



38th Annual Report | 2021-2022

INDIA'S FIRST PRIVATE OIL AND GAS COMPANY



HINDUSTAN OIL EXPLORATION COMPANY LIMITED
TRANSFORMING THROUGH TALENT AND TECHNOLOGY

Growing Responsibly



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Registered Office

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Gujarat, India
E-mail: contact@hoec.com
Website: www.hoec.com

Chennai Office

'Lakshmi Chambers'
192, St. Mary's Road
Alwarpet
Chennai – 600 018
Tamil Nadu, India

Statutory Auditor

Deloitte Haskins & Sells LLP
Chartered Accountants
Audit Partner
Mr. C. Manish Muralidhar

Secretarial Auditor

S Sandeep & Associates
Company Secretaries

Internal Auditor

Guru & Ram LLP
Chartered Accountants

Cost Auditor

Mr. K. Suryanarayanan

CIN

L111100GJ1996PLC029880

ISIN

INE345A01011

38th Annual General Meeting

Day: **Wednesday** Date: **September 28, 2022** Time: **10:30 a.m.**

Mode: The Company is conducting the ensuing 38th AGM through VC / OAVM.

Detailed instructions for participation and voting at the meeting is available in the notice of the 38th AGM.

Disclaimer Note:

Certain sections of this Annual Report, in particular the Management's Discussion and Analysis, and Operational Highlights may contain forward-looking statements concerning the financial condition and results of operations of HOEC. Forward-looking statements are statements of future expectations that are based on management's current expectations & assumptions and involve known & unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. No assurances can be given as to future results, levels of activity and achievements & actual results. Level of activity and achievements may differ materially from those expressed or implied by any forward-looking statements contained in this report. HOEC does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information.

HIGHLIGHTS – FY 2021-2022



B-80 : MB/OSDSF/B80/2016 (HOEC PI : 60%) (O)

- Discovered Small Field – B80 development project was completed safely and successfully.
- The project involved:
 - Installation of Mobile Offshore Processing Unit named as Key Gibraltar – Offshore Installation platform.
 - Laying of all oil and gas flowlines and export line including Hot – Tapping of existing ONGC pipeline.
 - Installation of Single Point Mooring system (SPM).
 - Mobilization of Floating Storage & Offloading (FSO) vessel.
- All facilities were integrated and was made ready for production.
- Successful e-auction for gas sales was conducted and GSPC emerged as the winner.



Dirok : AAP-ON-94/1 (HOEC PI : 26.882%) (O)

- Successful completion of production for 4 years and our Hollong Modular Gas Processing Plant (HMGPP) has crossed 1480 LTI free days.
- Cumulative production from Dirok has crossed the milestone of 50 BCF of Natural Gas and 1 MMBBL of Condensate.
- Successfully conducted gas e-auction and 6 premium gas sales agreement were signed, increasing the realized price.
- Obtained Stage – I Forest Clearance for our Dirok Phase – II execution which involves increasing the production to 55 mmscfd.
- **In our Cambay asset**, we have achieved zero flaring by commencing the sale of Associated Natural Gas.



AVERAGE PRODUCTION

7,895 boepd (Gross)
2,441 boepd (HOEC-Net)



PROFIT FOR THE YEAR

₹ 1995.31 Lakhs

PRODUCTION

WORKING INTEREST



8,90,819 boe

GROSS

WORKING CAPITAL



₹ 167 Crores

HSE

LOST TIME INJURY



0

NET

WORTH



₹ 753 Crores

TOTAL

INCOME



₹ 167 Crores



Note: Figures are given on a consolidated basis

Other North-Eastern Blocks



Kharsang (HOEC PI : 30%) (O) - Direct and Indirect

- Adhoc PSC extension has been granted.
- RFDP is approved and the mining lease is granted till 15 June 2030.



Kherem : AA/ONDSF/Kherem/2016 (HOEC PI : 40%) (O)

- Block awarded under DSF Bid Round 2016. Work Program (2 wells) to be completed in 3 years from the date of PML.
- Forest Clearance (FC) is in Final stage, NoC for FRA obtained, PML to be processed after FC.



Greater Dirok : AA-ONHP-2017/19 (HOEC PI:100%) (O)

- Block awarded under OALP Bid Round 2019. Exploratory block adjacent to Dirok block with associated synergies with respect to both surface and sub-surface.
- The preliminary Environmental Impact Assessment studies will be initiated for further development and regulatory process.



Umatara (HOEC PI : 10%) (O)

- Block awarded under DSF Bid Round 2019.
- Fifth block in HOEC's portfolio of North-East blocks and is 50 km away from Dirok field.
- It will be jointly operated by IOC (as Lead operator) & HOEC.
- Upon successful sanction of Environmental Clearance, tendering and land acquisition for approved FDP is under implementation.

Cambay Assets



North Balol (HOEC PI : 25%) (O)

- Approved the development of 2 wells & hook-up to GCS as a part of Field Development Plan which will be executed over next two years.
- Successfully completed mandatory Public Hearing on environmental clearance for future development.



Asjol (HOEC PI : 50%) (O)

- Approved the development of 2 wells and hook-up to EPS as a part of FDP will be executed over the next 2 years.
- Successfully completed mandatory Public Hearing and initiated the environmental clearance process.



Palej : CB-ON-7 (HOEC PI : 35%) (O)

- Ring Fenced PSC has been submitted to MoPNG through DGH.

Other Offshore Assets



PY-1 (HOEC PI : 100%) (O)

- Finalized the settlement agreement and is being executed for 10-year grant extension.
- Completed Environmental Impact Assessment for obtaining Environmental Clearance to drill additional wells.



PY-3 (HOEC PI : 21%)

- Field under shutdown since July 2011.
- Last production (100%) – 3,300 boepd.
- PSC extension has been granted till 2030.

OUR ASSET PORTFOLIO

Consists of 10 Oil & Gas blocks of Discovered Resources and 1 Exploratory block

Portfolio of discovered resources Ten blocks with discoveries producing / ready to be developed.

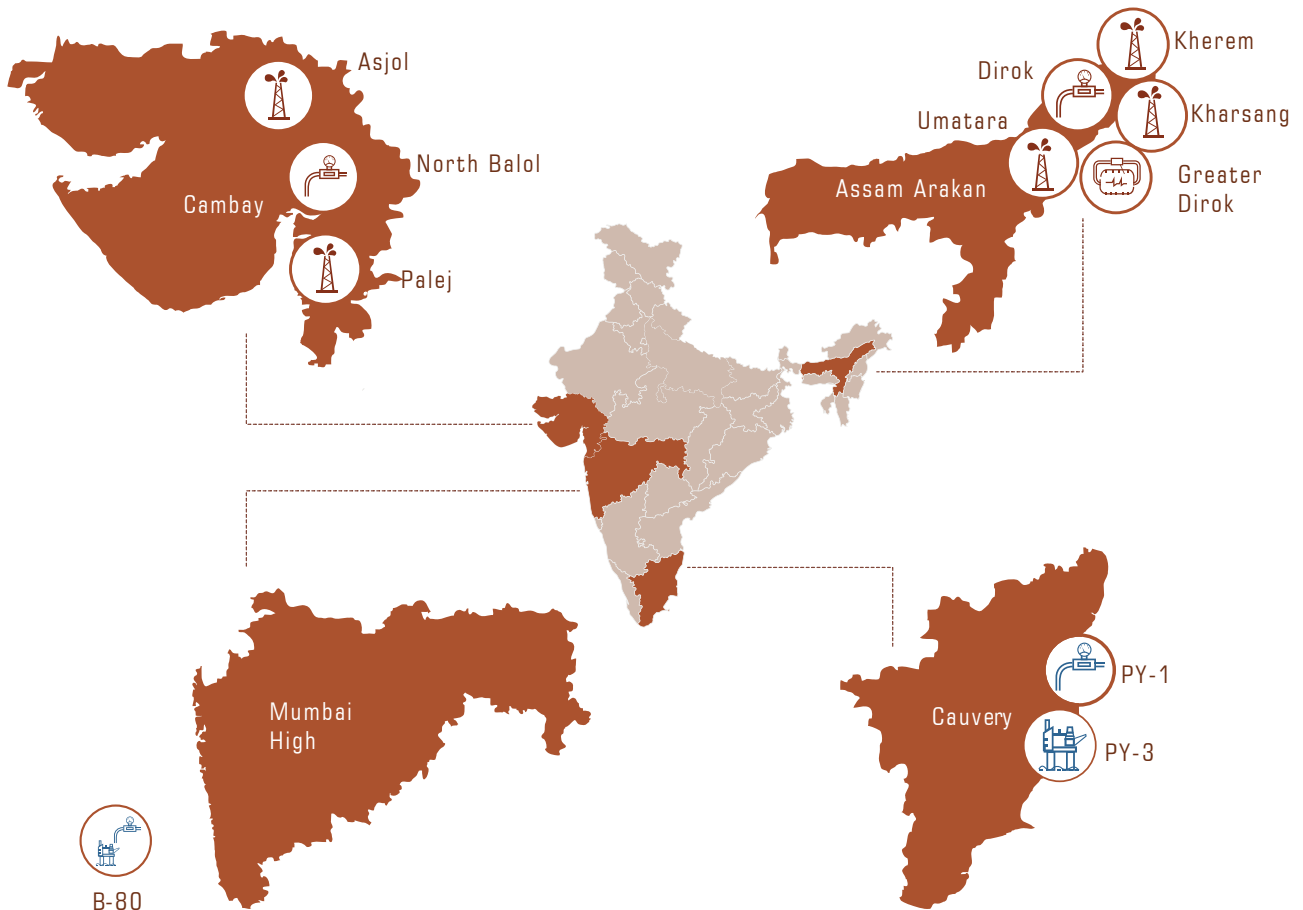
Diverse geographical footprint Presence in 4 out of 7 producing basins in India.

Balanced portfolio Offshore – 3 blocks / Onshore - 8 blocks & Oil / Gas.

Upside potential for exploration within portfolio with infrastructure for rapid monetization.

Operatorship in majority of blocks to drive value creation.

One exploratory block in our focus area, North- East, added to portfolio through OALP-I.



Onshore Oil Well

Offshore Oil Well

Onshore Gas

Offshore Gas

Onshore Exploration

BOARD OF DIRECTORS



Mr. Vivek Rae

Non-Executive Independent Director/Chairman

Mr. Vivek Rae, a former Secretary, Ministry of Petroleum & Natural Gas, Government of India, served in the Indian Administrative Services for 38 years. During this period, he worked in diverse capacities under various Ministries including the Ministry of Defence and Finance and has acquired wide ranging experience cutting across social and economic sectors, including health, education, planning and finance. He superannuated as Petroleum Secretary to the Govt. of India in February 2014, during which period he also served as Chairman of the Board of Petronet LNG Ltd. and Indian Strategic Petroleum Reserves Ltd. in an ex-officio capacity. Subsequent to his retirement, Mr. Rae served as a whole-time member of the 7th Central Pay Commission from Feb 2014 to Nov 2015 and was on the Board of Indian Oil Corporation Limited as an Independent Director during 2017-18. Mr. Rae has been an invitee to the Prime Minister's annual consultation with global experts on Oil & Gas, convened by NitiAyog during 2016-18.



Mr. Pronip Kumar Borthakur

Non-Executive Independent Director

Mr. P.K. Borthakur brings in more than 42 years of rich & diverse experience from his illustrious career in ONGC, from where he retired as Director (Offshore). He has led multiple large onshore and offshore operations and projects. His wide technical expertise ranges from managing oil & gas operations, artificial lift, well completion, drilling, well control, reservoir management to processing and extraction of value-added petroleum products. He is a well-recognized and respected technical authority in the Oil and Gas Sector.



Ms. Sharmila H. Amin

Non-Executive Independent Director

Ms. Sharmila Amin is the South Asian Regional Director and Managing Director of Bertling Logistics. She is a Graduate in Commerce from the University of Mumbai. She also has a long list of additional qualifications that include Shipping Management from the Indian Institute of Management, Ahmedabad and is a Customs License Holder (Rule 9), Mumbai. In her long career in Heavy Lift Projects Logistics, she has previously headed PAN projects / Oil & Gas for the South Asia Region as a part of the Panalpina Group. She has headed CRC's Projects Division and also N.S. Guzder and Company's Project Logistics Division.



Mr. Ashok Kumar Goel

Non-Executive Non-Independent Director

Mr. Ashok Goel was the Chairman and Managing Director of Essel Propack Limited until August 2019. He holds a bachelor's degree in Commerce and is Chairman of Essel World / Water Kingdom. He has been President of Industry Associations namely Organisation of Plastics Processors of India (OPPI), Plast India Foundation and Founder President of Indian Association of Amusement Parks and Industries (IAAPI). He is actively involved with several Schools/educational institutes in various capacities and has been inducted as a Member, Board of Governors of IIT Goa. He possesses great business insight, sharp business acumen, and has rich experience in running and managing the business. In July 2005, the renowned publication 'The Smart Manager' rated Mr. Ashok Goel as "One of the 25 truly world class managers from India". Mr. Ashok Goel also serves on the Boards of various other listed and unlisted entities.



Mr. Rohit Rajgopal Dhoot

Non-Executive Non-Independent Director

Mr. Rohit Rajgopal Dhoot is the Managing Director of Dhoot Industrial Finance Limited since 1994 and has an opulent experience of more than 24 years. When qualified, he achieved the distinction of being one of the youngest Chartered Accountants in the country. He joined the management of Dhoot Industrial Finance Limited in 1988 as a director of the Company and was incharge of marketing and expansion of business. He has an all-encompassing background and experience in Finance, Banking, Mergers and Acquisitions, Strategic Planning, Restructuring Operations, Export Marketing, Trading and Logistics, International Business Relations and Collaborations & Joint Ventures



Mr. Elango Pandarinathan

Managing Director

In his career spanning over 37 years in the Upstream Oil & Gas sector, Mr. P. Elango has held several leadership roles in different areas of the business and is a recognized leader in the Indian industry. Prior to joining HOEC, he was the Chief Executive Officer & Whole-time Director of Cairn India Limited. Over his long association with Cairn, he played a key role in building Cairn into a leading Oil & Gas company. He holds a master's degree in Business Administration and began his career with ONGC in 1985. He was one of the five finalists for Platts' first-ever Asia CEO of the Year Award 2013.



Mr. Ramasamy Jeevanandam

Executive Director and Chief Financial Officer

Mr. Ramasamy Jeevanandam has an overall experience of more than 40 years in various aspects of finance, listing, funding, finalization of accounts and taxation of Upstream Oil & Gas industry in India. Before joining HOEC, he worked as Vice President at Aban Offshore Limited and functioned as CFO & Director at Hardy Exploration & Production (India) Inc. He started his career with ONGC in 1982. He is a CPA (USA), CGMA (USA), Qualified Cost Accountant, Chartered Financial Analyst and Company Secretary with a bachelor's degree in Law.



SAFETY FIRST

HOEC's Health and Safety Policy is anchored on the core principle that **"All Lives Have Equal Value"** and **"Nothing is more important than Safe Operations"**. HOEC's Board and the Management understand the need for sustainable development and are committed to achieve this goal, by laying strict emphasis on compliance with all legislations and statutory requirements and adopting global best practices. This includes the welfare, health and safety of employees, contractors, and the local communities where the Company operates, as well as the safety of all its operational machinery and equipment.



HSE Training at KGBOI



Fire Hose practical Training at Dirok



Lifeboat Training at KGBOI



Fire Fighting Training at HMGPP



Fire Tender operation training at Dirok Field

TO ENSURE THIS:

- HOEC has a robust Emergency Response Plan (ERP) for production operations, drilling campaigns and project execution activities to respond swiftly during any emergency.
- Risk assessment studies are conducted for critical activities and safe operation procedures are developed for controlling identified hazards.
- All Health, Safety, Environment, and related issues are incorporated and addressed during hook-up & commissioning of new installations, routine productions and regular logistical operations for onshore and offshore assets.
- Reviewing regularly all Standard Operating Procedures (SOPs) and developing new ones that are in line with those implemented across the industry.
- Assessing and monitoring the health & safety track record and performance of all service providers and contractors, both, before and after the award of contracts, to achieve the common objective of safe operations.
- HOEC has a "Stop Work Program" holding all operating personnel accountable to maintain a healthy and safe working environment on site, by empowering them to stop an unsafe act irrespective of its financial impact, to ensure zero tolerance.
- HSE awareness campaigns are conducted regularly, and best practices are felicitated by HSE Awards Program.
- Engaging all operating personnel in monthly mock safety drills, to ensure that all personnel remain aware and vigilant and act swiftly to handle any emergency.
- Practical training on operating Fire Protection System, Lifesaving appliances and Oil Spill Response are provided to site personnel.
- Performing comprehensive internal site audits on HSE compliance during major operational activities, such as drilling, development, and production.
- HSE performance of all the operational Block are reviewed by HSE Steering & Risk Management Committee which includes members from the Management Team.
- Mutual aid scheme with nearby Operators to avail assistance during emergency situation.
- HSE Management System in place to ensure full compliance with the guidelines recommended by regulatory authorities.
- Utilizing the Health, Safety and Environment (HSE) Department as a store house of expertise, which passes on all relevant knowledge to operating personnel and Managers stationed at various sites.

Key Performance Indicators (KPIs) : FY 2021 - 22	HOEC	OGP*
Fatal Accident Rate (FAR)	0.00	0.75
LTI Frequency (LTIF)	0.01	0.22
LTI Severity Rating (LTISR)	0.00	52.4
First Aid Cases	0.01	NR
Total Recordable Injury Rate (TRIR)	0.00	0.77

* OGP Report No 2021s (June 2022)

HOEC – Directing, Changing, and Delivering

Progressing with B-80

Developing B-80 in a pandemic environment has been an incredibly challenging journey. In particular, during FY 2021-22, Cyclone Tauktae, one of the strongest tropical cyclone that hit the Arabian Sea during May 2021, set the project development back by a year. This posed unprecedented challenges causing severe strain on the limited resources. Team HOEC overcame all the hurdles and safely installed the CALM Buoy and completed the installation of Single Point Mooring (SPM) system during the post monsoon weather window. Our FSO vessel, Prem Pride was mobilised to the location, and it is now connected to the SPM. All the offshore facilities have been installed and fully integrated. All the top side process equipment were tested, and commissioning activities commenced with the introduction of oil and gas into the system. Post commissioning, operational issues are being handled on a day-to-day basis, targeting stable and sustained production operations.



B-80: KGB-OI Fully integrated Process Area

Taking advantage of the prevailing brent crude prices, we have established a way to link the natural gas price and the brent crude price. As a result of a successful e-auction conducted for B80 – Gas, the Gujarat State Petroleum Corporation Ltd. (GSPC) emerged as the winner and gas sales commenced through ONGC pipeline system and was delivered to GSPC at Hazira, Gujarat. Gas sales system involved sharing the facilities of ONGC and GAIL through tariff agreements by HOEC and GSPC, respectively. Efficiency of this complex delivery system involving multiple stakeholders was established and revenue from First Gas sales was realised subsequently.

Focusing on Value over Volume at Dirok

At Dirok too, challenges on the ground of running safe operations during the pandemic year continued and the HMGPP LTI free days have surpassed 1480 days since its inception. The performance of Dirok reservoir has been consistent and promising. Despite the hurdles, we continued to maintain production and successfully crossed a major milestone by producing 50 BCF of natural gas and 1 million barrels of condensate from this field.

