully Paid up 10,000,000 (P.Y 10,000,000) Ordinary shares Of 1 US\$ each	65,06,20,000	10,000,000	65,06,20,000	10,000,000
Total issued, subscribed and fully paid-up share capital	65,06,20,000	10,000,000	65,06,20,000	10,000,000

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

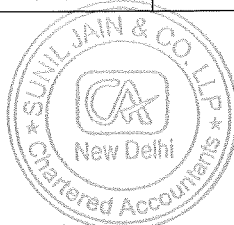
Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount (\$)	No. of Shares	Amount (\$)
At the beginning of the year issued during the year	10,000,000	10,000,000	10,000,000	10,000,000
Outstanding at the end of the year	10,000,000	100%	10,000,000	100%

(c) Terms/rights attached to equity shares

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

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

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% Held	No. of Shares	% Held
Hindustan Oil Exploration Company Limited	1,00,00,000	100%	1,00,00,000	100%



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2022**

14. Other equity

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Retained earnings				
Opening balance	(11,81,11,455)	(19,19,247)	(28,85,805)	(1,36,272)
Profit for the Year	(4,52,37,976)	(1,84,868)	(11,52,25,650)	(17,82,975)
Total Reserves and Surplus	(16,33,49,431)	(21,04,115)	(11,81,11,455)	(19,19,247)

15. Financial Liabilities –Non Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Installment due for Production Equipment	90,30,14,175	1,19,12,000	-	-
	90,30,14,175	1,19,12,000	-	-

16. (a) Provisions-Non current

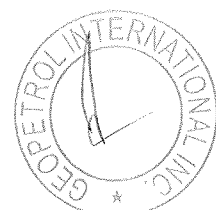
Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Provision for site restoration	3,51,46,401	4,63,629	3,35,51,967	4,56,460
Provision for Employee benefits	15,94,739	21,037	15,94,739	21,696
	3,67,41,140	4,84,666	3,51,46,705	4,78,156

(b) Movement of Provision for decommissioning

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Balance at beginning of the year	3,35,51,967	4,56,460	3,17,38,041	4,21,008
Additions during the year	15,94,435	21,398	18,13,926	24,678
Foreign exchange fluctuation	-	(14,229)	-	10,774
Balance at end of the year	3,51,46,401	4,63,629	3,35,51,967	4,56,460

17. Deferred tax liability net

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Deferred tax liability	97,88,950	1,29,130	1,33,12,374	1,81,109
Depreciation, depletion, amortization assets				
Deferred tax asset	-	-	-	-
Net deferred tax liability	97,88,950	1,29,130	1,33,12,374	1,81,109
Deferred tax expense/ (Income) for the year	(35,23,424)	(47,287)	(1,69,14,166)	(2,27,954)





**Geopetrol International Inc.**
**Notes to Consolidated financial statements for the year ended March 31, 2022**
**18. Trade payables**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Micro and small enterprises	-	-	-	-
Other than Micro and small enterprises	19,13,28,970	25,23,892	19,37,90,874	26,36,442
	19,13,28,970	25,23,892	19,37,90,874	26,36,442

**Trade Payables ageing schedule**

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	20,95,54,671	-	-	-	20,95,54,671
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**19. Short-term borrowings**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Loan received from Parent company	1,00,44,44,075	1,32,50,000	97,39,37,275	1,32,50,000
Loan from others	33,73,41,595	44,50,000	32,70,95,915	44,50,000
	1,34,17,85,670	1,77,00,000	1,30,10,33,190	1,77,00,000

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

**20. Financial Liabilities-Current**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Interest Payable	6,13,46,317	8,09,242	2,44,81,455	3,33,060
Interest Payable-Others	1,44,34,354	1,90,409	87,82,636	1,19,484
Joint Venture Payable	84,34,765	1,11,266	-	-
Installment due for Production Equipment	19,21,25,514	25,34,400	-	-
Other Payables	1,82,25,701	2,40,423	-	-
	29,45,66,651	38,85,740	3,32,64,091	4,52,544

**21. Provisions-Current**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Provision for unfinished work programme	13,84,33,155	18,26,124	13,00,98,615	17,69,935
	13,84,33,155	18,26,124	13,00,98,615	17,69,935



**Geopetrol International Inc.**

**Notes to Consolidated financial statements for the year ended March 31, 2022**

22. Other current liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹	US\$	₹	US\$
Statutory dues payable	2,69,475	3,555	8,33,319	11,337
	2,69,475	3,555	8,33,319	11,337