We have now shifted our focus on the value over volume at Dirok. A successful gas e-auction for the first time in North-East was conducted and six premium gas sales agreement were signed, increasing the realized price (>\$1/MMBTU over and above the Government notified prices). As a result, gas sales at premium prices commenced to four new buyers (AGCL, BCPL, NRL and NEEPCO). Share of premium sales in total gas sales has shown an increasing trend, touching 40% during Q4 FY 2021-22.

This pioneering e-auction uncovered the North-East region's natural gas market potential. We are also preparing for the North-East market to be connected to the rest of India via the North-East Gas Grid Indradhanush. The rising demand for natural gas in the North-East has prompted us to enhance our production, and the preparatory work on the Dirok Phase-II development has commenced by obtaining Stage-I Forest Clearance.

Prospective Resources in PY-1

In PY-1, production has declined, and the offtake has been negligible and inconsistent during the year. To revive stable production, additional wells need to be drilled. Our geological studies have been completed and we have completed the Environmental Impact Assessment for obtaining Environmental Clearance, to plan the next drilling campaign in this technically challenging unique fractured basement reservoir. Although the current output from PY-1 is quite low, we are optimistic that the drilling program will return the field to its full potential. The final investment decision will be made following an independent technical review and risk reduction.

Untapped Potential in Cambay

We then successfully completed the mandatory public hearing to initiate the Environmental Clearance process to drill additional wells in our Asjol and North Balol blocks. Similarly, for our Palej block, we have submitted the RF PSC to MoPNG via DGH for further developments.

Progressing with a Purpose

Overcoming the operational challenges and bringing the production operations of B-80 into a stable mode remains our top priority. Considering that the wells have performed to our expectations, we are confident that we will be able to overcome the remaining challenges post monsoon. Post that, we will prioritise accelerating HOEC's growth journey by fast tracking the development of discovered resources within our portfolio.

Even as we prepare for our next stage of growth, I would like to reiterate our goal is to emerge as a role model for Responsible Business Operations among Independent Oil and Gas companies with a sharper focus on Environmental, Social and Governance (ESG) aspects.



B-80: Post Installation of Single Point Mooring system (SPM)

Towards this long journey, we have taken following two small steps:

We made a commitment to implement the steps to achieve Net-Zero emissions at Dirok. This ambition is backed by a comprehensive roadmap approach that identifies emission-reduction opportunities. Idea is to demonstrate the efficacy of this pilot model in Dirok and then replicate it across all our operating assets. Our aim is to establish a model, to create a sustainable environment around oil and gas fields in the eco sensitive North-East region.

Finally, we have achieved zero flaring in our Cambay asset, by selling a small volume of associated natural gas, which was previously flared.

Thank you for your continuing support, especially during this challenging period.

P. Elango
Managing Director

Board's Report

To

The Members of
Hindustan Oil Exploration Company Limited

Your Directors have pleasure in placing before you the 38th Annual Report on the business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	13,050.47	9,943.83	15,572.52	11,386.47
Other Income	1,680.41	1,182.56	1,146.39	1,132.23
Total Income	14,730.88	11,126.39	16,718.91	12,518.70
Total Expenses	7,711.84	7,379.15	11,224.20	8,888.77
Profit before share of profit of associate, exceptional items and tax	7,019.04	3,747.24	5,494.71	3,629.93
Share of profit of associate	–	–	(89.71)	153.64
Profit before exceptional items and tax	7,019.04	3,747.24	5,405.00	3,783.57
Exceptional items	(3,436.53)	2,758.72	(3,436.53)	1,398.88
Profit before tax	3,582.51	6,505.96	1,968.47	5,182.45
Tax expense	–	–	(30.90)	(159.46)
Profit for the year	3,582.51	6,505.96	1,999.37	5,341.91
Other comprehensive income	(4.06)	4.23	(4.06)	4.23
Total comprehensive income for the year	3,578.45	6,510.19	1,995.31	5,346.14

Note: The above figures are extracted from the audited standalone and consolidated financial statements prepared as per Indian Accounting Standards (Ind AS)

2. BUSINESS PERFORMANCE

During the year, your Company produced and sold 3.39 BCF of gas and 0.08 million barrels of oil (previous year: 3.96 BCF of gas and 0.08 million barrel of oil). In oil equivalent term the production for the current year is 0.84 mmboe (0.85 mmboe in the previous year). The revenue for the current year has increased to ₹ 13,050.47 lakhs from ₹ 9,943.83 lakhs in the previous year. Other income for the current year is ₹ 1,680.41 lakhs as against ₹ 1,182.56 lakhs in the previous year.

The cost towards production expenses has decreased to ₹ 2,225.18 lakhs compared to ₹ 2,296.32 lakhs in the previous year. However, the total expenses for the current year has increased to ₹ 7,711.84 lakhs as compared to ₹ 7,379.15 lakhs in the previous year mainly on account of increased expenses towards Royalty and Cess payment. This includes the non-cash cost of depreciation, depletion and amortisation and finance cost towards unwinding of decommissioning of ₹ 2,089.52 lakhs in the current year as against ₹ 2,417.95 lakhs incurred during the previous year.

On a standalone basis, the profit before exceptional items and tax has increased to ₹ 7,019.04 lakhs as compared to ₹ 3,747.24 lakhs in the previous year. The profit after tax is ₹ 3,582.51 lakhs as against the profit of ₹ 6,505.96 lakhs in the previous year. The cash and cash equivalent in the company as on March 31, 2022 is ₹ 1,327.40 lakhs, compared to ₹ 6,044.62 lakhs in the previous year. The gross working capital has reduced from ₹ 33,086.63 lakhs in the previous year to ₹ 30,697.61 lakhs.

On a consolidated basis, revenue from operations has increased from ₹ 11,386.47 lakhs to ₹ 15,572.52 lakhs and the profit after tax for the current year is ₹ 1,999.37 lakhs compared to ₹ 5,341.91 lakhs in the previous year.

Capital Expenditure

During the year under review, a development expenditure of ₹ 21,617.88 lakhs (₹ 13,473.21 lakhs for previous year) was incurred for the development activities in the discovered fields of Block B-80, ₹ 75.88 lakhs (₹ 141.01 lakhs for previous year) for Dirok and ₹ 76.24 lakhs (₹ 9.58 lakhs for previous year) for other development activities.

Transfer to reserves

During the year under review, no amount was transferred to the capital reserves of the company. The land and buildings of the company are stated at cost and are not being revalued.

Measures taken to improve the operational & financial performance

With the emergence of the COVID-19 pandemic during Q4 of FY 2019-20, the health crisis further deepened. During FY 2020-21, HOEC had devised a set of procedures & strategies to ensure minimal to nil exposure to the COVID-19 pandemic. As majority of the world's population got vaccinated during the FY 2021-22, normal life began to reappear. Your Company has been appropriately addressing the challenges posed by the evolving situation with renewed vigor, while ensuring the wellbeing of the employees and the communities in which we operate.

In view of the economic uncertainties, a definitive assessment of the financial impact on the Company is highly dependent on evolving circumstances. The Company will continue to closely monitor any material changes to future economic conditions. In order to mitigate some of the impact, the Company has been taking various initiatives to manage its costs across the organization.

3. OUTLOOK

Your Company has capital requirements to implement its business plans and to continue the development of B-80, Dirok, PY-1, Kherem and other marginal fields at Cambay in the immediate future, which will be met through the internal accruals and the existing working capital by proper scheduling of project activities. Our near-term focus is to secure the best possible value from the excellent set of opportunities presented by our portfolio of discovered resources along with prudent capital allocation and carefully planned market strategies. If necessary, additional capital/debt will be raised to develop the blocks in the existing portfolio and for any inorganic opportunities.

4. DIVIDEND

Your Company is positioned on a growth trajectory and is actively pursuing both exploration opportunities and appraisal / development of discoveries established in its existing portfolio. To finance this growth, the Company needs financial resources in the immediate term and hence your Directors do not recommend any dividend for the year.

5. DEPOSITS FROM PUBLIC

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest are outstanding as at the balance sheet date.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the Standalone Financial Statements provided in this Annual Report.

7. NO CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business being carried out by the Company.

8. SHARE CAPITAL

There is no change in share capital during the year. The company has not issued any shares with differential rights as to voting, dividend or otherwise.

9. PROMOTER

The Promoter - M/s Burren Energy India Limited holds 5,745 shares in the Company and has declared that they have not pledged any of their shareholding in the Company.

10. SUBSIDIARIES

Your Company has two wholly owned subsidiaries namely, Hindage Oilfield Services Limited and Geopetrol International Inc.

Hindage Oilfield Services Limited:

Hindage Oilfield Services Limited ('Hindage') is currently in the line of business of Oil Field Equipment and Services (OFES).

Geopetrol International Inc.:

Geopetrol International Inc. ('GPII') is a Company incorporated in the Republic of Panama. GPII is registered as a foreign company in India and operates through an Indian Project Office. GPII has entered into various production sharing contracts with Government of India including a producing oil field Kharsang in Arunachal Pradesh with 25% participating interest.

GPII holds the entire share capital of Geopetrol Mauritius Ltd ('GML'), a company established under the laws of Mauritius holding Category I Global Business License. Thus, GML is a wholly owned step-down subsidiary of your Company, which is in the business of investment in oil and gas exploration and services.

GML has an Indian Associate Company viz., Geoenpro Petroleum Limited ('Geoenpro'), in which GML holds 50% of the paid-up share capital. Geoenpro is the Operator of Kharsang Block with 10% participating interest.

There has been no material change in the nature of business of the subsidiaries. During the year, the Board of Directors of your Company have reviewed the affairs of the subsidiary companies.

Pursuant to Section 129(3) of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Consolidated Financial Statements of the Company has been prepared which forms part of this Annual Report.

Also, a statement containing salient features of the financial statement of the Company's subsidiaries is appended as Annexure - I to the Board's Report in the prescribed Form AOC-1.

Further, in accordance with section 136 of the Companies Act, 2013, the Annual Audited Financial Statements including the Consolidated Financial Statements and related information of the company and the Audited Financial Statements of the subsidiary companies are available on the company's website <https://www.hoec.com/results-and-reports/annual-reports/>.

11. UNINCORPORATED JOINT VENTURES

The financial statements of the Company reflect its share of assets, liabilities, income and expenditure of the joint venture operations, which are accounted on the basis of available information on a line-by-line basis with similar items in the Company's Accounts, to the extent of the participating interest of the Company, as per various "Production Sharing Contracts" (PSCs) and "Revenue Sharing Contracts" (RSCs). The financial statements of the Unincorporated Joint Ventures are prepared by the respective Operators in accordance with the requirements prescribed by the respective PSCs and RSCs.

12. DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis including the Business Responsibility Report are set out in a separate section and form part of this Annual Report.

13. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022, is available on the Company's website at <https://www.hoec.com/results-and-reports/annual-reports/>.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in Directorate during FY 2021-22:

Mr. P Elango was re-appointed as the Managing Director of the Company for a tenure of two years w.e.f October 01, 2021, and Mr. R Jeevanandam was re-appointed as Executive Director and Chief Financial Officer of the Company for a further period of two years w.e.f October 01, 2021 in terms of Section 203 of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Key Managerial Personnel:

As on March 31, 2022, Mr. P. Elango, Managing Director; Mr. R. Jeevanandam, Executive Director & CFO and Ms. G. Josephin Daisy, Company Secretary are the Key Managerial Personnel (KMP) of the Company.

15. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director that he/she meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, the independent directors fulfil the conditions specified in these regulations and are independent of the management. There has been no change in the circumstances affecting their status as an Independent Director during the year.

16. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has carried out an annual evaluation of its own performance, the Committees of the Board and individual directors. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

17. NUMBER OF MEETINGS OF THE BOARD

During the year, Seven (7) Board Meetings were convened and held. The details of meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

18. COMMITTEES OF THE BOARD

Currently, the Board has five (5) Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The composition of the Board and its Committees are provided in the Corporate Governance Report section of this Annual Report. During the year, all recommendations made by the respective Committees were approved by the Board.

19. REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework for the remuneration payable to Directors and other Key Managerial Personnel. This policy also states the criteria for selection and appointment of Board Members. The details of the policy are stated in the Corporate Governance Report.

20. DIRECTORS REMUNERATION

Details of the remuneration paid to the Executive and Non-Executive Directors of the Company are given in the Corporate Governance report Section of this Annual Report.

21. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the year under review were on an arm's length basis and in the ordinary course of business.

During the year, the Company had entered into a related party transaction with M/s. Hindage Oilfield Services Limited, a wholly owned subsidiary, for granting additional trade advances, which together with all the outstanding advances of ₹ 130 Crores was converted to Loan w.e.f March 31, 2022.

Your Directors draw the attention of the members to Note No. 45 to the standalone financial statements which set out the related party disclosures.

22. MATERIAL CHANGES AND COMMITMENTS

Post installation of Single Point Mooring (SPM) system and mobilisation of the Floating Storage and Offload (FSO) vessel, the pre-commissioning of the processing facilities at KGB - Offshore Installation such as separators, gas dehydration unit, and compressors etc. was started. Gas produced from well D-2 was processed to meet the specifications and packed into ONGC pipeline from May 31, 2022 onwards. Subsequently, Gas Transportation Agreement (GTA) between ONGC and HOEC was executed on June 03, 2022. Post meeting the gas specification, sales to GSPC has commenced effective from June 04, 2022. Although the subsea umbilical issue that was previously addressed is successfully rectified with respect to the D2 well, D1 well still requires rectification which has been planned post monsoon with the support of ONGC dive support. Both the wells have demonstrated the expected reservoir pressure while flowing and we have not seen any issues with the productivity of the wells. We are expecting the production and sales operation to be smooth and steady post monsoon.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

24. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), the relevant provisions of the Companies Act, 2013 and the Rules made thereunder, guidelines issued by SEBI and guidance note on Accounting for oil and gas producing activities (Ind AS) issued by the Institute of Chartered Accountants of India.

The financial statements are prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values, and guidelines.

In terms of Section 134(5) of the Companies Act, 2013, your directors, to the best of their knowledge and belief and according to the information and explanation obtained by them, state that:

- (i) in the preparation of annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Board and Audit Committee, the Company's internal financial controls were adequate and effective during the year under review.

25. PARTICULARS OF EMPLOYEES

A statement disclosing the details pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in Annexure - III to this Report.

26. AUDIT REPORTS AND AUDITORS

Audit Reports for the financial year ended March 31, 2022:

- The Auditors Report on the standalone and consolidated financial statements forms part of this Annual Report and does not contain any qualification, reservations or adverse remark.
- The Secretarial Audit Report for the year is included as Annexure IV to this Report and it does not contain any qualification, reservations or adverse remark. The Company complies with all applicable secretarial standards.
- Your Company has maintained cost records which were duly audited in terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. The cost audit report for the financial year ended March 31, 2022 was filed with the Central Government within the prescribed timelines.

- The Internal Auditors findings are discussed, and suitable corrective actions are taken as per the directions of the Audit Committee on an ongoing basis to improve efficiency in operations.
- Neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would be required to be mentioned in the Board's Report.

Auditors for the financial year ending March 31, 2023:

Statutory Auditor

At the 36th AGM of the Company held on September 30, 2020, the Members approved re-appointment of M/s. Deloitte Haskins & Sells LLP (FRN: 117366 W/W 100018), Chartered Accountants, as Statutory Auditors for a second term of five (5) years to hold office from the conclusion of the 36th AGM of the Company until the conclusion of 41st AGM.

Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013 and rules made there under M/s. S. Sandeep & Associates, Company Secretaries in Practice are appointed to conduct the secretarial audit.

Cost Auditor

The Board of Directors have appointed Mr. K. Suryanarayanan, a Cost Accountant in Practice, as Cost Auditor of the Company at a fee of ₹ 2,00,000 (Rupees Two Lakhs only) plus applicable taxes and out of pocket expenses, subject to ratification of the said fees by the shareholders at the ensuing Annual General Meeting.

Internal Auditor

The Board has engaged M/s. Guru & Ram LLP, Chartered Accountants, as its Internal Auditors. Their scope of work includes review of internal controls and its adherence, statutory compliances, health, safety and environment compliance, compliance towards related party transactions and risk assessments.

27. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis section of this Annual Report.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company embraces technological innovation and operates in an environmentally responsible manner to provide tangible benefit to all stakeholders. During the year under review, several steps were taken towards conservation of energy and technological advancement. A few of these are listed below:

A) Conservation of Energy:

- a) In an effort to become more energy efficient, the Company has taken the following steps:
 1. BEE Star rated equipment has been procured, wherever feasible, to minimize energy consumption.
 2. To fulfil its duty as a responsible corporate citizen and to adhere to climate change policy, the Company is continuously taking effective steps to reduce Green Houses Gas (GHG) emissions, wherever feasible.
 3. As far as possible, in-house power requirements in all operating Blocks are met using natural gas-based generators, with diesel-based generators only being utilized in emergency situations. The Company is exploring the option of solar energy and is assessing its viability in meeting operational requirements.

4. The Company regularly monitors air emission sources and ambient air quality to ensure that emission levels are below statutory limits.
 5. All lights, except emergency lights, have automatic timers installed, which turn them off during daytime, thereby minimizing energy consumption.
 6. Air compressors and fire water jockey pumps are timer controlled to reduce their runtime.
 7. Periodical preventive maintenance and condition monitoring of aging equipment is carried out to increase life expectancy of assets, eliminate premature replacement and lower energy consumption.
 8. Designing and project planning are carried out in a way so as to minimize environmental damage and maximize resource efficiency during project execution and life cycle.
 9. Installed solar streetlights at various selected locations of our operational areas.
 10. Rainwater harvesting carried out to recharge ground water resource at operational areas.
 11. Ground water samples in HOEC operational are analysed to ensure that quality levels are within the statutory limits.
 12. All air conditioner temperatures are set to 25° C to optimise power consumption.
 13. Efforts are made to calculate the Green House Gas emission and measures for its reduction.
- b) Steps taken by the Company for utilizing alternate source of energy: The Company is in the process of formulating a policy for use of solar energy and on pilot basis has successfully experimented by installing solar street lamps at our operational areas in Assam Block.
- c) Capital investment on energy conservation equipment: No additional investment has been made or implemented to reduce energy consumption.
- d) Impact of the measures mentioned in (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Reduction in energy consumption and GHG emissions, as a result of minimal use of air conditioning and deployment of energy efficient systems. This in turn, has led to reduced consumption of power and fuel, thereby resulting in lower costs.

B) Technology absorption:

- (a) Technology absorption, adaptation, and innovation:

The Company has adopted an energy efficient Modular approach for its Gas Processing Plant in Assam, with Variable Frequency Drives (VFDs) installed in the Plant's equipment and machineries.

HOEC is following leak detection and repair (LDAR) program to monitor the gas leaks if any and to arrest the same through standard repair program to control the emission.

To protect an Elephant Corridor in Assam, the Company laid a 21 km long pipeline, 1.5 metres below the ground, from its Gas Gathering Station (GGS) to its Modular Gas Processing Plant (MGPP). This also led to HOEC being able to reduce its footprint in the eco sensitive zone.

A sonic, natural draft, horizontal flare system provided with an enclosure, is being used at the Company's MGPP in Assam, in an effort to reduce harm to the surrounding environment.

HOEC is in process of reducing carbon footprint by major and minor process changes, supplying surplus power to state grid, tea factories etc, and also by creating additional carbon sink through plantation, adopting green energy sources to the extent possible.

Conversion of existing conventional lightings to energy efficient LED lights in a phased manner.

We also plan to adopt new technology like surface jet pump (ejector) to increase well production efficiency.

- (b) No technology import was made during the last 3 years.
- (c) No Research and Development expenditure was incurred during the year.
- (d) No benefits like product improvement, product development or import substitution were derived during the year.

C) Foreign exchange earnings and outgo:

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

Company is engaged in production of crude oil and natural gas. The existing Government policies and Production Sharing Contracts (PSCs), to which Company is a party, is subject to domestic market obligations till self-sufficiency in domestic production of hydrocarbons.

(b) Particulars	FY 2021-22 (₹ in lakhs)	FY 2020-21 (₹ in lakhs)
Foreign exchange earning	Nil	Nil
Expenditure in foreign currency:		
Operating expenditure	750.57	685.59
Capital expenditure	4,968.58	6,478.86

29. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has in place a CSR policy which is available on our website at <https://www.hoec.com/growing-responsibly/csr/>. A brief outline of the CSR policy of the Company and the initiatives undertaken on CSR activities during the year are set out in Annexure V of this Report as per the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The details of the composition and meetings of the CSR Committee is provided in the Corporate Governance Report section of this Annual Report.

30. RISK MANAGEMENT

The Risk Management Committee identifies and monitors the risks associated with the Company's operations. The Committee is responsible for reviewing the risk factors and ensuring effective mitigation and management. In addition, the Audit Committee oversees the areas of financial risks and controls.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

31. HUMAN CAPITAL & MANAGEMENT

The Company continues to pursue the best practices to develop its human capital. The Company has a transparent Performance Appraisal System with focus on the organizational objectives aligned with Key Performance Indicators. An objective performance measurement with an assessment of potential and identification of training needs for individual growth are being pursued.

The total employee count as on March 31, 2022, was 94 and the annualised attrition rate for the year stands at 11.40 %.

32. PROTECTION TO WOMEN EMPLOYEES

The Company has in place a Corporate Policy on Anti-Sexual Harassment of Employees, in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has also been duly constituted and during the year under review no complaints were received from any employee.

33. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven years. Further according to the said Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

Accordingly, the Company has duly transferred all unclaimed and unpaid dividends and the corresponding shares as per the above requirements to the IEPF. Details of the same are provided in the Shareholder information section of the Corporate Governance Report and are also available on our website at <https://www.hoec.com/grow-with-us/shareholder-information/>

Your Company has filed necessary forms with the Ministry of Corporate Affairs in this regard.

34. LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees as applicable to National Stock Exchange of India Ltd. and BSE Ltd. where the Company's shares are listed.

35. ACKNOWLEDGEMENTS

Your Directors place on record their gratitude for the support and co-operation received from Government agencies namely the Ministry of Petroleum & Natural Gas, Directorate General of Hydrocarbons, Ministry of Defence, Ministry of Environment and Forests and the State Governments of Assam, Gujarat, Maharashtra and Tamil Nadu and the authorities working under them. Your Directors express their gratitude to the Company's stakeholders, shareholders, business partners and the bankers for their understanding and support and look forward to their continued support in future. Your Directors value the professionalism, dedication and commitment of the HOEC team to overcome any challenges and to drive growth.

For and on behalf of the Board of Directors

Date : August 23, 2022
Place : Mumbai

Vivek Rae
Chairman
DIN: 01866765

P Elango
Managing Director
DIN: 06475821

Annexures to the Board's Report:

Annexure - I Form No. AOC - 1

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statements of subsidiary / associate company / joint ventures

PART A: Subsidiary

(₹ in lakhs)

Particulars	Details	
Name of the subsidiary	Hindage Oilfield Services Limited	Geopetrol International Inc.
The date since when subsidiary was acquired	30/03/1992	09/04/2018
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	Reporting currency: USD Exchange rate: ₹ 75.81
Share capital	50.00	6,506.20
Reserves & surplus	(261.16)	(1,633.49)
Total assets (excluding investments)	20,783.45	34,031.99
Total liabilities	20,995.23	29,159.28
Investments	0.62	18.38
Turnover	-	2,522.75
Profit / (Loss) before taxation	(1,126.45)	(487.61)
Provision for taxation	(4.33)	(35.23)
Profit / (Loss) after taxation	(1,130.78)	(452.38)
Proposed Dividend	-	-
Extent of shareholding (In percentage)	100%	100%

Note:

1. There are no subsidiaries which are yet to commence operations
2. No subsidiaries have been liquidated or sold during the year.

PART B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company does not have any associate companies / joint ventures.

For and on behalf of the Board of Directors

Date : August 23, 2022
Place : Mumbai

P Elango
Managing Director

R Jeevanandam
Director & CFO

Annexure - II
Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto,

1. Details of contracts or arrangements or transactions not at arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis.

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2022.

For and on behalf of the Board of Directors

Date: August 23, 2022
Place: Mumbai

Vivek Rae
Chairman
DIN: 01866765

P Elango
Managing Director
DIN: 06475821

Annexure - III**Information pursuant to Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

a)	Name of Director / KMP	Title*	Remuneration FY 2021-22	Remuneration FY 2020-21 ⁽¹⁾	% increase in remuneration in FY 2021-22 as compared to FY 2020-21	Ratio of remuneration to MRE excluding WTDs	Ratio of remuneration to MRE including WTDs
	Mr. Vivek Rae	NE-ID	10,00,000	9,00,000	11%	1.30	1.27
	Ms. Sharmila Amin	NE-ID	11,00,000	10,25,000	7%	1.43	1.40
	Mr. P. K. Borthakur	NE-ID	12,75,000	11,50,000	11%	1.66	1.62
	Mr. Ashok Goel	NED	-	-	-	-	-
	Mr. Rohit Dhoot	NED	-	-	-	-	-
	Mr. P. Elango	MD	1,14,74,028	1,01,98,279	13%	14.92	14.59
	Mr. R. Jeevanandam	ED & CFO	1,10,41,884	98,32,160	12%	14.36	14.04
	Ms. G. Josephin Daisy	CS	9,83,352	9,42,107	4%	1.28	1.25

* NE-ID - Non-Executive Independent Director NED - Non-Executive Director MD - Managing Director
WTD - Whole Time Directors ED & CFO - Executive Director & Chief Financial Officer
CS - Company Secretary MRE - Median Remuneration Employees]

Note: ⁽¹⁾ The Commission payable for FY 2020-21 & FY 2021-22 has been included.

- b) The MRE excluding WTDs was ₹ 7,68,816 for FY 2021-22 as against ₹ 7,27,613 for FY 2020-21. There is a 6% increase in MRE (excluding WTDs) for FY 2021-22 as compared to FY 2020-21 and an increase of 6% in MRE (including WTDs) for FY 2021-22 as compared to FY 2020-21.
- c) The number of permanent employees on the rolls of Company: 94 (including WTDs)
- d) There was an increase of 4% in the overall salaries of the employees.
- e) The Company affirms that the remuneration is as per the remuneration policy of the Company.
- f) Names and details of top ten employees (excluding WTDs) in terms of remuneration drawn during the year:

Sr. No.	Name	Designation	Remuneration received (in ₹)	Qualifications and experience in yrs.	Date of commencement of employment	Age (in yrs.)	Last employment held	Percentage of equity shares held by the employee
1	2	3	4	5	6	7	8	9
1	Krishnan Raghavan	Asset Manager-PY 1, Group Head - Exploration & Development	83,09,649	M.Tech Applied Geology 26 yrs.	11.12.2019	57	CNOOC	0.003
2	P Ramakrishna	Asset Manager-North East Asset	56,13,480	M.Tech. in Chemical Eng 34 yrs..	01.10.2017	58	Cairn India	0.02
3	Sagar Mehta	Head - Cambay Business Unit	53,85,864	M.Sc., MBA 31 yrs.	01.06.1989	57	Nil	-
4	Gopal Krishna Narsingh Panigrahy	Head Operations North East	46,77,900	MS in Mechanical & MBA 31 yrs.	01.06.2018	59	TTOPCO	-
5	Ganesh Bhaskar Kotian	Barge Master	43,66,431	ITI Motor Mechanic 31 yrs.	01.04.2021	51	PT APEXINDO	-

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

1	2	3	4	5	6	7	8	9
6	Sachin Bayond	Head-C&P, Head-Admin	38,88,092	PG Diploma in Management 20 yrs.	26.10.2015	43	Adani Power Ltd.	0.00
7	Nagaraju Rangaraju	Head (Strategy) & Asset Manager (B-80)	38,34,990	PG in Management 17 yrs.	16.04.2018	44	Cairn India	-
8	Milind Vasant Gokhale	Manger - Drilling	37,14,002	Bachelor of Petroleum Engineering 26 yrs.	16.12.2019	58	Halliburton	-
9	Caitano Zacarias	Barge master	34,62,948	8th Std 36 yrs.	01.04.2021	54	Selective marine services Ltd	-
10	Satyanarayan S Zanwar	Sr. Manager - Production	26,67,852	B.E Instrumentation 25 yrs.	03.02.2005	48	Swazi Paper Mills Swaziland Ltd	-

The aforementioned employees have / had been in permanent employment with the Company and are not relative of any directors or manager.

For and on behalf of the Board of Directors

Date: August 23, 2022
Place: Mumbai

Vivek Rae
Chairman
DIN: 01866765

P Elango
Managing Director
DIN: 06475821

Annexure - IV
Form No. MR-3
Secretarial Audit Report

for the financial year ended 31st March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

Hindustan Oil Exploration Company Limited

CIN: L11100GJ1996PLC029880

Tandalja Road, Off Old Padra Road,
Baroda - 390020, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **M/s HINDUSTAN OIL EXPLORATION COMPANY LIMITED** (CIN: L11100GJ1996PLC029880) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and The Securities and Exchange Board of India on account of the outbreak of Covid-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, generally has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
 - (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:
 - a. The Securities and Exchange Board of India (Registrars to an Issue and Transfer Agents) Regulations, 1993, regarding Companies Act and dealing with client;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 - Not Applicable for the year under review;

- f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable for the year under review;
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable for the year under review;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares Regulations), 2009 - Not Applicable for the year under review;
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable for the year under review;
 - j. The Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013 - Not Applicable for the year under review.
2. We further report that, based on examination on test check basis, of the relevant documents, information received, records maintained and representation received, there are adequate systems and processes in place to monitor and ensure compliance with the below mentioned laws applicable specifically to the Company in the Oil and Gas Exploration Sector, and also all other applicable laws, rules, regulations and guidelines, which includes the following:
- a) The Petroleum Act, 1934 and the rules made thereunder
 - b) Petroleum and Natural Gas Regulatory Board Act 2006 and the Rules made thereunder
 - c) The Oilfields (Regulation & Development) Act, 1948 and the rules made thereunder
 - d) The Mines Act, 1952 and the rules made thereunder
 - e) Indian Explosives Act, 1910 and the rules made thereunder
3. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
 - ii. The Listing Agreements entered into by the Company for the equity shares listed with BSE Limited and National Stock Exchange of India Limited and the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015

We further report that during the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

4. We further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
 - Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes;
 - The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable;
 - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 2013, Securities Exchange Board of India Act, 1992, The Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, Foreign Exchange Management Act, 1999 and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers;
 - The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

- We further report that based on the information received, records maintained and representation received, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines;
- We further report that during the period under review no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc referred to above have taken place; and
- We further report that the Company has adopted and put in place Vigil Mechanism/Whistle Blower Policy in accordance with Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For S.Sandeep & Associates

S.Sandeep

Managing Partner

FCS No.: 5853; C P No.: 5987

UDIN: F005853D000321168

Place : Chennai

Date : May 14, 2022

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure - A'

To,

The Members,

Hindustan Oil Exploration Company Limited

CIN: L11100GJ1996PLC029880

Tandalja Road, Off Old Padra Road,

Baroda - 390020, Gujarat.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S.Sandeep & Associates

S.Sandeep

Managing Partner

FCS No.: 5853; C P No.: 5987

UDIN: F005853D000321168

Place : Chennai

Date : May 14, 2022

Annexure - V

Annual Report on CSR Activities for the Financial Year 2021-22

(Pursuant to Section 135 of the Companies Act, 2013)

1. Brief outline of the Company's CSR policy

HOEC's Corporate Social Responsibility policy is to:

- * Proactively develop trusting and productive relationships with host communities through effective consultations
 - Positively engage with relevant stakeholders, understand their concerns and be responsive to their needs;
 - Use & encourage systematic processes to engage with the local stakeholders; and
 - Actively involve pertinent individuals and programme participants in designing and implementing CSR programmes.
- * Respect local customs and traditions and leverage technology in all CSR programmes
 - Valuing cultural customs and pride of individuals and nurture positive relationship with the people in the project areas where the Company operates;
 - Aligning CSR programmes to build on existing capacities and initiatives to create greatest possible impact; and
 - Giving development opportunities to local communities in a culturally appropriate manner, in consultation & cooperation with local government authorities and other stakeholders, as may be appropriate.
- * Treat host communities as valued partners in our resource development endeavours
 - Valuing local entrepreneurship and encouraging use of local goods, services and manpower to promote comprehensive economic growth of our operating footprint area;
 - Establishing infrastructure and platforms to make sustainable contribution to social and economic development; and
 - Enabling CSR programs to complement and support the developmental priorities at local and state level

In line with this CSR policy, the Company's CSR programmes focuses on the following five broad themes with the objective to improve overall socio-economic indicators in Company's area of operations:

- Promote local content by developing entrepreneurship;
- Improve access to clean drinking water;
- Enhance the quality of education in our Operating Area;
- Promote personal safety, environmental and technology awareness; and
- Support promotion of local culture and sports.

Details of the company's CSR policy is available in the weblink: <https://www.hoec.com/growing-responsibly/csr/>

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vivek Rae	Chairman & Non-Executive Independent Director	3	3
2	Ms. Sharmila Amin	Non-Executive Independent Director	3	3
3	Mr. P. K. Borthakur	Non-Executive Independent Director	3	3
4	Mr. P. Elango	Managing Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.hoec.com/growing-responsibly/csr/>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
6. Average net profit of the Company as per Section 135(5): ₹ 10,091.30 Lakhs
7. (a) Two percent of average net profit of the company as per Section 135(5): ₹ 201.83 Lakhs
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (c) Amount required to be set off for the financial year, if any: NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 201.83 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2.03 Lakhs	199.80 Lakhs	30 April 2022		Nil	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ in Lakhs)

Sl. No.	Name of the Project	Items from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Reg. No.
				State	District						
1	Construction of WBM & Paver Cement Block Road in Kamarapatty Panchayat, Margherita Sub-division	Rural Development	Yes	Assam	Tinsukia	3 Years	188	NIL	179.00	Yes	NA
2	Installation of 50 Nos Solar streetlamps in villages	Rural Development	Yes	Assam	Tinsukia	3 Years	27	NIL	20.80	Yes	NA
Total									199.80		

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (₹ in Lakhs)

Sl. No.	Name of the Project	Items from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for project	Mode of Implementation Direct (Yesd / No)	Mode of Implementation - Through implementing Agency	
				State	District			Name	CSR Reg. No.
1	Support environment, socio-Culture events in villages	Environment, Art & Culture	Yes	Assam	Tinsukia	1.30	Yes	NA	
2	Distribution of Covid Kit, groceries and Provisions for People	Disaster Relief	Yes	Assam	Tinsukia	0.13	Yes	NA	
Total						1.43			

(d) Amount spent in administrative overheads: ₹ 0.60 Lakhs**(e) Amount spent on impact assessment, if applicable: Not applicable****(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 2.03 Lakhs****(g) Excess amount for set off, if any: Not Applicable**

Sl.No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	201.83
(ii)	Total amount spent for the Financial Year	2.03
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of transfer	
1	2018-19	-	-	NA			-
2	2019-20	32.00	28.01	NA			NIL
3	2020-21	183.56	00.48	NA			183.08
	TOTAL	214.92	28.49	NA			183.08

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in Lakhs)

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
1		Construction of Auditorium in Powai Middle School	2019-20	2 Years	11.00	8.17	10.91	Completed
2		Sanitation facility at Powai School	2019-20	2 Years	3.00	2.97	4.95	Completed
3		Installation of Playground equipment in 15 Schools	2019-20	2 Years	9.00	1.31	8.72	Completed
4		Civil work for Installation of Playground equipment at different locations	2019-20	2 Years	1.00	2.21	2.21	Completed
5		Installation of 150 solar streetlamps in our operating area	2019-20	2 Years	20.00	13.35	20.09	Completed
6	FY 31.03 2021_6	Installation of 2 Nos of Solar streetlamp	2020-21	2 Years	1.19	0.48	1.19	Completed
7	FY 31.03. 2021_1	Construction of WBM & Paver Block Road in Augbandha Village	2020-21	3 Years	166.00	NIL	NIL	Ongoing
8	FY 31.03. 2021_3	Setting up of open Gym in Two different locations	2020-21	3 Years	30.00	NIL	NIL	Ongoing
TOTAL						28.49	48.07	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: No capital asset was created / acquired for FY 2021-22 through CSR spend.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5)

During the FY 2021-22, the Company has spent ₹ 2.03 lakhs on limited projects and transferred ₹ 199.80 lakhs to the unspent CSR Account. According to the CSR mandate, HOEC has spent on limited projects due to the COVID protocols and restrictions and this unspent balance will be spent on various ongoing/multi-year projects approved by the Board in accordance with CSR Amendment Rules.

For and on behalf of the Board of Directors

Date : August 23, 2022
Place : Mumbai

Vivek Rae
Chairman of CSR Committee
DIN: 01866765

P Elango
Managing Director
DIN: 06475821

Management Discussion and Analysis Report

OIL AND GAS INDUSTRY OUTLOOK AND OPPORTUNITIES

As majority of the world's population got vaccinated, normal life began to reappear post covid, stimulating the mobility and demand for oil during middle of FY 2022. As the financial year was ending geopolitical tension reached their peak with the Russian invasion of Ukraine in February 2022. Both of these events had a tremendous influence on the oil market and in turn on the global economy.

In 2021, the oil market continued to rebalance, with the global oil consumption increasing by 6%, the global oil production increased to about 95 million barrels/day. In parallel, global gas demand climbed up by 4.7%.

The market witnessed a substantial increase of 76% in the oil price in 2021, when compared with 2020 and the average Brent crude price for 2021 surpassed \$79/barrel. Prices rose consistently in 2021, reaching a peak of \$112/barrel in March 2022.

The current geopolitical situation is adversely impacting the global economy. However, Oxford Institute of Energy Studies (OIES), forecasts that Global oil demand to grow by 2.2 million barrels/day in 2022. The industry outlook is thus surrounded by elevated uncertainty amid the realization of Russian disruptions, policy measures, as well as the global demand responses to oil prices and concerns on inflation affecting global economy.

OIES estimates oil demand in India (including oil imported for refining and re-export) to grow from 4.5 million barrels/day (in 2020) to 5.2 million barrels / day in 2022. India continues to rely on imports to meet over 85% of its domestic demand. When compared to 2020, the import rate is expected to increase by 8%. The Government, therefore, continues to focus on introducing policy initiatives to strengthen its commitment to increasing domestic production of crude oil and natural gas, thus reducing import dependence.