23. Revenue from operations

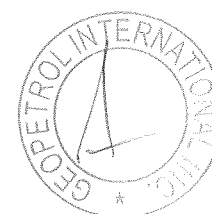
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	US\$	₹	US\$
Sale of crude oil / Condensate	28,68,33,606	38,49,495	15,76,39,633	21,24,523
Less: Profit petroleum to Government of India	(3,46,28,809)	(4,64,741)	(1,33,75,470)	(1,80,262)
Net sales	25,22,04,797	33,84,754	14,42,64,163	19,44,261

24. Other income

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	US\$	₹	US\$
Interest income on bank deposits	17,07,567	22,917	19,67,432	26,515
Foreign exchange fluctuation gain	-	-	2,00,40,289	52,565
Miscellaneous Income	84,10,460	1,12,874	38,437	518
	1,01,18,027	1,35,791	2,20,46,157	79,598

25. Share of expenses from producing oil and gas blocks

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	US\$	₹	US\$
Manpower costs	3,38,21,811	4,53,911	3,40,84,800	4,59,364
Repairs and maintenance	15,40,944	20,680	19,29,749	26,007
Insurance	12,57,658	16,879	11,51,614	15,520
Other production expenses	1,96,50,298	2,63,720	2,50,75,703	3,37,949
Consumables	30,42,431	40,831	30,66,489	41,327
Transportation and logistics	4,57,433	6,139	4,52,353	6,096
(a)	5,97,70,575	8,02,160	6,57,60,708	8,86,263
Royalty	4,61,63,206	6,19,540	2,38,95,693	3,22,044
Cess	4,78,05,771	6,41,585	2,37,75,054	3,20,419
(b)	9,39,68,977	12,61,125	4,76,70,747	6,42,463
Total (a+b)	15,37,39,552	20,63,285	11,34,31,455	15,28,726



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2022**

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

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	US\$	₹	₹
Inventories at the end of the year	74,91,253	98,820	2,23,90,986	3,04,620
Less: Inventories at the beginning of the year	2,23,90,986	3,04,620	91,01,866	1,20,737
Net (Increase)/decrease in inventories	1,48,99,733	2,05,800	(1,32,89,120)	(1,83,883)

27. Employee benefits expense

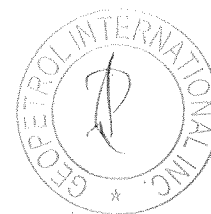
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	US\$	₹	US\$
Salaries, wages and bonus	26,55,903	35,644	6,85,049	9,233
Contribution to provident fund and other funds	2,22,332	2,984	1,15,005	1,550
Staff welfare expenses	1,21,389	1,629	35,337	476
	29,99,624	40,257	8,35,391	11,259

28. Finance cost- others

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	US\$	₹	US\$
Interest on Intercorporate loan	3,54,81,322	4,76,183	1,30,76,486	1,76,231
	3,54,81,322	4,76,183	1,30,76,486	1,76,231

29. Other Expenses

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	US\$	₹	US\$
Office and guest house rent	36,87,926	49,494	29,52,392	39,790
Rates and taxes	-	-	1,58,289	2,133
Travelling and conveyance	1,26,412	1,697	61,273	826
Communication expenses	31,985	429	30,805	415
Legal and professional fees	11,50,000	15,434	11,21,700	15,117
Printing and stationary	9,166	123	5,611	76
Corporate expenses	2,980	40	2,226	30
Miscellaneous expenses	79,87,270	1,07,194	87,19,923	1,17,517
Forex difference	3,81,60,031	84,042	-	-
	5,11,55,770	2,58,453	1,30,52,219	1,75,904
Payment to Auditor:				
Audit fee	9,63,000	12,924	5,00,000	6,739
	9,63,000	12,924	5,00,000	6,739
Total other expenses	5,21,18,770	2,71,377	1,35,52,219	1,82,643



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2022**

**30. 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.36,87,924(previous year Rs.36,87,924).

**31. 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.36,87,924.

**32. CIF Value of imports**

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

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	₹	US\$	₹	US\$
Stores and Spares	10,13,475	13,321	7,21,729	9,575
Capital Equipment	-	-	-	-

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

Stores and Spares	Year ended 31 March 2022			Year ended 31 March 2021		
	%	₹	US\$	%	₹	US\$
Imported	33%	14,29,993	20,811	30%	10,25,563	14,172
Indigenous	67%	28,72,065	38,957	70%	42,04,938	57,530
	100%	43,02,058	59,768	100%	52,30,501	71,702

**33. Related Party Disclosures:**

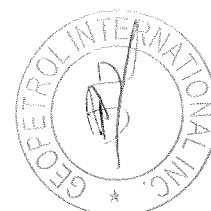
Hindustan Oil Exploration Company Limited: Holding Company