In one of the important reforms of 2020, the Government issued a notification on discovery of market price for domestically produced natural gas. With domestic gas prices in India fixed administratively by Petroleum Planning and Analysis Cell at an all-time low, this policy helps in discovering the actual prices customers are willing to pay. This policy measure has benefitted HOEC in its operating field. As a result of successful e-auction in the Northeast for the first time, HOEC was able to discover a premium price (>\$1/mmbtu) that the buyers were willing to pay in addition to the government notified price. Similar to this, we had conducted an e-auction for our B-80 gas and potentially found a way to link the natural gas price to the increasing Brent crude price. As the demand for natural gas is growing, the potential buyers are ready to pay more than government fixed price, thus enabling us to realize the actual value of the commodity.

Even in turbulent times, this sector clearly remains one of priority for the Govt., as increasing domestic production will directly result in reduced Forex outflows. Policies like the Discovered Small field, under revenue sharing regime, production enhancement contracts continue to receive the requisite push. The demand for domestically produced oil remains intact as there is a robust market for Oil & Gas produced in India.

Global Oil Price

Crude Oil Prices (Brent) increased from US\$ 63.4 /barrel in April 2021 to US\$ 112.87/barrel in March 2022.

Indian Gas Price

The price for domestic natural gas (derived from a cocktail of gas prices prevailing in multiple global gas markets) notified by the Petroleum Planning & Analysis Cell (PPAC), Ministry of Petroleum & Natural Gas (MoPNG), Government of India has increased from US\$ 1.79/MMBTU during April 2021 - September 2021 to US\$ 2.9/MMBTU during October 2021 - March 2022.

ENERGY TRANSITION

Conventional wisdom would suggest that at high oil prices, O&G companies display less capital discipline and focus more on core business than on new sustainability opportunities. Thus, it has been often assumed that high oil prices could slow down energy transition in the near term. However, a survey conducted by Deloitte reveal that oil prices above \$60 per barrel will most likely boost or complement the energy transition plans of the O&G companies. Therefore, experts believe that high oil and gas prices can accelerate the Energy Transition.

At the COP-26 summit in November 2021, India pledged to achieve net-zero carbon emission by 2070. This involves reducing the transport, industrial and power plant emissions in the country. As India is considerably dependent on fossil-fuel based power generation, it plans to gradually switch to non-fossil fuel. In August 2021, as part of the National Solar Mission, the centre set a target of achieving 300 GW of solar energy in India by 2030. Given India's focus on net-zero carbon emissions and innovative partnerships with international organisations and countries, the steps taken towards energy transition should lead to a greener future for the country. Therefore, natural gas has been tipped as the transition fuel for industries and residents. The government has set ambitious targets to enhance the share of natural gas in the primary energy mix.

HOEC Vision

HOEC is India's first private E&P company and has decades of experience operating multiple fields, both onshore and offshore in leading producing basins. Energy security being a strategic priority for the country, HOEC's business is, therefore, linked with the National Priority. We will continue to work closely with all stakeholders to explore, develop and produce hydrocarbons in a safe and responsible manner.

Our passion is to find, develop and deliver oil & gas that everybody in our country needs. We believe talent and technology are the key ingredients to building and sustaining a successful E & P business.

Our vision is to establish and transform 'Resources' to 'Assets' to create value for all stakeholders and Grow Responsibly. We seek to realize our vision by.

- Exploring for Oil & Gas;
- Execute to transform Resources to Reserves; and
- Enhancing value for all stakeholders by converting Reserves to Revenues.

HOEC Business Strategy and Values

HOEC's strategy is focused on delivering growth in the Company's core business, while enhancing profitability through:

- Establishing and sustaining low-cost operations in all our assets
- Rapidly developing the discoveries through innovative models of development
- Identifying and developing low risk, short cycle projects for rapidly increasing production
- Improve value maximization by increasing realised price & by increasing production through optimising existing facilities.

Our near-term focus is to secure the best possible value from the excellent set of opportunities presented by our portfolio of discovered resources along with prudent capital allocation and carefully planned market strategies.

Values of HOEC

Honesty	We believe in honesty and are committed to conduct our business ethically and transparently.
Ownership	We are One Team and hold ourselves personally accountable for our decisions, actions, attitudes, and results.
Entrepreneurship	We are entrepreneurs at heart and are passionate about adding value to make a difference to all our stakeholders.
Care	We care for each other, the communities, and the environment in which we operate.

HOEC believes that securing and maintaining the social licence to operate through good environmental, social, health and safe performance is an integral part of our business success.

Our commitment to these principles is demonstrated by the fact that we have had no lost-time accidents or environmental incidents during the year under review.

We conduct our business with respect and care for our communities and the environment in which we operate. We will be a good corporate citizen of India, and will maximise utilization of local talent, services, and equipment.

To sum up, HOEC business strategy is to continue to invest in low risk and short cycle projects & to remain focused on innovative management of cost and speed of execution to create value for all stakeholders and Grow Responsibly.

Our core focus during FY 2021-22 has been to execute the B-80 development project during the weather window in western offshore and to safely continue the operations in our producing fields amidst the unprecedented challenges posed by the pandemic.

Key operational highlights are:

- Despite the unprecedented challenges posed by the pandemic, production operations continued safely (LTI Free Year) by following adequate precautions.
- In B-80, after safely and successfully completing the project which involved the installation of MOPU - KGB-OI platform, laying of all the flowlines including the export lines, installation of SPM and mobilization of FSO vessel; all the facilities were integrated and was made ready for production.
- Parallely, e-auction for B-80 gas sales was successfully conducted and Gujarat State Petroleum Corporation Limited (GSPC) emerged as the winner.
- Dirok Field has completed 4 years of successful production and is consistently producing. Our HMGPP has crossed 1480 LTI free days and we have achieved a milestone by producing more than 50 BCF of Natural Gas and 1 MMBBL of Condensate. In FY 2021-22, the average field gas production is about 33.5 mmscfd. Upon successful gas e-auction in Q2, 6 premium gas sales agreement has been signed. The premium gas sales that commenced with 4 buyers, contributed about 17% of total Dirok sales. For Dirok Phase-II execution, which involves increasing the production to 55 mmscfd, Stage-I FC has been obtained.
- In our other North-Eastern blocks, we are implementing the required regulatory processes for further development in the projects.
- In our Cambay asset, we have achieved zero flaring by commencing the sale of Associated Natural Gas (ANG). Furthermore, in North Balol and Asjol, the development of two wells has been approved and completed the necessary processes for Environmental Clearance.

OPERATIONAL AND FINANCIAL DISCIPLINE

In a highly capital and manpower intensive upstream oil and gas sector, HOEC has been pursuing a light asset and lean manpower model. Our business strategy is to develop discovered resources following a fast track model focussing on short capital cycle. All of our development projects/portfolio's are designed to withstand the cyclical nature of the oil and gas industry. By increasing production and contributing to import substitution, the company is able to demonstrate the efficacy of this strategy

Corporate Responsibility

Safety First	Never put any person or asset in an un-safe situation.
Environment Friendly	Not to harm the environment
Regulation Compliant	Compliant with applicable laws all the time.
Optimum Cost (US\$/bbl)	Complete the development in a cost and time effective manner.
Investment Prudence	Not to take risk beyond the means and to prioritize the opportunities in our portfolio on risked expected monetary value in any given year.

HOEC is committed to operate and grow its business in a socially and environmentally responsible way with a vision to transform the quality of life in all its operating areas. We strive to demonstrate the highest standards of corporate behavior towards all stakeholders and the local communities in which we operate.

In pursuit of its business strategy, all projects are screened on a rigorous, consistent basis for technical and commercial viability. We use our in-house geoscience expertise and third-party independent experts to identify, evaluate and prioritize the opportunities.

As an Optimum Cost Operator in the industry, we scrutinize every value proposition to derive excellence in execution. Cost is considered an element to control when it does not result in value sacrifice in the E&P business.

Our objective is to provide a consistent compounded annual growth rate to our shareholders, commensurate with the risks in this business.

Operations Overview

Our production portfolio consists primarily of discovered resources with three core clusters of strategic focus:

1. North- Eastern Assets
2. Offshore Assets
3. Cambay Assets

With the completion of transformational B-80 development project, our near-term focus would be to undertake short cycle projects that will increase production from all of the above three core clusters.

Product - wise Performance

The Company's aggregate production during the FY 2021-22 was 0.84 million barrels of oil equivalent (MMBOE) (Crude oil: 0.08 million barrels; Gas: 3.39 BCF) as against 0.85 million barrels of oil equivalent (MMBOE) (Crude oil: 0.08 million barrels; Gas: 3.96 BCF) during the previous year.

Reserves

As of March 31, 2022, the in-house estimates of Proved and Probable (P+P) reserves on working interest basis for the Company were 41.15 MMBOE.

RISKS, THREATS, UNCERTAINTIES AND CONCERNS

A risk management case study by Institute and Faculties of Actuaries for any Oil and Gas industry; prioritised the risks using the following criteria:

Category	Risk	Description	Impact	Recommended Mitigation
Economic	Commodity Price	Volatility and decrease in oil or natural gas prices leading to worsened operating results and future prospects.	The company's revenue is directly dependent on the annual average level achieved selling the oil and gas. These are actively traded commodities, and their price fluctuates depending on a large number of factors. Price fluctuations may be significant and are typically and actively managed using financial instruments and hedging techniques.	Commodity price risk can be managed in the short term by using a range of financial instruments and hedging strategies. In the long-term investment in R&D projects to decrease the cost of oil and gas production at each stage in production cycle is a commonly used strategy, which has shown to be successful in light of the recent market events.

Category	Risk	Description	Impact	Recommended Mitigation
Environmental	Natural Disaster	Natural catastrophe leading to interrupted or reduced production or industrial accident.	The company's operating offshore assets are exposed to weather related risks. Major events are infrequent but possible. Event impact would be reduced with adequate insurance coverage.	<ul style="list-style-type: none"> • Crisis management preparation • Purchase of insurance to cover the property component of the operation's potential losses due to business interruption.
Operational	Industrial Accident	Major accident or oil spill resulting in loss of life, environmental damage, regulatory fines, civil liability, loss of licence to operate and reputational damage.	This could be a catastrophic risk that threatens the viability of company, which emphasizes need for risk management and process safety.	<ul style="list-style-type: none"> • Increased focus on health and safety • Inspections and process assessments • Communication assessments • Emergency response preparation
Resource	Resource availability	Material change in estimates regarding oil and gas reserves or development potential.	There is potential for the new projects to yield significantly lower production volumes than initially estimated.	<ul style="list-style-type: none"> • Direct resources to lower risk projects • Invest in best available technology • Ensure high standards of risk analysis before committing resources

1. The level of importance and individual data sources on the risk

2. The number of times the risk was mentioned in the sources that was used for the case study.

Below is the resulting prioritised risk list and recommended mitigations options for any Oil and Gas sector: Apart from above risks, there are many other risks such as foreign exchange, insurance risk, joint ventures, competition, credit risk, transportation infrastructure, general protection safety, legal and regulatory requirement etc. that a typical oil and gas industry needs to deal with.

HOEC's main source of revenue is the sale of the oil and gas it produces. Should the Company fail to achieve the planned annual average oil price, this would have a direct impact on the Company's revenue.

HOEC now operates offshore oil production facilities both in Eastern and Western offshore India. The extraction of oil offshore is an inherently complex and hazardous process that has the potential for disaster if not managed closely. HOEC's business, financial standing and reputation may be impacted by various risks and uncertainties, not all of which are within its control. Our Company identifies and monitors the key risks and uncertainties affecting our operations and runs the business in a way that minimizes their impact where possible.

HOEC's level of risk and its management approach is discussed and reviewed by the Board, Risks Committee and Senior Management. The principal risks and uncertainties facing the Company and the actions taken to mitigate these risks are as follows:

Strategic and Operational Risk

Description of Risk	Mitigation
Business Model	Our Board Members along with Management team periodically reviews the Company's business model and effect necessary adjustments if economic circumstances so demand. The Board has constituted a Risk Management Committee under the chairmanship of Mr. Pronip Kumar Borthakur, a Non-Executive Independent Director (former Director Offshore, ONGC). This committee met 2 times during FY 2021-22 and reviewed the B-80 development project execution.

Description of Risk	Mitigation
Portfolio Mix	The Company maintains a diverse portfolio of oil and gas assets across a range of sedimentary basins and at different project life cycles to minimize exposure to geographical, geological and commodity market risk. Company did not add or divest any fields during FY 2021-22.
Health, Safety and Environment risks.	<p>Oil and gas operations by its very nature carry a potentially high level of attendant safety and environmental</p> <p>HOEC carries out HAZOP, HAZID, SIMOPS and Safety Integrity Level (SIL) studies and maintains risk register and Emergency Response Plan covering risks specific to various operations. The Company has devised a comprehensive policy framework as well as health and safety management and reporting systems.</p> <p>The Company also works closely with various regulatory authorities of the Central and State Governments and compliance audits are conducted.</p> <p>The Company commences operations only after the Environmental Impact Assessments are prepared and approvals from authorities are secured.</p> <p>As result of the robust HSE management system and processes being followed FY 2021-22 has been Lost Time Injury (LTI) Free year: As on 31 March 2022, Hollong Modular Gas Processing Plant achieved 1480 LTI free days since commencement of process operations at Dirok.</p> <p>The recently concluded B-80 offshore campaign has also been LTI free. A specific Crisis Management Plan (CMP) was prepared, and Crisis Management Team (CMT) was formed to ensure safe project execution in a tough offshore environment.</p>
Exploration Geological and wells resulting in commercial Reservoir Risk	Exploration is inherently a risky business, with statistically only a relatively small proportion of exploration discovery. Systematic geo-scientific workflow is pursued by HOEC under internal technical stewardship and peer reviewed by third party experts to minimise geological commercial and reservoir risks and maximize opportunities. To independently assess the resource base of its new core asset B-80, post successful two well drilling campaign HOEC engaged the services of world-renowned reserves auditor.
Reserves Estimation and engineering Recovery Risk	Numerous uncertainties are inherent in estimating crude oil and natural gas reserves. Reservoir follows a subjective process of estimating underground accumulations of crude oil and natural gas. Reserves estimations involve a high degree of technical judgment, and it is a function of the quality of the available geological and reservoir data. For these reasons, actual recoverable reserves may vary substantially from original estimates.
Community Relationship operations.	Continuous engagement exists between the Company and its stakeholders, which is central to harmonious A robust local content policy is being implemented. Local personnel are employed wherever possible, and Company helps in developing skill sets of such personnel.

Financial Risk

Description of Risk	Mitigation
Commodity Price Volatility	HOEC is exposed to volatility in the oil and gas prices since the Company does not undertake any oil price hedge. This risk is mitigated through Low-Cost operating model. The impact of a falling oil price is however partly mitigated via the production sharing formula in the PSCs, whereby our share of gross production increases in a falling oil price environment due to cost recovery mechanism.
Foreign Exchange Exposure and Interest Rate Risk	HOEC enjoys a natural hedge to a certain extent as its receivable and significant expenditure are denominated in United States Dollar (US\$).
Cost Inflation impacting both Goods and Services	HOEC pursues structured planning processes which allow sufficient time for procurement of services and tracking the critical path activities. Company maintains past procurement cost data and constantly monitors changes in market.

Compliance, Ethical and Governance Risk

Description of Risk	Mitigation
Legal, Regulatory and Litigation	HOEC's activities are subject to various laws and regulations. Regulatory changes may impact the value of the Company. Risks are mitigated by proactive assessment and ensuring compliance. The Company is party to various ongoing litigations, which if decided against the Company, may have an adverse impact on the financial position of the Company.
Ethical Conduct	HOEC recognizes the importance and maintains transparent and responsible relationships with all its stakeholders and has a robust Whistle Blower Policy wherein the employees have a direct access to the Chairman of the Board.
Corporate Governance	HOEC recognizes the importance of maintaining strong corporate governance procedures and processes. The Company has a robust governance framework in place. The Board reviews compliance with the applicable regulatory guidelines and best practices.

Insurance Coverage

Our business is subject to the operating risks. As protection against financial loss resulting from some of the operating hazards, we maintain insurance coverage for all operated and non-operated assets, including physical damage, control of well, seepage and pollution and employer's liability, third party liability, goods in transit, coverage for assets and comprehensive general liability insurance.

The coverage is subject to customary deductibles, waiting periods and recovery limits. We maintain insurance at levels that we believe are appropriate and consistent with industry practice and we regularly review our potential risks of loss and the cost and availability of insurance and revise our insurance program accordingly. The Company also procures director's liability insurance covering the cost of legal representation and crisis management.

FINANCIAL REVIEW

The revenue for the current year has increased to ₹ 13,050.47 lakhs from ₹ 9,943.83 lakhs in the previous year. The average price realised on sale of crude oil for current financial year is US\$ 75.99/bbl and for gas is US\$ 2.75 per mmbtu against US\$ 43.16/bbl for crude oil and US\$ 2.46 per mmbtu for gas in the previous year. The Company's production on working interest basis during the year is 8,43,317, boe (2,310 boepd) and for the previous year was 8,48,499 boe (2,325 boepd).

Other income for the current year stands at ₹ 1,680.41 lakhs as against ₹ 1,182.56 lakhs in the previous year, which includes interest income and income from financial investments.

This increase is primarily for reasons as detailed in the section 'Operational and Financial Discipline' of the Management Discussion & Analysis Report.

Operating Costs

During the year, the cost towards production expenses has reduced to ₹ 2,225.18 lakhs compared to ₹ 2,296.32 lakhs in the previous year. Other expenses have decreased to ₹ 667.62 lakhs from ₹ 832.20 lakhs in the previous year.

Finance Costs

The Company has incurred interest or finance cost during the financial year 2021-22 to the tune of ₹ 141.26 lakhs in addition to the finance cost on unwinding of decommissioning liability.

Net Profit/Loss

On a standalone basis, the Profit-After-Tax is ₹ 3,582.51 lakhs as against the profit of ₹ 6,505.96 lakhs in the previous year. The decrease in profits is mainly on account of expenses related to exceptional items (Refer note no. 40 to the financials).

Cash Flow

The Operating profit before exceptional items and tax is ₹ 7,019.04 lakhs in the current financial year against ₹ 3,747.24 lakhs in the previous year. Operating profit before the working capital changes is ₹ 7,957.95 in the current financial year and for the previous year is ₹ 5,280.38 lakhs. The exceptional item for the current year is ₹ (3,436.53) lakhs and for the previous year was ₹ 2,758.72 lakhs. The net decrease in cash and cash equivalents during the financial year is ₹ 4,717.22 lakhs. The effective cash and cash equivalents of the Company at the end of the financial year is ₹ 1,327.40 lakhs as against ₹ 6,044.62 lakhs in the previous year.

Ratio Analysis

The key financial ratios are as follows:

Particulars	FY 2021-22	FY 2020-21
Debtors Turnover Ratio	6.27 times	3.15 times
Inventory Turnover Ratio	48.91 times	35.90 times
Current Ratio	1.36 times	3.07 times
Debt-Equity Ratio	0.33 times	0.21 times
Operating Profit Margin	54%	38%
Return on Net Worth	5%	9%

Companies (Indian Accounting Standards) Rules, 2015

In accordance with the Companies (Indian Accounting Standards), Rules 2015 of the Companies Act, 2013, HOEC has followed the Indian Accounting Standards (Ind AS) for preparation of its financial statements.

Critical Accounting Policies and Estimates

The preparation of the financial statements requires the Company's management to make several estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. When alternatives exist among various accounting methods, the choice of accounting method can have a significant impact on reported amounts. The following is a discussion of the accounting policies, estimates and judgment which management believes are most significant in the preparation of the financial statements.

Oil and Gas Properties

We account for crude oil and natural gas properties under the Successful Efforts Method (SEM) of accounting. Under the SEM, costs to acquire mineral interests in crude oil and natural gas properties, to drill and equip exploratory wells that find commercial quantities of proved reserves, and to drill and equip development wells are capitalized. Proved property acquisition costs are amortized by the unit of production method on a field-by-field basis, based on total proved developed crude oil and natural gas reserves, as approved by the Management Committees of the respective Unincorporated Joint Ventures. Costs associated with drilling successful exploratory wells and drilling development wells are amortized by the unit of production method on a field-by-field basis. These costs, along with support equipment and facilities, are amortized based on proved developed crude oil and natural gas reserves. Survey and seismic acquisition costs are expensed.

Besides being the recommended method under the Guidance Note issued by the Institute of Chartered Accountants of India, we believe that the SEM is the most appropriate method to use in accounting for our crude oil and natural gas properties because it provides a better representation of results of operations for a Company of our size.

Site Restoration Liability

Our site restoration liability consists of estimated costs of dismantling and abandoning producing well sites and facilities, site reclamation and similar activities associated with our oil and gas properties. The recognition of Site Restoration Liability requires that management make estimates, assumptions, and judgments regarding such factors as estimated probabilities, amounts and timings of obligation. The corresponding amount is added to the cost of the producing property and is expensed in proportion to the production for the year and the remaining estimated proved reserves of hydrocarbons based on latest technical assessment available with the Company. Any change in the value of the estimated liability is dealt with prospectively and reflected as an adjustment to the provision and the corresponding producing property.

FINANCIAL POSITION

Liquidity

At the year end, HOEC had cash and cash equivalent of ₹ 1,327.40 lakhs. Cash surplus is placed in debt oriented liquid funds and bank deposits as approved by the Board. HOEC manages its short-term liquidity to generate returns by investing its surplus funds, while ensuring safety of capital.

Capital Requirements

Your Company has capital requirements to implement its business plans and to continue the development of B-80, Dirok, PY-1, Kherem and other marginal fields at Cambay in the immediate future. The Board recognizes that the Company has a successful track record of raising capital in the past and that the Company shall endeavour to raise financial resources as and when needed to develop the blocks in the existing portfolio and for any inorganic opportunities.

OUTLOOK

Based on our business plan to convert the discovered resources in our portfolio of assets, our outlook remains positive.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains a comprehensive system of internal control. This comprises the management systems, organizational structures, processes, and standards that are implemented to conduct our business operations. The Company has a proper and adequate system of internal control commensurate with the size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the company, and ensuring compliance with corporate policies.

The Company also conducts periodic evaluations, mainly through its Internal Audit, to determine the adequacy of its Internal Controls System.

The Company has appointed M/s Guru & Ram LLP, an independent firm with expertise in internal audit and assurance, which inter-alia ensures the adequacy of the procedures of recognizing and managing risks applied by the Management, the effectiveness of the Internal Controls System and the quality and reliability of the information given to the Management with regards to the System of Internal Controls. The adequacy of the Internal Controls System is monitored by the Audit Committee, through reports submitted to it by the Internal Auditors. Reports by the Management and the Internal Auditors include assessments of the major risks and the effectiveness of the Internal Controls System in addressing them.

Systemic weaknesses identified, if any, are incorporated in the reports, including the impact they had or could have had, as well as the actions of Management to correct them. No significant control failures were reported during the year.

As part of the Company's internal control process, any transactions with related parties are approved by the Audit Committee and Board of Directors, and appropriately disclosed in the financial statements.

The Company's Information Technology (IT) Department provides the required tools and solutions to all employees to manage the operations with support of IT systems and applications efficiently using internal and external resources.

The Company has internal controls regarding fixed assets, inventories, cash, and bank checks, etc., such as physical security, inventory counts and reconciliations of physically counted quantities with the recorded ones. Further, the Company has schedule of quarterly inventory counts to confirm inventory levels as per accounting records. The Company also has a list of delegated authorities and responsibilities, which depicts assigned authorities to various Company executives, to conduct certain transactions or actions (e.g., payments, receipts, contracts, etc.).

WHISTLE-BLOWER POLICY

The Company has a robust whistle-blower policy in place. A copy of the policy has been made available on the website of the Company at <https://www.hoec.com/grow-with-us/corporate-governance/>. All employees, contractual persons, consultants, vendors, and customers of HOEC can raise concerns about possible wrongdoing by contacting the Ombudsperson (Chairman - HOEC Board) in a confidential manner.

TALENT DEVELOPMENT

Oil & Gas discoveries around the world happen because of talented people supported by technology. HOEC is committed to provide a robust platform for talented people to develop ideas, work as a team to create value and make a difference to all the stakeholders. Our ability to create sustainable stakeholder value is linked with our ability to recruit, motivate, and retain top talent. Accordingly, technical talent pool is being strengthened continuously both by engaging experienced experts on full and part time basis. Company engaged multiple subject matter experts to implement the complex development project in B-80 field in western offshore.

HOEC strives to ensure a caring and energised work environment, where employee engagement is high. This is sought to be achieved by empowering employees and encouraging innovation and ownership. Being a small team helps in seamless communication, where relationships amongst our employees are cohesive and team spirit is high.

HOEC values all employees for their contribution to our business. We are committed to develop and deploy people with the skills, capability and determination required to meet our business objectives. Opportunities for advancement are equal and not influenced by considerations other than performance and aptitude. Employees are motivated to develop within a flexible framework and are encouraged to provide feedback on their expectations.

HEALTH, SAFETY, ENVIRONMENT & SOCIAL RESPONSIBILITY

We believe that "All Lives Have Equal Value" and nothing that we do can be more important than ensuring safety. We are committed to making a positive contribution to the protection of the environment in areas in which we operate and to do everything possible to minimize any adverse effects of our operations.

HSE statistics with leading and lagging indicators are generated for each operational sites every month to monitor HSE performance and compliance. Company ensures conduct of Environmental Impact Assessment (EIA) studies to analyse the environmental and social implications on the surrounding areas like ambient air, ground water, surface water, soil quality & emissions etc for securing approval from Ministry of Environment and Forest.

HOEC has a robust Emergency Response Plan (ERP) for production operations, drilling campaigns and project execution activities to respond swiftly during any emergency and are verified by conducting mock drills every month.

HOEC continued to maintain a sound health and safety record in FY 2022. As always, special skills training on Job Safety Awareness (JSA) and Risk Assessment and several HSE awareness campaigns have been conducted in our operating sites in Assam and best practices have been felicitated by HSE Awards Program.

The Key Performance Indicators (KPIs) related to HSE are as below:

KPI's statistics	FY 2021-22	FY 2020-21
Fatalities Accident Rate (FAR)	0	0
No. of LTIs	0	0
Days since last LTI	1,939	1,574
Oil Spill Incidents	0	0
Fatal Accident Rate	0	0
LTI Frequency	0.01	0.01
LTI Severity	0	0

Corporate Social Responsibility

HOEC believes that its License to Operate is to be earned from the local community around its operations and it is keen to leave a positive economic and social impact through its operations and make a difference to the quality of life of its local stakeholders. Promoting local content in all our operations is at the core of our CSR policy and accordingly, Company has rolled-out a local content policy for our Northeast Operations.

Our CSR Policy and Programmes seek to:

- Promote local content by developing entrepreneurship and local enterprises.
- Improve access to clean drinking water.
- Enhance the quality of education in our operating area.
- Promote personal safety, environmental and technology awareness.
- Support promotion of local culture and sports

During FY 2021-22, HOEC has focussed and completed the Board approved preceding FY's projects such as improving essential infrastructure (Auditorium & Sanitation facility) at schools and installation of solar streetlamps in HOEC's operating area. According to the CSR mandate, HOEC has spent on limited projects due to the Covid protocols and restrictions and transferred the balance unspent to Special bank account in April 2022. This unspent balance will be spent on Board approved ongoing/multi-year projects in accordance with the CSR Amendment Rules.

KEY STRENGTHS OF HOEC**Quality Asset Portfolio**

- Portfolio of discovered resources - all blocks with discoveries producing or ready to be developed.
- Diverse geographical footprint - Presence in 4 out of 7 producing basins in India.
- Balanced portfolio - Offshore / Onshore & Oil / Gas
- Upside potential for exploration within portfolio with infrastructure for rapid monetisation
- Operatorship in majority of blocks to drive value creation.
- Improved focus on Offshore Blocks that is material to leverage HOEC's unique operating experience in both East and West coast of India.

Strong Organization

- India's first private E&P company with decades of experience
- Professional management with proven industry experience
- Technical talent with global experience
- Delivered leading HSE performance with strong focus on safe and sustainable operations.
- Superior technical capability across the E&P value chain
- Proven experience in fast-track development and low-cost operations, both on-shore and off-shore.
- Recognised as a partner of choice to develop and maintain social and regulatory license to operate.

Note:

In preceding sections of this Annual Report, in particular the Board's Report, and the Management Discussion and Analysis Report: (a) previous year figures have been re-grouped to conform to the current year presentation; and

Business Responsibility Report

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L11100GJ1996PLC029880																
2.	Name of the Company	Hindustan Oil Exploration Company Limited																
3.	Registered address	"HOEC House", Tandalja Road, Off Old Padra Road, Vadodara - 390 020, Gujarat, India																
4.	Website	www.hoec.com																
5.	E-mail ID	hoecshare@hoec.com																
6.	Financial Year reported	April 01, 2021 - March 31, 2022																
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>Group</th> <th>Class</th> <th>Sub Class</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td rowspan="2">061</td> <td rowspan="2">061</td> <td>06101</td> <td>Offshore extraction of crude Petroleum</td> </tr> <tr> <td>06102</td> <td>Onshore extraction of crude Petroleum</td> </tr> <tr> <td rowspan="2">062</td> <td rowspan="2">062</td> <td>06201</td> <td>Offshore extraction of Natural gas</td> </tr> <tr> <td>06202</td> <td>Onshore extraction of Natural gas</td> </tr> </tbody> </table>	Group	Class	Sub Class	Description	061	061	06101	Offshore extraction of crude Petroleum	06102	Onshore extraction of crude Petroleum	062	062	06201	Offshore extraction of Natural gas	06202	Onshore extraction of Natural gas
Group	Class	Sub Class	Description															
061	061	06101	Offshore extraction of crude Petroleum															
		06102	Onshore extraction of crude Petroleum															
062	062	06201	Offshore extraction of Natural gas															
		06202	Onshore extraction of Natural gas															
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Crude Oil and Natural gas																
9.	Total number of locations where business activity is undertaken by the Company	<p>The Company has Pan-India business activities, both onshore and offshore. The Company operates in ten (10) Oil & Gas blocks of Discovered Resources and one (1) exploratory block.</p> <p>Details of the same are mentioned at "Our Asset Portfolio" section of this Annual Report.</p>																
10.	Markets served by the Company	National																

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (in ₹)	13,225.93 lakhs
2.	Total Turnover (in ₹)	13,050.47 lakhs
3.	Total profit after taxes (in ₹)	3,582.51 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (in ₹)	201.82 lakhs
5.	List of activities in which expenditure in 4 above has been incurred	Details are provided in the Annual Report on CSR activities which forms part of Board's Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?	No
3.	Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****(a) Details of the Director/Directors responsible for implementation of the BR policy/policies**

The Corporate Social Responsibility Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

DIN	Name	Designation
01866765	Mr. Vivek Rae	Chairman / Non-Executive Independent Director
06770401	Ms. Sharmila Amin	Non-Executive Independent Director
06417854	Mr. P. K. Borthakur	Non-Executive Independent Director
06475821	Mr. P. Elango	Managing Director

(b) Details of the BR head

Name : G. Janakiraman
 Designation : Head - HSE & CSR
 Telephone No. : 044-66229000
 E-mail ID : gjanakiraman@hoec.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for..	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Designated department heads, who report to the MD & CFO monitor and oversee the policy implementation. Also, the MD & CFO monitor the policy implementation and progress on initiatives and actions through periodic reviews.								
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Does the company have in-house structure to implement the policy/policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Indicate the link for the policy to be viewed online?	Policies of the Company are available at the following links: <ul style="list-style-type: none"> - https://www.hoec.com/grow-with-us/corporate-governance/ - https://www.hoec.com/growing-responsibly/csr/ - https://www.hoec.com/growing-responsibly/hse-policies-reports-disclosures/ Policies on HR are available on the Company's internet.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	At regular intervals, audits are conducted by the Internal Audit Team combined with audit conducted by Statutory Auditors.								

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors and Committee of the Board assesses the BR performance of the Company every three months. For more information, read the Corporate Governance report, which is part of this Annual Report.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company had published its Sustainability Report which can be accessed at - <https://www.hoec.com/results-and-reports/annual-reports/>.

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1 - Conduct, Governance, Ethics, Transparency and Accountability****1. Does the Company have policy for Principle 1? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

Yes. HOEC's Group Companies/Suppliers/Contractors are separate legal entities having their own policies and procedures.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During FY 2021-22 no Whistle-blowing cases were reported. For details on investor complaints and resolution, refer to the 'Investor complaints' in the Shareholder information section under Corporate Governance Report of this Annual Report.

Principle 2 - Safety and Optimal Resource Utilisation across Product Lifecycle**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

HOEC operates in the Oil & Gas Exploration and Production sector. We produce only Crude Oil and Natural Gas. While there is a limitation in being able to incorporate environmental and social design concerns in the composition of our products, we ensure that best-in-class practices are followed while designing and operating our production facilities.

The company conducts a thorough Environment Impact Assessment Study (EIA) before commencement of any project to identify the possible environment effects and mitigation measures to reduce the environmental impacts. Such EIA study is scrutinized and approved by Local Administration and Ministry of Environment, Forest and Climate Change for grant of Environmental Clearance. And during production phase all the environmental emissions are monitored every month to ensure the level of emission are within the prescribed limit of pollution control board.

The major component of company's product is Natural Gas, which is a clean fuel with less carbon content. The combustion of natural gas releases very small amounts of sulfur dioxide and nitrogen oxides, virtually no ash or particulate matter and lower levels of carbon dioxide, carbon monoxide, and other reactive hydrocarbons.

All designing and project planning of oil and gas processing equipment at our installation is done in a way to minimize environmental impact, and all procured machinery is assessed to ensure that it meets desired environmental standards. Noise generating equipment such as Diesel Generators, Diesel driven engines, compressors etc. are provided with acoustic enclosure to minimize the noise level.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

- i. The Company works with regulators and landowners to minimize surface impacts from our operations and prioritize use of Degraded Non - Agricultural land for project execution.
- ii. The Company has installed 105 Nos of solar lamps in the Block area to generate solar based energy for illumination to minimize dependency on conventional energy sources.
- iii. Water conservation is a priority of the Company, and we continually pursue sustainable and diverse sources of non-potable or non-fresh water for drilling and completions of oil and gas wells, Green Belt development and washing of equipment etc. Our comprehensive approach includes utilizing effluent water (wastewater), brackish water and recycled produced water to meet our operational requirement. Dedicated Sewage water treatment and effluent water treatment facility commissioned at our operational site.
- iv. The Company also minimizes the flaring of gas in all of its operations; exceptions are related to safety concerns during emergency or upset conditions. HOEC has commissioned horizontal flare system fitted with six burners, four pilots, one ignition control panel and one flare header. A fence is provided around the ground flare to guarantee that the flames are concealed, thereby preventing exposure to the surrounding environment.

- v. Our site operations have developed the practice of using of low sulphur diesel oil (0.25% sulphur content) in DG sets for emergency operations.
- vi. The Company has very low Green House Gas emission intensity as compared to global average, being a gas producer in most of its assets, and there are no complex processes involved in separation of various impurities from oil.
- vii. The Company has laid underground pipelines to transport and distribute the hydrocarbon product to minimize the footprint on land surface and to minimize the risk of road tankers.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- i. HOEC has developed a strategy to proactively manage environmental footprint and limit emissions of methane and other greenhouse gases from our operations before supplying oil and gas to consumers supply chain.
- ii. The Company is continuously focusing on reducing the company's use of fresh water, mitigating the disposal of produced water through water recycling efforts, reducing water acquisition and transportation costs, and minimizing water trucking on public roadways.
- iii. Rainwater harvesting system installed at our operational site to increase the ground water level.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. Our vendors and contractors also play a key role in our performance. Processes and systems are in place to retain a long-term relationship with them and to monitor their performance through appropriate feedback and reporting tools.

Crude and Natural Gas from our operations at Assets are transported via underground pipeline, preventing the use of trucks for transportation, thereby reducing pollution as well as the risk of road safety incidents.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Local Vendor Development Officer identifies and assesses the capabilities of local vendors located in the core areas and in the local districts of our operation every year and the Company sponsors skill enhancement of identified vendors or unemployed youth.

Services from the local vendors are availed for providing security services, transportation of company crews, catering services, green belt development, civil works, and pipeline patrolling etc. Employment opportunities in site maintenance are provided to eligible candidates of the local community.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

During drilling campaign, the rig wash water and drilling wastewater generated are collected in a wastewater pit constructed at the drilling site. The pit is lined with 1-1.5mm thick HDPE to prevent any contamination to sub-surface aquifers. 50% of wastewater are treated and reused and recycled.

The Company has installed Sewage Treatment facility in the operating sites to treat the wastewater generated from toilets, sinks, showers, baths etc. The domestic wastewater is treated in several stages in the Sewage treatment plant and 90% of the treated water are used for green belt development.

More than 10% of packaging wastes, paper, plastic, are properly segregated and stored as recyclable waste in designated bins onsite. Recyclables are periodically sold to local waste recyclers complying with State and Central Pollution Control Board Guidelines.

Principle 3 - Employee Well-being

1. Please indicate the Total number of employees: 94
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: Nil
3. Please indicate the Number of permanent women employees: 7
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management? No.
6. What percentage of your permanent employees is members of this recognized employee association? - Not applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - Nil
8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
 - (a) Permanent Employees - 84%
 - (b) Permanent Women Employees - 90%
 - (c) Casual/Temporary/Contractual Employees - N.A.
 - (d) Employees with Disabilities - Nil

Principle 4 - Engaging Stakeholders - Sustaining Value

1. Has the company mapped its internal and external stakeholders? - Yes.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. Identification of the disadvantaged, vulnerable and marginalized stakeholders is an on-going process.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

The Company has CSR initiatives to engage vulnerable stake holders that are chosen based on the following criteria such as -

- Identifying the need through an internal assessment by the company representatives in its operational areas.
- Request and demand made by the stake holders in public hearing.
- Discussion with the stakeholders from the villages (Local Leaders, Local representatives, Voluntary Organizations, Youth, Student Organizations, SHG's and Mahila Samitte)

The Company carries out Impact Assessment at our operating areas through an in-house team at regular intervals to understand the impact created by our initiatives and projects.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy related to Principle 5 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The principles stated in our code and policies covers the Company. HOEC's Group Companies/Suppliers/Contractors are separate legal entities having their own policies and procedures.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? Nil

Principle 6 - Nurturing the Environment**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company has in place a Sustainability Policy. HOEC's Group Companies/Suppliers/Contractors are separate legal entities having their own policies and procedures.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company has the strategy to proactively manage our environmental footprint and limit emissions of methane and other greenhouse gases from our operations. We are committed to working with all our service contractors and communities to address our impacts to the environment while ensuring the supply of sustainable, abundant and affordable energy.