*Transactions during the year:*

Particulars	31 March 2022		31 March 2021	
	₹	US\$	₹	US\$
Loan taken during the year	-	-	33,78,35,000	45,00,000
Interest on loan	3,54,81,322	4,76,183	1,30,76,486	1,76,231

*Outstanding balance at the end of the year:*

Particulars	31 March 2022		31 March 2021	
	₹	US\$	₹	US\$
Loan repayable including interest	106,57,90,392	14,059,242	99,84,18,730	1,35,83,060



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2022**

Geoenpro Petroleum Limited (Operator)- Kharsang block

Transactions during the year:

Particulars	31 March 2022		31 March 2021	
	₹	US\$	₹	US\$
PSC overhead income	83,86,289	112,550	-	-

**34. Expenditure in foreign currency**

Description	Year ended 31 March 2022		Year ended 31 March 2021	
	₹	US\$	₹	US\$
Others	-	-	68,657	918

**35. Oil and Gas Reserves**

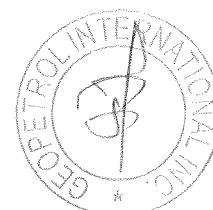
As at 31 March 2022, the proved and probable reserves for the Kharsang Block as estimated by the Operator are as follows:

Proved Reserves (Crude Oil in KL):

Particulars	JV 100%		Geopetrol share 25%	
	As on March31, 2022	As on March31, 2021	As on March31, 2022	As on March31, 2021
Opening reserve	2,48,320	2,81,894	62,080	70,474
Addition/ (Deletion)	-	-	-	-
Production for the year	(30,194)	(33,574)	(7,549)	(8,394)
Closing balance	2,18,126	2,48,320	54,531	62,080
Proved undeveloped reserves as on April 1,2022	2,72,741	2,72,741	2,72,741	2,72,741

**36. Income Tax Matters:**

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



**Geopetrol International Inc.**  
**Notes to Consolidated financial statements for the year ended March 31, 2022**

37. 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.

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.

**38. 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 ((₹30,30,11,686) in terms of the PSC. Out of which an amount of US 22,27,205 (₹ 16,88,37,952) was realized by GOI by invocation of bank guarantee provided by Geopetrol and for the balance US\$ 17,69,936 (₹ 13,41,73,734) liability was created. However, DGH has made a claim of US 56,37,020 (₹ 42,73,26,139) which has no basis and is being disputed. Accordingly, no liability is created for the disputed amount of US\$ 16,39,879 (₹ 12,43,14,452).
- (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.
- (iii) Kharsang Block JV proposed our share of differential amount of profit petroleum to Government of India towards cost recovery limit of US\$18,50,000 (₹14,02,43,135) against claim amount of US\$31,85,565 (₹24,14,88,463). Accordingly, no liability is created for the disputed amount of US\$13,35,565 (₹ 10,12,45,328).

*Commitments*

Geopetrol share of estimated value of contracts to be executed for the Kharsang block is estimated as Rs.72,00,186(previous year Rs.64,78,243).

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

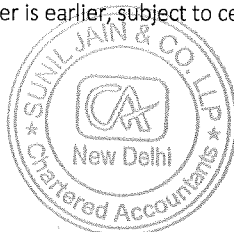
39. PSC Extension- The primary duration of the PSC for Kharsang Field is for a period of twenty five (25) years from the Effective Date, i.e. till June 15, 2020, and may be extended by the Government of India.

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.

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.

Considering the expiry date of existing PSC i.e June 15,2020 and PML validity linked with PSC Extension on or before June 15, 2020, contractor Parties have requested MoPNG to grant an interim PSC extension from June 16,2020 onward till the formal PSC extension is granted.

Pending formal extension of Khasang PSC, MoPNG vide letter dated June 08,2020 has granted the permission to contractor parties, to continue petroleum operation in Kharsang filed till the execution of the Addendum to PSC or for three (3) months from 16.06.2020, whichever is earlier, subject to certain condition.



## Geopetrol International Inc.

### Notes to Consolidated financial statements for the year ended March 31, 2022

Subsequent to above, the provisional extension/permission are being granted by Ministry of Petroleum and Natural Gas (MoPNG) to continue petroleum operation in Kharsang filed till the execution of the Addendum to PSC. These provisional extension are being granted consequently for shorter period of time i.e either for 3 or 2 months.

As per the last communication from MoPNG dated February 16,2022, the extension to continue petroleum operations in Kharsang Filed has been granted for further period of three (3) months beyond February 15, 2022 i.e valid till May 15, 2022.

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

40. 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.
41. 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.
42. 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)



For and on behalf of the Board of Directors

P. Elango  
Director

R. Jeevanandam  
Director

Place: New Delhi  
Date: 18.5.2022

Place: Chennai  
Date: 18.05.2022

UDIN:- 22511714AJNOXN3268