Improvements made at operating installations to achieve energy efficiency of equipment by periodical preventive maintenance activities, ensure vehicle fuel economy, installation of solar powered streetlamps, plantation of bamboo which can absorb CO₂ gas from atmosphere.

The Company has in place an Environmental Policy, which is available on our website at <https://www.hoec.com/growing-responsibly/hse-policies-reports-disclosures/>.

3. Does the company identify and assess potential environmental risks?

Yes. The Company has the practice of conducting Environmental Impact Assessment study with a thorough assessment of potential environmental risk and mitigation measures applicable to all our project. This is being evaluated by the Ministry of Environment and Forest and Climate Change and then the projects are awarded with Environmental Clearance.

During production phase all the environmental emissions are monitored every month through an accredited testing laboratory to ensure the level of emission are within the prescribed limit of pollution control board.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

All processing facilities are equipped with flare systems for the safe and clean disposal of hydrocarbon vapour during operations. Appropriate management of power generation source to achieve fuel efficiency and therefore reduce emissions. Adequate DG stack height is accounted for to enable effective dispersion of air pollutants, and to meet the minimum stack height and emission concentrations criteria set by the Central Pollution Control Board (CPCB).

The Company complies with the specific and generic condition recommended by the Ministry of Environment and Forest and Climate Change and files half yearly environmental compliance report to Regional Office for each operational Block.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Use of low sulphur diesel oil (0.25% sulphur content) in all diesel driven engines at operational sites are followed for cleaner emission. All the machineries and equipment at production installation undergoes periodical preventive maintenance in compliance with OEM recommendation to increase the energy efficiency and to minimize breakdown time.

The Company has proactively optimized the processes keeping considering zero-emission aspect in during design stage of processing facilities. HOEC is in process of reducing carbon footprint by major and minor process changes, supplying surplus power to state grid, tea factories etc., and also by creating additional carbon sink through plantation, adopting green energy sources to the extent possible. For obvious reason, HOEC has the advantage of being into natural gas E&P business as combustion of gas is way lesser polluting than oil.

Details of the same are available on the Sustainability Report published by the Company which is available on our website at <https://www.hoec.com/results-and-reports/annual-reports/>.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions/waste generated by the company are within the permissible limits given by CPCB/SPCB. Emission monitoring is carried out periodically through SPCB approved environment monitoring agency and the reports are submitted to SPCB regularly. Company is granted with Hazardous waste authorization from State Pollution Control Board for waste generation, storage and disposal and best storage and disposal practices are being complied. All the operational Blocks of the Company are approved by State Pollution Control Board with a Consent to Establish and Operate.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. - Nil

Principle 7 - Responsible Policy Advocacy

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with. - No**
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) - Not applicable**

Principle 8 - Support Inclusive Development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company rolls out various projects and programmes under different sectors in line with the CSR policy and the guidelines provided under Schedule VII of the Companies Act, 2013.

Rural Development Sector: Construction of Road and Installation of Solar streetlamps

Education Sector: Infrastructure development in schools - Construction of auditorium & Sanitation facility

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The projects and programmes are undertaken by the in-house team consisting of CSR Head and other company representatives at respective operating area of the Company.

3. Have you done any impact assessment of your initiative?

Yes. The Company carries out Impact Assessment at our operating areas through an in-house team at regular intervals to understand the impact created by our initiatives and projects.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

Amount spent by the Company for community development projects for the FY 2021-22 is ₹ 30.52 lakhs (FY 19-20: 28.01 Lakhs + FY 20-21: 0.48 Lakh + FY 21-22: 2.03 Lakh).

Projects undertaken:

- Construction of Auditorium in Powai Middle School
- Sanitation facility at Powai School

- Installation of Playground equipment in Schools
- Installation of solar streetlamps in operating area

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The initiatives are monitored through company representatives in the operating area by interacting with the stake holders to get feedback on the completed projects. Thus, the Company considers the feedback of the stakeholders and designs the project/programme such that they are successfully adopted by the community.

Also, the community development initiatives are chosen are based on the following criteria such as

- identifying the need through an internal assessment by the company representatives in its operational areas.
- request and demand made by the stake holders in public hearing.
- discussion with the stakeholders from the villages (Local Leaders, Local representatives, Voluntary Organizations, Youth, Student Organizations, SHG's and Mahila Samitte)

Principle 9 - Providing Customer Value

- 1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?**
- Nil
- 2. Does the company display product information on the product label, over and above what is mandated as per local laws?** Not Applicable
- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?** No
- 4. Did your company carry out any consumer survey / consumer satisfaction trends?** - No

Report on Corporate Governance

HOEC adheres to the prescribed corporate governance practices as per SEBI Listing Regulations and is also committed to adopt emerging best principles and practices worldwide. In accordance with provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at HOEC is as follows:

1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Good governance practices stem from a progressive culture and positive mind set of an organization, anchored to the principles of transparency and trust, thereby creating an enduring value for all the stakeholders.

The key to your Company's Corporate Governance principles are to maintain a highest degree of integrity, transparency, accountability, ethical behaviour and long-term sustainability in its business conduct. HOEC aspires to be a good corporate citizen by ensuring investor protection, better compliance with statutory laws and regulations and by adopting best industry practices.

The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainability to increase the Company's value and to 'Grow Responsibly'. The Company has defined policy and guidelines for ethical conduct of business and has established framework for the meetings of the Board and its Committees. These guidelines seek to systematize the decision-making process, at the meeting of the Board and the Committees in an informed and efficient manner.

The Board critically evaluates strategic direction of the Company, management policies and their effectiveness. The agenda for Board reviews include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic plans, operating plans, capital allocation, budgets and financial reports.

At the heart of our processes is the extensive use of technology. This ensures robustness and integrity of financial reporting, internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports and ensures compliance with statutory laws, regulations and company policies.

Over the years, governance processes and systems have been strengthened at HOEC. Corporate Governance is a continuous process for constant improvement of governance. We have undertaken several initiatives towards maintaining the highest standards of governance which includes formulating and adhering to the following management systems, guidelines, policies and codes.

- Corporate Governance Policy
- Whistle Blower Policy
- Directors' Code of Conduct
- Code of Conduct for Independent Directors
- Code of Ethics for Senior Management
- Code of Conduct for Regulating, Monitoring and Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions
- Policy for Disclosure of Event or Information and Determination of Materiality

- Policy on Material Subsidiaries
- Policy on Board papers
- Policy on Information Management
- Policy on Document Retention
- Corporate Social Responsibility Policy
- Health Safety and Environment (HSE) Policy
- Contracts and Procurement Procedure Manual
- Human Resources Policies and Guidelines
- Policy on Anti Sexual Harassment of Employees
- Operational Excellence Policy
- Policy on Sustainability
- Policy on Security
- Anti-Corruption Guideline
- Management and Control Model

In addition, Your Company positions itself for a meaningful role towards communities and its environs which directly or indirectly co-relate themselves with Company's success and growth.

The Company has a strong sense of participation in community development such as using and developing local sources wherever possible for our operations. It has an established system to encourage and recognize employees' participation in environmental and social initiatives, that contribute to organizational sustainability, conservation of energy and promotion of safety and health.

2. BOARD OF DIRECTORS

(i) Board composition and category of Directors

As on March 31, 2022, the Company has seven (7) Directors - three (3) Non-Executive Independent Directors, two (2) Non-Executive Non-Independent Directors and two (2) Executive Directors.

Mr Vivek Rae is the Non-Executive Independent Director & Chairman of the Company. Ms. Sharmila Amin is a Non-Executive Independent Woman Director. There are no inter-se relationships between the Board members.

Accordingly, the composition of the Board is in compliance with provisions of Regulation 17 of SEBI Listing Regulations and Section 149 of Companies Act, 2013. The profile of the Directors is available at <https://www.hoec.com/who-we-are/board-of-directors/>.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors.

(ii) Functions of the Board

Board is the highest decision-making body subject to the powers and matters reserved to Members that may be exercised in their meeting. Board accords its approval to all the key decisions of the Company. For day to day routine operations, the Board has delegated authority to the Managing Director. All matters of strategic or material nature are placed before the Board with background, proposal, situational and option analysis, notes and relevant documents thereby enabling the Board to take informed decisions.

(iii) Separation of Board's supervisory role from Executive Management

The Company, in line with the best corporate governance practice, has separated the Board's supervisory role from that of the executive management.

(iv) Selection of Directors and their Role

Considering the requirement of skill sets on the Board, eminent people having a good standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination & Remuneration Committee for appointment as Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and memberships held in various Committees of other companies by such persons. The Board considers the Committee's recommendations and takes appropriate decision.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act, having vast, diversified, professional and operational experience in the areas of oil and gas, general management, finance, insurance and public administration. This pool of rich and diverse experience enriches and adds value to the discussions and decisions arrived by the Board.

The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. In the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Also, all independent directors have completed the registration with the Independent Directors Databank pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs. Requisite disclosures have been received from the directors in this regard.

The format of letter of appointment issued to Independent Directors is available on our website at <https://www.hoec.com/grow-with-us/corporate-governance/>.

During the year, a meeting of the Independent Directors was held on February 14, 2022. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

(v) Key Board qualifications, expertise and attributes

The Board of Directors of the Company comprises of qualified members who possess the requisite skills, expertise and competency to effectively contribute to the functioning of the Board and its Committees.

The following are the key skills, qualifications and attributes which are taken into consideration when nominating candidates to the Board of the Company.

Vision and Leadership	The ability to see the big picture and the courage to set direction to achieve the organization's mission.
Sector Specific Knowledge and Expertise	Knowledge of the organization's operations and relevant work experience.
Financial Acumen	Management of the organization's finance function with proficiency in complex financial management, capital allocation and financial reporting processes.
Collegiality	A sincere and respectful attitude towards fellow Board members and their views.
Diligence and Discretion	Commitment to fulfilling the organization's goals and maintaining confidentiality of Board discussions and decisions.

Name of Director	Key skills / qualification / attributes				
	Vision and Leadership	Sector specific knowledge and expertise	Financial Acumen	Collegiality	Diligence & Discretion
Mr. Vivek Rae	✓	✓	✓	✓	✓
Ms. Sharmila Amin	✓		✓	✓	✓
Mr. P K Borthakur	✓	✓	✓	✓	✓
Mr. Ashok Goel	✓		✓	✓	✓
Mr. Rohit Dhoot	✓		✓	✓	✓
Mr. P Elango	✓	✓	✓	✓	✓
Mr. R Jeevanandam	✓	✓	✓	✓	✓

Note: The above table reflects the specific areas of focus or expertise of the existing individual Board members as on the date of this Report. However, the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification / attribute.

(vi) Names and categories of the Directors on Board, other Directorships and Committee Chairmanships / Memberships and shareholding as on March 31, 2022

Name of the Directors	Initial Date of Appointment	Category	No. of Directorship(s) including in this listed Entity ⁽¹⁾		No. of Committee positions held including in this listed entity ⁽²⁾		No. of shares held in the company
			Chairperson	Member	Chairperson	Member ⁽³⁾	
Mr. Vivek Rae (Chairman)	18.04.2019	Independent, Non-Executive	1	1	Nil	Nil	Nil
Ms. Sharmila Amin	17.12.2014	Independent, Non-Executive	Nil	4	1	1	Nil
Mr. Pronip Kumar Borthakur	15.06.2016	Independent, Non-Executive	Nil	2	1	2	Nil
Mr. Ashok Kumar Goel	01.03.2018	Non-Independent, Non-Executive	Nil	2	Nil	2	1,84,65,078 ⁽⁴⁾
Mr. Rohit Rajgopal Dhoot	10.03.2018	Non-Independent, Non-Executive	Nil	5	Nil	2	30,34,107 ⁽⁵⁾
Mr. Elango Pandarinathan	02.02.2015	Managing Director	1	3	Nil	1	50,45,879
Mr. Ramasamy Jeevanandam	02.02.2015	Executive Director & Chief Financial Officer	Nil	3	Nil	1	50,02,124

Note: (1) Other directorships and committee positions do not include directorships/memberships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

(2) As per Regulation 26 of SEBI Listing Regulations, Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.

(3) In the Board Directorship and Committee details provided, every chairpersonship is also considered as a membership.

(4) Mr. Ashok Kumar Goel holds the said shares on behalf of Ashok Goel Trust.

(5) Mr. Rohit Rajgopal Dhoot holds the said shares on behalf of Dhoot Rohit Kumar Family Trust I.

Apart from the Board of HOEC, Ms. Sharmila Amin serves as an Executive Director on the Board of a Listed company viz. Candour Techtex Limited (Formerly known as Chandni Textiles Engineering Industries Limited) and Mr. Rohit Rajgopal Dhoot serves on the Board of two (2) other listed entities namely Dhoot Industrial Finance Limited and Sulej Textiles and Industries Limited in his capacity as Managing Director and as Non-Executive Non-Independent Director respectively.

(vii) Board Meetings

During the year under review, seven (7) Board meetings were held and the intervening gap between the meetings did not exceed one hundred and twenty days, except for the first quarter of the Financial year where the meeting of the Board was held with a gap of 127 days pursuant to the relief on grounds of Covid-19 pandemic provided by the Ministry of Corporate Affairs vide General Circular 08/2021 dated May 03, 2021. The required quorum was present for all the meetings.

Details of the attendance of Directors at the Board meetings and Annual General Meeting held during the year are as follows:

Name of the Director	Date of the Meeting							No. of Meetings entitled to attend	No. of Meetings attended	Attendance at last AGM 28-Sep-21
	16.06.21 (1)	29.06.21 (2)	14.08.21 (3)	03.09.21 (4)	24.09.21 (5)	11.11.21 (6)	14.02.22 (7)			
Mr. Vivek Rae	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	7	7	*Yes
Ms. Sharmila Amin	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	7	7	*Yes
Mr. P. K. Borthakur	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	7	7	*Yes
Mr. Ashok Goel	*Yes	*Yes	No	No	*Yes	*Yes	*Yes	7	5	No
Mr. Rohit Dhoot	*Yes	*Yes	*Yes	*Yes	No	*Yes	*Yes	7	6	*Yes
Mr. P. Elango	Yes	Yes	Yes	*Yes	Yes	Yes	*Yes	7	7	*Yes
Mr. R. Jeevanandam	*Yes	Yes	Yes	Yes	Yes	Yes	*Yes	7	7	*Yes
Total strength	7	7	7	7	7	7	7			
Directors present	7	7	6	6	6	7	7			

* Meeting attended by the Director through video conferencing.

(viii) Directors appointment / re-appointment / retiring during the year

The details of the appointment / re-appointment of directors during the year are given in the Board's Report section of this Annual Report.

(ix) Code of Conduct for the Directors and Senior Executives

In compliance with the SEBI Listing Regulations, the Company has laid down and implemented the Directors' Code of Conduct and Code of Ethics for Senior Management of the Company.

All Board Members and Senior Management who are instrumental in the critical operations / functions are covered under the said Codes and have affirmed their compliance thereof to the said Code.

The Company continues to ensure effective implementation and enforcement of these Codes to achieve the objectives enshrined in these Codes. All directors and employees are updated and sensitized about these Codes. Copies of the Codes are available on the intranet and have been also hosted on the Company's website <https://www.hoec.com/grow-with-us/corporate-governance/> for their reference and compliance.

The annual report of the Company contains a certificate from the Managing Director in terms of SEBI Listing Regulations on affirmation of compliance with the Company's Code of Conduct by the Board members and Senior Management Personnel.

(x) Code of Conduct for prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has laid down and adopted a Code of Conduct for Regulating, Monitoring and Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information based and modelled on said Regulations. The said Code incorporates the amendments made in the aforesaid Regulations from time to time. The Company *inter-alia* observes a closed period for trading in securities of the Company for Directors / Officers and Designated Employees of the Company for the period of at-least seven days prior to the consideration of quarterly / half-yearly / yearly results.

The trading window is also closed in anticipation of price sensitive information / announcements / events. The said closure extends up to at least 48 hours after the disclosure of the said results / price sensitive information / announcements / events to the Stock Exchanges.

(xi) Information provided to the Board

During the year, the information as mentioned in Schedule II Part A of the SEBI Listing Regulations has been placed before the Board for its consideration.

The Managing Director & Chief Financial Officer jointly give certificate of compliance of the laws applicable to the Company on a periodical basis to the Board, for its review and noting. These certificates also contain reasons and action plans to remedy non-compliance, if any.

The agenda and notes on the agenda items are circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is circulated prior to the day of the meeting and tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted by the Chairman.

Draft minutes are circulated to all the members of the Board / Committee for their comments within the prescribed time. The minutes are entered in the Minutes Book within thirty (30) days from conclusion of the meeting.

The company complies with all applicable Secretarial Standards.

3. COMMITTEES OF THE BOARD

(i) Procedure at the Committee Meetings

The Company's guidelines relating to the Board Meetings are also applicable to the Committee Meetings as far as practicable. Each Committee and also their Chairman have the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of the Committee Meetings are circulated to the concerned Committee members for approval and then placed before the Board for taking note thereof.

(ii) Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. As on March 31, 2022, the Audit Committee comprised of Ms. Sharmila Amin as Chairperson, Mr. Pronip Kumar Borthakur and Mr. Rohit Rajgopal Dhoot as members.

All the members of this Committee possess relevant financial / accounting expertise / exposure. The Audit Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.

The Company Secretary acts as the Secretary to the Audit Committee. The Chairperson of the Audit Committee was present at the last Annual General Meeting held on September 28, 2021.

During the year under review, six (6) Audit Committee meetings were held and the intervening gap between the meetings did not exceed one hundred and twenty days, except for the first quarter of the Financial year where the meeting of the Committee was held with a gap of 127 days pursuant to the relief on grounds of Covid-19 pandemic provided by the Ministry of Corporate Affairs vide General Circular 08/2021 dated May 03, 2021. The required quorum was present for all the meetings.

The Audit Committee is empowered to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

An extract of the terms of reference of the Audit Committee is as follows.

- Oversight of the Company's financial reporting process.
- Reviewing with the management, the quarterly financial results, annual financial statements and the auditors' report thereon, before submission to the Board for approval.
- Recommendation for the appointment, remuneration and terms of appointment of the auditors of the Company.
- Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process.
- Approval or any subsequent modification / material modification of transactions of the Company with related parties.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the adequacy of internal audit function, coverage and frequency of internal audit.
- Discussion with the auditors of any significant findings on matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- To review the investments made by the Company and its subsidiaries.
- To review the functioning of the Whistle Blower mechanism.

Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. During the year, no personnel have been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at <https://www.hoec.com/grow-with-us/corporate-governance/>. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

(iii) Nomination and Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI Regulations as amended from time to time.

As on March 31, 2022, the Nomination and Remuneration Committee comprised of Ms. Sharmila Amin as Chairperson, Mr. Vivek Rae, Mr. Pronip Kumar Borthakur and Mr. Ashok Kumar Goel as Members.

During the year under review, three (3) Nomination and Remuneration Committee meetings were held and the required quorum was present for all the meetings. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on September 28, 2021.

An extract of the terms of reference of the Nomination and Remuneration Committee is as follows.

- Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment / removal.
- Recommendation to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director.
- Formulation of the criteria for evaluation of Independent Directors and the Board.
- To administer, monitor and formulate detailed terms and conditions of the Incentive schemes.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, annual performance evaluation of Board, the Committees of the Board and the individual Directors were carried out.

The performance of the Board was evaluated by the Board by seeking inputs from all the directors on the basis of criteria such as board composition and quality, effectiveness of meetings and procedure, board development, strategy and risk management and board and management relations.

The performance of the Committees was evaluated by the Board by seeking inputs from the Committee members on the basis of criteria such as committee composition, function and duties and effectiveness of meetings and procedure.

In a separate meeting of the independent directors, performance of the non-independent directors, the Chairman and the Board as a whole was evaluated, taking into account the views of the executive and non-executive directors.

Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

The Board and Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as contribution of the individual director to the meetings, preparedness, adherence to Code of Conduct, initiatives and advisory role, ability to contribute and monitor governance level at Board/Committee meetings, effective deployment of domain knowledge and expertise, independence of behaviour and judgement, etc.

(iv) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. As on March 31, 2022, the Committee was constituted with Mr. Pronip Kumar Borthakur as Chairman and Mr. P. Elango and Mr. R. Jeevanandam as members.

During the year under review, four (4) Stakeholders Relationship Committee meetings were held and the intervening gap between the meetings did not exceed one hundred and twenty days, except for the first quarter of the Financial year where the meeting of the Committee was held with a gap of 127 days pursuant to the relief provided by the Ministry of Corporate Affairs vide General Circular 08/2021 dated May 03, 2021. The required quorum was present for all the meetings.

An extract of the terms of reference of the Stakeholders Relationship Committee is as follows.

- To consider and resolve the investor grievances / complaints pertaining to transfer and transmission of shares, issue of duplicate shares, non-receipt of annual report, non-receipt of dividends declared, etc.
- Oversight of the performance of the Company's Registrars and Transfer Agent.
- Monitoring the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

Details of the Compliance Officer

Ms. Deepika CS¹
 Assistant Company Secretary & Compliance Officer,
 Hindustan Oil Exploration Company Limited,
 'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet,
 Chennai - 600 018, Tamil Nadu, India.
 Tel: +91 (044) 66229000; Fax: +91 (044) 66229011/12; E-mail: hoecshare@hoec.com

¹ Appointed as Company Secretary and Compliance officer w.e.f from August 12, 2022. Prior to it, Ms. G. Josephin Daisy was the designated Company Secretary and Compliance Officer of the Company.

Details of investor complaints received and replied/resolved during the year

Particulars	Total grievances / complaints received	Total grievances / complaints addressed	Pending grievances / complaints as on March 31, 2022
Received from Investors	2	2	-
Received from NSDL / CDSL	-	-	-
Referred by SEBI	-	-	-
Referred by Stock Exchange(s)	-	-	-
RBI / Govt. Authorities	-	-	-
Total	2	2	-

There were no grievances / complaints from shareholders which remained unaddressed / unresolved. Every effort is made to redress investors' grievances / complaints in least possible time.

(v) Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

Risk Management Committee of the Company is constituted with Mr. Pronip Kumar Borthakur as Chairman, Mr. P. Elango and Mr. R. Jeevanandam as members and also a member of the Senior Management. During the year under review, two (2) Risk Management Committee meetings were held and the required quorum was present for the meetings.

(vi) Other Committees**Corporate Social Responsibility (CSR) Committee**

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Act. As on March 31, 2022, the Committee comprised of Mr. Vivek Rae as Chairman and Mr. Pronip Kumar Borthakur, Ms. Sharmila Amin and Mr. P. Elango as members.

During the year under review, three (3) CSR Committee meetings were held and the required quorum was present for all the meetings.

Policy on Corporate Social Responsibility for the Company has been formulated and the same is available on the company's website <https://www.hoec.com/growing-responsibly/csr/>.

The broad terms of reference of the CSR committee is as follows:

- To formulate and recommend to the Board, a CSR policy and Annual Action Plan indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- To recommend the amount of expenditure to be incurred on the activities referred to above.
- To monitor the CSR activities of the Company from time to time.

(vii) Details of of committee meetings held and attendance records

Name of the Committee	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	CSR Committee	Risk Management Committee
No. of meetings held	6	3	4	3	2
Date of meetings	16-Jun-2021 29-Jun-2021 14-Aug-2021 24-Sep-2021 11-Nov-2021 14-Feb-2022	29-Jun-2021 03-Sep-2021 14-Feb-2022	29-Jun-2021 14-Aug-2021 11-Nov-2021 14-Feb-2022	29-Jun-2021 11-Nov-2021 14-Feb-2022	27-Oct-2021 17-Mar-2022

(vii) Details of of committee meetings held and attendance records

Name of the Committee	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	CSR Committee	Risk Management Committee
Name of Member	No. of meetings attended				
Mr. Vivek Rae	-	3	-	3	-
Ms. Sharmila Amin	6	3	-	3	-
Mr. P. K. Borthakur	6	3	4	3	2
Mr. Ashok Goel	-	2	-	-	-
Mr. Rohit Dhoot	5	-	-	-	-
Mr. P. Elango	-	-	4	3	2
Mr. R. Jeevanandam	-	-	4	-	1

Note: 1. Due to the exceptional circumstances caused by the COVID-19 pandemic all Committee meetings in FY 2021-22 were held through Video Conferencing.

The necessary quorum was present for all the above committee meetings.

(viii) Independent Directors' Meeting

During the year under review, the Independent Directors met on February 14, 2022 to:

- Review the performance of the non-independent directors and the board as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors; and
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Remuneration of Directors**Remuneration Policy**

The Company inter-alia while deciding the remuneration package takes into consideration, the employment scenario and demand for talent in the upstream oil and gas sector. In addition, the remuneration package of the industry / other industries for the requisite managerial talent and the qualification and experience held by the appointee are being considered. Annual increments, if any, of the employees are considered and recommended by the Nomination and Remuneration Committee and approved by the Board.

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors within the ceilings prescribed under the Act, based on the performance of the Company as well as that of the Executive Director.

During the year under review, the Company paid sitting fees of ₹ 25,000 per meeting to its Non-Executive Independent Directors for attending meetings of the Board and meetings of committees of the Board. The Company also reimburses the out-of-pocket expenses, if any, incurred by the Directors for attending the meetings.

The shareholders of the Company have, at the 34th Annual General Meeting held on August 20, 2018, approved payment of commission to the Non-Executive Independent Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013 from the financial year 2017-18. The said commission is decided by the Board of Directors and distributed amongst the Non-Executive Independent Directors based on their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings.

Details of Remuneration of Directors for the year ended March 31, 2022**Remuneration to Executive Directors:**

The remuneration paid to Executive Directors comprises of salary, allowances, perquisites and bonuses, if any, which were approved by the shareholders as recommended by the Board.

Name of Director	Fixed Component (in ₹)			Performance Linked Incentive (in ₹)		Total (in ₹) Remuneration (Refer Note 2 below)	
	Salary	Contribution to Provident Fund & Superannuation	Other allowances/perquisites (Refer Note 1 below)	Total (A)	Bonus / Variable Pay		Total (B)
Mr. P. Elango	62,77,500	7,53,300	51,93,228	1,22,24,028	-	-	1,22,24,028
Mr. R. Jeevanandam	60,47,328	7,25,682	49,94,556	1,17,67,566	-	-	1,17,67,566

Notes:1. In computing the above Managerial Remuneration, perquisites have been valued in terms of actual expenditure incurred by the Company in providing the benefits.

2. As per the policy of the Company, gratuity and eligible leave encashment is payable at the time of retirement / separation and hence, gratuity and leave encashment are included in the remuneration of the year in which they are payable.

Remuneration to Non-Executive Directors:

The details of remuneration paid to the Non-Executive Directors for the year ended March 31, 2022 is as follows.

Name of Director	Sitting Fees (in ₹)	Commission (in ₹)
Mr. Vivek Rae	4,00,000	6,00,000
Ms. Sharmila Amin	5,00,000	6,00,000
Mr. Pronip Kumar Borthakur	6,75,000	6,00,000
Mr. Ashok Kumar Goel	-	-
Mr. Rohit Rajgopal Dhoot	-	-

Service contracts, notice period, severance fees of Executive Directors

Particulars	Pandarínathan Elango	Ramasamy Jeevanandam
Designation	Managing Director	Executive Director & CFO
Term of appointment	October 01, 2021 - September 30, 2023	October 01, 2021 - September 30, 2023
Remuneration	<ul style="list-style-type: none"> Remuneration with allowances of ₹ 11,62,063 per month. Performance-based variable pay of ₹ 50,00,000 at 100% performance. Reimbursement of out-of-pocket expenses, in actuals. Car with driver, fuel and maintenance. 	<ul style="list-style-type: none"> Remuneration with allowances of ₹ 11,15,580 per month. Performance-based variable pay of ₹ 46,00,000 at 100% performance. Reimbursement of out-of-pocket expenses, in actuals. Car with driver, fuel and maintenance.
Severance fees	In the event that there is a change in control and management which results in loss of employment, the unexpired period of the term of employment shall be compensated.	In the event that there is a change in control and management which results in loss of employment, the unexpired period of the term of employment shall be compensated.
Leave & Holidays	As per HOEC HR Policy.	As per HOEC HR Policy.
Termination	Either Party may terminate the Employment Agreement by giving six months written notice.	Either Party may terminate the Employment Agreement by giving six months written notice.

The Company has not granted any stock option to any of its Non-Executive Directors.

4. GENERAL BODY MEETINGS

(a) Location, Date and Time of last three Annual General Meetings are as follows:

Year	Location	Date	Time
2018-19	Tropicana Hall, The Gateway Hotel Vadodara, Akota Gardens, Akota, Vadodara - 390 020	26.08.2019	10.30 a.m.
2019-20	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	30.09.2020	10.30 a.m.
2020-21		28.09.2021	10.30 a.m.

b) Special resolutions passed at the Annual General Meeting (AGM) for the last 3 years are as under:

- i) At the Annual General Meeting held on August 26, 2019:
 - Re-classification of Burren Energy India Limited to public category.
- ii) At the Annual General Meeting held on September 30, 2020:
 - Re-appointment of Ms. Sharmila Amin as an Independent Director.
 - Re-appointment of Mr. Pronip Kumar Borthakur as an Independent Director.
- iii) At the Annual General Meeting held on September 28, 2021: NIL

c) Resolution passed through postal ballot:

There were no resolutions passed through postal ballot during the year 2021-22.

None of the business proposed to be transacted in the 38th AGM require passing resolution through postal ballot.

No Extra-Ordinary General Meetings of the members held during the financial year 2021-22.

5. MATERIAL SUBSIDIARY

Geopetrol International Inc. contributes to 15.69% of the consolidated income and 6.47% of the consolidated net worth of the Company as on March 31, 2022. Hence, Geopetrol International Inc. would be classified as a material subsidiary of the Company. However, since the threshold is maintained at 20% for the purpose of appointment of an independent director of a listed entity as a director on the board of an unlisted material subsidiary, the said provision is not applicable to the Company in the current financial year. The Policy for determining material subsidiary is available on the Company's website at https://www.hoec.com/wp-content/uploads/2019/12/policy-on-material-subsidiaries_may-2019.pdf.

6. MEANS OF COMMUNICATION

- a) Quarterly / Annual Results of the Company are published in the newspapers viz., Business Line, Business Standard and Loksatta. The results are displayed on the Company's website www.hoec.com.
- b) Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are sent to the Stock Exchanges and are also displayed on the Company's website <https://www.hoec.com/results-and-reports/financial-results/>.
- c) Official news releases and official media releases are sent to the Stock Exchanges and are also displayed on the Company's website <https://www.hoec.com/interact-with-us/news-releases/>.
- d) Annual Report
The Annual Report containing, inter-alia, the Audited Annual Standalone and Consolidated Financial Statements, Board's Report, Auditors' Report and other important information are circulated to the members and others entitled thereto and is also available on the website in a user-friendly and downloadable form.

e) SEBI Complaints Redressal System (SCORES)

The investors' complaints are processed through SCORES, a centralized web-based redressal system. The salient features of this system are: (i) centralized database of all complaints; (ii) online upload of Action Taken Reports (ATRs) by the concerned companies; and (iii) online viewing by investors of actions taken on the complaint and its current status.

f) Electronic filing with the Stock Exchanges

i) NSE Electronic Application Processing System (NEAPS) and NSE digital exchange is a web-based application designed by NSE for Corporates. The Shareholding pattern, Corporate Governance Report and other announcements are also filed electronically on NEAPS & NSE digital exchange respectively.

ii) BSE Corporate Compliance & Listing Centre (the 'Listing Centre') is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

g) Designated exclusive e-mail ID

The Company has designated the email-ID *hoecshare@hoec.com* exclusively for investor servicing.

h) Green Initiative

As a responsible corporate citizen, the Company supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, by its Circulars, enabling electronic delivery of documents including the Annual Report to the shareholders at their e-mail address registered with the Depository Participants (DPs) / Registrars & Share Transfer Agents.

Shareholders who have not registered their e-mail addresses so far, and who hold shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA - M/s Link Intime India Pvt. Ltd. Also, the shareholders may register / update their email ID with the Company by filling the registration form given at <https://www.hoec.com/green-initiative/>.

Company's website is a comprehensive reference on the Company's management, business, policies, corporate governance, investor relations, HSE, updates and news, as it serves to inform the shareholders by giving complete financial details, annual reports, shareholding patterns, corporate benefits, information relating to stock exchanges, Registrars and Share Transfer Agent etc.

7. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting: As given in the Notice of the 38th AGM

b) Financial Year: 1st April to 31st March

c) Dividend Payment Date: Board has not recommended dividend for the FY 2021-22

d) Corporate Identity Number (CIN) of the Company: L11100GJ1996PLC029880

e) Listing on Stock Exchanges: Equity Shares of the Company at present are listed at -

(i) BSE Limited (BSE)

1st Floor, P. Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

(ii) National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

The Company has paid the applicable annual listing fees to the said Stock Exchanges.

f) Stock / Scrip Code:

BSE - 500186 ; NSE - HINDOILEXP

The Company has established connectivity for trading of equity shares in the depository system with both depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

ISIN Number for NSDL/CDSL (Dematerialised Shares): INE345A01011

- g) Registrar & Transfer Agents: Link Intime India Private Limited
 Regd. Office: C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
 Mumbai - 400083, Maharashtra
 Tel No.: 022 49186270 ; Fax: 022 49186060
 E-mail id: rnt.helpdesk@linkintime.co.in
- Service Branch: B-102 & 103, Shangrila Complex, First Floor,
 Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota,
 Vadodara - 390020, Gujarat
 Tel: 0265-2356573, 2356794 ; Fax: 0265-2356791
 E-mail id: vadodara@linkintime.co.in

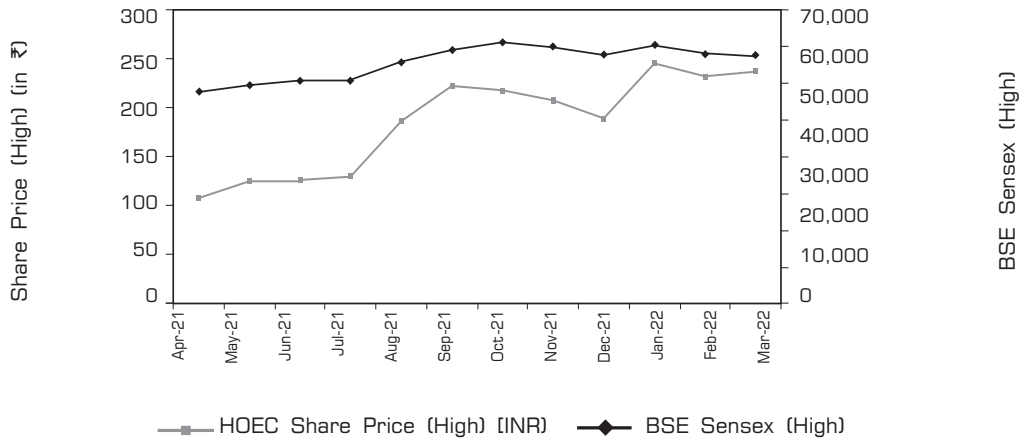
h) Stock market data:

The monthly high and low prices, as well as the volume of shares traded at BSE and NSE for FY 2021-22 are provided as follows:

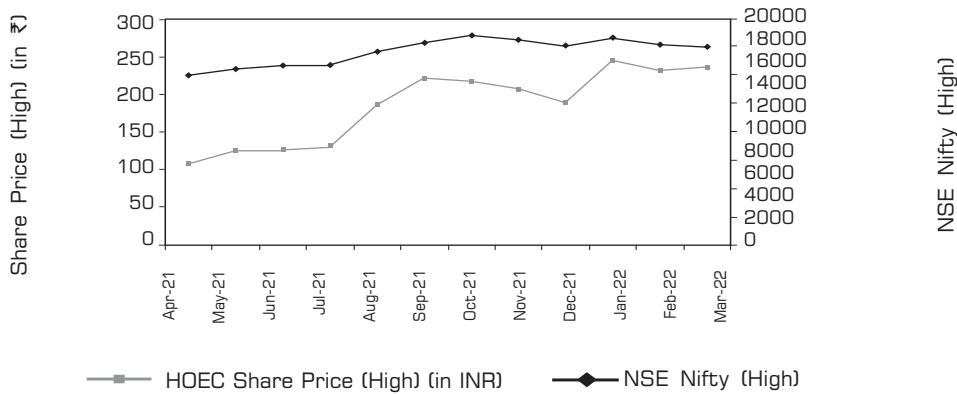
2021-22 Month	BSE				NSE			
	HOEC Share price			Number of shares traded	HOEC Share price			Number of shares traded
	High	Low	Close		High	Low	Close	
Apr-21	107.40	89.45	101.35	10,10,700	107.20	86.40	101.95	1,01,92,608
May-21	124.60	93.70	102.45	27,81,977	124.80	93.65	102.55	2,57,89,882
Jun-21	125.95	99.50	119.35	32,81,454	125.90	99.50	119.30	3,72,55,098
Jul-21	129.30	113.55	125.90	27,61,167	129.40	113.50	125.75	2,69,01,334
Aug-21	186.00	127.35	165.80	57,79,810	186.00	127.00	166.10	5,59,75,887
Sep-21	222.10	159.65	211.40	34,66,715	222.00	159.50	211.40	3,50,82,957
Oct-21	217.70	166.50	168.75	15,80,136	217.70	166.50	168.60	1,24,13,000
Nov-21	207.40	150.35	156.50	15,02,338	207.85	150.15	156.55	1,00,54,145
Dec-21	189.00	153.70	182.10	9,49,584	189.20	154.40	182.45	61,04,074
Jan-22	245.15	183.45	218.35	20,28,248	245.70	183.55	218.55	2,29,02,718
Feb-22	232.00	176.00	193.85	13,68,758	232.20	175.50	193.45	1,12,96,413
Mar-22	236.75	194.80	219.85	32,79,500	236.80	194.60	219.90	3,27,10,260

i) Share Price Chart (BSE)

Share performance of the Company in comparison to BSE Sensex



Share performance of the Company in comparison to NSE CNX Nifty



j) De-materialisation of shares and liquidity

The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2022 is as given below:

Particulars	Physical Segment	Demat Segment		Total
		NSDL	CDSL	
No. of Shares	9,30,576	10,17,20,455	2,95,92,258	13,22,43,289
Percentage	0.70	76.92	22.38	100.00

k) Distribution of Shareholding as on March 31, 2022

Distribution of Shares	Number of Shareholders	Percentage of total shareholders	Shares	Percentage of Total Share Capital
1 - 500	63,520	86.25	73,93,824	5.59
501 - 1000	4,642	6.30	36,69,172	2.77
1001 - 2000	2,416	3.28	36,38,778	2.75
2001 - 3000	930	1.26	23,58,735	1.78
3001 - 4000	433	0.59	15,59,258	1.18
4001 - 5000	397	0.54	18,87,765	1.43
5001 - 10000	621	0.84	46,15,089	3.49
10001 & above	689	0.94	10,71,20,668	81.00
Total	73,648	100.00	13,22,43,289	100.00

l) Shareholding Pattern as on March 31, 2022

Category of Shareholders	No. of Shares held	% of Total Shares
Foreign Promoter - Body Corporate	5,745	0.00
Central Government / State Government(s)	16,820	0.01
Mutual Funds	45,27,417	3.42
Foreign Portfolio Investors	12,32,653	0.93
Financial Institutions / Banks	2,160	0.00
Indian Public - individuals	7,88,43,492	60.00
NBFCs registered with RBI	26,575	0.02
Bodies Corporate	4,20,29,080	32
IEPF	7,45,197	0.56
Non-Resident Indian (NRI)	15,87,024	1.21
HUF	24,09,006	1.82
Others	8,18,120	0.62
Total	13,22,43,289	100.00

m) Statement showing shareholding of more than 1% of the Capital as on March 31, 2022

Sr.No.	Name of Shareholders	No. of Shares	% of Capital
1	Ashok Kumar Goel ⁽¹⁾	1,84,65,078	13.96
2	Housing Development Finance Corporation Limited	86,83,148	6.57
3	LCI Estates LLP	81,00,000	6.13
4	Dhoot Industrial Finance Limited	61,98,431	4.69
5	Elango Pandarinathan	50,45,879	3.82
6	Ramasamy Jeevanandam	50,02,124	3.78
7	Poddar Pigments Ltd	50,00,000	3.78
8	Vijai Shree Private Ltd	46,16,270	3.49
9	Rohit Rajgopal Dhoot ⁽²⁾	30,34,107	2.29
10	Kotak Small Cap Fund	25,72,188	1.94
11	Hitesh Satishchandra Doshi	25,43,640	1.92
12	Gks Logistics Private Limited	23,00,000	1.74
13	Si Investments And Broking Private Limited	15,50,000	1.17
14	Kusum Poddar	15,00,000	1.13

Notes: (1) Mr. Ashok Kumar Goel holds the said shares on behalf of Ashok Goel Trust

(2) Mr. Rohit Rajgopal Dhoot holds the said shares on behalf of Dhoot Rohit Kumar Family Trust I

(3) Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder

n) Share Transfer System

- i) Share Transfer in physical form requests are generally registered and returned within a period of 15 days from the date of receipt and requests for dematerialization are generally confirmed within a period of 21 days from the date of its receipt, if documents are complete in all respect.
- ii) As on March 31, 2022, 13,13,12,713 equity shares representing 99.30% of total equity shares are dematerialized. Promoters hold their shareholding in dematerialized form.
- iii) Nomination facility for shareholding
As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form from the Company. Members holding shares in dematerialized form shall contact their Depository Participants (DP) in this regard.
- iv) Permanent Account Number (PAN)
Members who hold shares in physical form are advised to furnish to the Company a copy of the PAN card of the transferees, members, surviving joint holders, legal heirs while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates in accordance with the SEBI mandates.

o) Dividend**i) Payment of dividend through National Electronic Clearing Service (NECS)**

The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, Members who hold shares in Demat mode should inform their Depository Participant and such of the Members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue dividend warrants to the Members.

ii) Transfer of unclaimed dividend and corresponding shares to the Investor Education and Protection Fund

Your Company has transferred the funds lying unpaid or unclaimed for a period of more than seven years and the corresponding shares in accordance with the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time), to Investor Education and Protection Fund (IEPF). As on the date of this Report there is no outstanding dividends liable to be transferred to IEPF.

Details of the same are uploaded on the Company's website at <https://www.hoec.com/grow-with-us/shareholder-information/>.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all the benefits accruing on such shares, if any, can be claimed back from IEPF by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

p) No ADR / GDR / Warrants have been issued by the Company.**q) Facilities location**

The Company is engaged in the business of Oil & Gas exploration, development & production and is at present operating at various fields as mentioned in section "Our Asset Portfolio" in the Annual Report. The address of the respective production facilities as on March 31, 2022 are summarized as follows:

- | | |
|--|--|
| <p>i) PY-1 Offshore Production facility
SUN Platform, Offshore Cauvery Basin Block PY-1, Tamil Nadu, India.</p> | <p>ii) PY-1 Gas Processing Plant
Pillaiperumalnallur, Thirukadaiyur, Nagapattinam Dist. Tamil Nadu - 609 311, India.</p> |
| <p>iii) Palej Production Facility (PPF)
Block-CB-ON-7, Near Palej, Village Makan, Vadodara Dist., Gujarat - 392 220, India.</p> | <p>iv) North Balol Gas Collection Station (GCS)
Block North Balol, Near Village Palaj, Mehsana Dist., Gujarat - 384 410, India.</p> |
| <p>v) Asjol Early Production System (EPS)
Block Asjol, Village Katosan, Mehsana Dist., Gujarat - 384 430, India.</p> | <p>vi) Dirok Gas Gathering Station (GGS)
HOEC Gas Gathering Station, Near Tongline, Dirok Tea Estate, P. O. Margherita, Tinsukia Dist., Assam - 786181, India.</p> |
| <p>vii) Hollong Modular Gas Processing Plant (H-MGPP)
Augbandha Village, Near Dehing TE, Margherita, P. O. Makum Pathar, Tinsukia Dist., Assam - 786187, India</p> | <p>viii) B-80 - MB/OSDSF/B80/2016
KGBOI Platform
HOEC B-80, Oil & Gas Block, Mumbai Offshore Off West Coast, Arabian Sea, Other Territory, 999999</p> |

r) Address for Correspondence:

Secretarial Department,
Hindustan Oil Exploration Company Limited
'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai - 600018, Tamil Nadu, India
Tel.: +91 (044) 66229000; Fax: +91 (044) 66229011/12; E-mail id: hoecshare@hoec.com

8. OTHER DISCLOSURES

- a) All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with related parties set out in Note no. 45 of the financial statements, forming part of the Annual Report. Further, the policy for dealing with related party transaction is available on the Company's website <https://www.hoec.com/wp-content/uploads/2022/08/policy-on-materiality-of-related-party-transactions.pdf>
- b) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.
- c) The Company has adopted a Policy on determination of materiality for disclosures and a policy on Retention of Documents is also in place.
- d) Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 2018 M/s. S. Sandeep & Associates, Company Secretaries in Practice carried out the Share Capital Audits periodically, to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The said Audit Report is submitted to BSE and NSE and also placed before the Stakeholders' Relationship Committee and the Board of Directors.
- e) Compliance Certificate of the Auditors
As required under Schedule V of SEBI Listing Regulations, a certificate from M/s. S. Sandeep & Associates, Company Secretaries in Practice confirming compliance with the conditions of Corporate Governance is attached.
- f) MD and CFO Certification
As required under SEBI Listing Regulations, a certificate from Managing Director and Chief Financial Officer of the Company is provided in this Annual Report.
- g) Certificate on Directors' Disqualification
As required under Schedule V of SEBI Listing Regulations, a certificate from M/s. S. Sandeep & Associates, Company Secretaries in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority is attached.
- h) Adoption of mandatory and non-mandatory requirements of SEBI Listing Regulations
The Company has complied with all the mandatory requirements and has adopted some of the non-mandatory requirements of SEBI Listing Regulations. In respect of adoption of non-mandatory and discretionary requirements, the Company will review its implementation from time to time.
- i) Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013:
An Internal Complaints Committee has also been duly constituted and during the year under review no complaints were received from any employee.
- j) Commodity price risk or foreign exchange risk and hedging activities:
The Company does not deal in commodities and hedging activities. Hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

- k) The Company has complied with applicable regulations specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.
- l) Training of Board members
The Board members are provided with the necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, periodic presentations are made at the meetings of the Board and its Committees on business and performance updates of the Company, global business environment, business strategy and risks involved.
- m) Compliance with Indian Accounting Standards (Ind AS)
In the preparation of financial statements, the Company has followed the Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013. The significant accounting policies used for the preparation of the financial statements are set out in the Notes to the financial statements.
- n) Details of Auditors' fees
As required under Schedule V of SEBI Listing Regulations, the details of total fees paid to the Statutory Auditors M/s Deloitte Haskins & Sells LLP, Chartered Accountants, for all services paid by the Company and its subsidiaries, on a consolidated basis is given below.

(₹ in lakhs)

Particulars	For the year ended March 31, 2022
Audit fee	47.32
Tax audit fee	2.36
Reimbursements	-
Total	49.68

- m) Participation and voting at 38th AGM
Pursuant to the circulars issued by the Ministry of Corporate Affairs and SEBI, the 38th AGM of the Company will be held through video-conferencing and the detailed instructions for participation and voting at the meeting is available in the notice of the 38th AGM.

For and on behalf of the Board of Directors

Date : August 23, 2022
Place : Mumbai

Vivek Rae
Chairman
DIN: 01866765

P. Elango
Managing Director
DIN: 06475821

CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Para E of Schedule V to the SEBI (LODR) Regulations, 2015)

To,

The Members

Hindustan Oil Exploration Company Limited

(CIN: L11100GJ1996PLC029880)

We have examined the compliance of the conditions of Corporate Governance by **Hindustan Oil Exploration Company Limited (CIN: L11100GJ1996PLC029880) ("the Company")**, for the financial year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility:

The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with conditions of Corporate Governance as stated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Responsibility:

Our examination was limited to examining procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion:

In our opinion, on the basis of our examination of the relevant records produced, information provided, the explanations and clarifications given to us, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India on account of the outbreak of Covid-19 pandemic, we certify that the Company has complied with all mandatory regulations and the conditions of Corporate Governance as stipulated Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended March 31, 2022.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.Sandeep & Associates
Company Secretaries

S.Sandeep
Company Secretary in Practice
FCS No.: 5853; C P No.: 5987
UDIN: F005853D0000476171

Date : June 08, 2022

Place : Chennai

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby declare that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with their respective Code of Conduct, as applicable to them for the Financial Year ended March 31, 2022.

For and on behalf of the Board

Date : May 30, 2022

Place: Chennai

P. Elango
Managing Director
DIN: 06475821

MD AND CFO CERTIFICATE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

We, P. Elango and R. Jeevanandam in our capacity as the Managing Director and Executive Director & Chief Financial Officer, respectively of Hindustan Oil Exploration Company Limited, to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year, if any;
 - (2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being issued in compliance of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Date : May 30, 2022
Place : Chennai

P. Elango
Managing Director
DIN: 06475821

R. Jeevanandam
Executive Director & CFO
DIN: 07046442

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Reg. 34(3) and Schedule V, Para C, Clause (10)(i) of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

**Hindustan Oil Exploration Company Limited
(CIN: L11100GJ1996PLC029880)**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hindustan Oil Exploration Company Limited (CIN: L11100GJ1996PLC029880)** and having registered office at Tandajla Road, Off : Old Padra Road, Vadodara, Gujarat 390020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Vivek Rae	01866765	18/04/2019
2	Sharmila Hiralal Amin	06770401	17/12/2014
3	Pronip Kumar Borthakur	06417854	15/06/2016
4	Ashok Kumar Nandkishore Goenka Goel	00025350	01/03/2018
5	Rohit Rajgopal Dhoot	00016856	10/03/2018
6	Elango Pandarinathan	06475821	02/02/2015
7	Ramasamy Jeevanandam	07046442	02/02/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.Sandeep & Associates
Company Secretaries

S.Sandeep
Company Secretary in Practice
FCS No.: 5853; C P No.: 5987
UDIN: F005853D000476061

Date : June 08, 2022
Place : Chennai

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hindustan Oil Exploration Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Hindustan Oil Exploration Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information which includes seven unincorporated joint ventures accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the unincorporated joint ventures referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matter	Auditor's Response
1	<p>Impairment of Upstream Oil and Gas assets included in PP&E and Capital Work in Progress and loans and advances given to subsidiary companies for Oil and Gas assets</p> <p>Oil and Gas assets included in Property, Plant and equipment (PP&E) and Capital Work in progress of the Company aggregate ₹ 76,619 lakhs and Loans and advances given to its subsidiary companies which have Oil and Gas assets aggregate ₹ 23,044 lakhs.</p>	<p>Principal audit procedures performed:</p> <p>Our procedures relating to testing the impairment of the upstream Oil and Gas assets, Capital work in Progress and loans and advances given to subsidiary companies for oil and gas assets included the following, among others:</p> <p>a) We tested the effectiveness of internal controls over the Company's process in estimating the oil and gas reserves, the completeness and accuracy</p>

S.No	Key Audit Matter	Auditor's Response
	<p>Recoverability of such Oil and Gas assets has been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the carrying value of the assets being assessed; • The assessment of the recoverable amount of the Company's Cash Generating Units (CGUs) involves significant judgements about future cash flow forecasts and the discount rates applied; and • The estimation of oil and natural gas reserves is a significant area of judgement due to the technical uncertainty involved and this has a substantial impact on impairment testing. <p>As required by Ind AS 36 'Impairment of Assets', management estimated the recoverable amount of the CGU to determine if any impairment charges or reversals were required.</p>	<p>of the input data used and the reasonableness of key assumptions considered in the impairment evaluation including the discount rates and future oil and gas prices.</p> <p>b) We obtained the impairment workings prepared by the Company and performed the following procedures:</p> <ul style="list-style-type: none"> (i) assessed the valuation methodology used by management, evaluated the appropriateness of management's identification of the CGU's and tested the arithmetical accuracy of the impairment calculations. (ii) conducted corroborative inquiries with the Company personnel, including internal reserve experts, to identify factors, if any, which should be considered in the analysis. (iii) We tested the key assumptions used in the assessment including reserve estimate, oil and gas prices by comparing them with prior year's data and external data, where relevant. (iv) Assessed the reasonableness of the discount rates used with the assistance of our internal valuation experts. (v) We verified the estimated future capital and operational costs, by comparing the same with the approved budgets and the production forecasts. (vi) Performed sensitivity analysis of key assumptions, including estimate of production-based revenue growth rates and the discount rates applied in the valuation workings.
2	<p>Measurement of provision for decommissioning, dismantling, removal and restoration ("DDRR")</p> <p>The provision outstanding for DDRR of the Company amounts to ₹ 11,473 Lakhs. The estimation of DDRR provision, involves significant degree of judgement and uncertainty in estimation.</p> <p>DDRR provisions are inherently subjective given they are based on estimates of costs that will be settled in the future. The Company reviews the DDRR provision on an annual basis, of which key components include the interest rate, inflation rate and expected future costs.</p>	<p>Principal audit procedures performed:</p> <p>Our procedures relating to testing the measurement of the provision for DDRR included the following, among others:</p> <ul style="list-style-type: none"> (i) We tested the effectiveness of internal controls over the Company's process in estimating the future costs, the completeness and accuracy of the input data used and the reasonableness of key assumptions considered in their evaluation including the inflation rate and discount rates. (ii) We obtained the calculation of the DDRR provision prepared by the Company and performed the following procedures: <ul style="list-style-type: none"> • Obtained and evaluated the report received by the Company from an external specialist for reasonableness. • We tested the completeness of the provision by comparing the list of operating blocks with the obligation to create a provision for DDRR. • Tested the arithmetical accuracy of the Decommissioning liability.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Boards' Report, Management Discussion and Analysis Report and Corporate Governance Report including annexures thereon, but does not include the standalone financial statements and our auditor's report thereon. The Boards' Report, Management Discussion and Analysis Report and Corporate Governance Report including annexures thereon is expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Board's Report, Management Discussion and Analysis and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company unincorporated joint ventures to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the standalone financial statements of which we are the independent auditors. For the other entities or business activities included in the standalone financial statements, which have been audited by the other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We have placed reliance on the technical/commercial evaluation performed by the management in respect of the categorization of wells as exploratory, development, producing and dry wells, allocation of costs incurred on them, proved developed hydrocarbon reserves and depletion thereof on Oil and Gas assets, impairment and liability for site restorations costs.

- b) We did not audit the financial statements of seven unincorporated joint ventures included in the standalone financial statements of the Company, whose financial statements reflect total assets of ₹ 57,082 Lakhs as at March 31, 2022 and total revenues of ₹ Nil Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements of these unincorporated joint ventures have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far relates to the amounts and disclosures included in respect of these unincorporated joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid unincorporated joint ventures, is solely based on the report of such other auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the unincorporated joint ventures, referred to in the Other Matters section above we report, to the extent applicable that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other

sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities.
- (c) Based on the audit procedures that has 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) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Place : Hyderabad
Date : May 30, 2022
MM/JM/2022/29

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 22213649AJVXVG2853)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **Hindustan Oil Exploration Company Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants

of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
 (Firm's Registration No. 117366W/W-100018)

C Manish Muralidhar
 (Partner)
 (Membership No. 213649)
 (UDIN: 22213649AJVXVG2853)

Place : Hyderabad
 Date : May 30, 2022
 MM/JM/2022/29

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of Property, Plant and Equipment and Intangible Assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment other than Oil & Gas Assets. The Company has maintained proper records showing full particulars of intangible assets.
 - b) As per the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment having substantial value, other than those which are underground / submerged / under joint operations have been physically verified by the management in a phased manner to cover all items over a period of three years, which in our opinion is reasonable, having regard to the size of Company and nature of its business. No material discrepancies were noticed on such verification.
 - c) Based on the examination of the registered sale deed provided to us, we report that , the title deeds of immovable properties disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. Immovable properties whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from the respective lenders.
 - d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) In respect of Inventory:
- a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
 - b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) In respect of Loans and Advances:
- a) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

The Company has provided loans or advances in the nature of loans, stood guarantee, or provided security during the year and details of which are given below:

Particulars	Loans
A. Aggregate amount granted / provided during the year:	
- Subsidiaries	₹ 6,740 lakhs
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	₹ 23,044 lakhs

- b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation/renewal.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date based on the renewed agreements.
- e) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company to one of the subsidiary amounting to Rs. 10,044 lakhs (44% of the aggregate loans and advances) has been renewed during the year?
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax,

cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (c) Details of dues of Service Tax which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in lakhs)
Finance Act, 1994	Service Tax	CESTAT, Chennai	April 2006 to November 2007	14.74
			October 2007 to March 2011	146.46*
			April 2010 to March 2015	24,283.25

(*) Net of ₹ 7.71 lakhs paid under protest

Note: The above doesn't include the show cause notices received by the company and disclosed in contingent liabilities as part of the financial statements.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) In respect of Borrowings:

- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports of the Company issued till the date of our audit report covering the period 01 April 2021 to December 2021. The internal audit report for the period 01 January 2022 to 31 March 2022 were unable to obtain on a timely basis.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable. The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (xx) (b) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 22213649AJVXVG2853)

Place : Hyderabad
Date : May 30, 2022
MM/JM/2022/29

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Non-current assets			
Property, plant & equipment			
a) Oil and gas assets	4	27,585.52	28,858.77
b) Others	4	337.49	282.45
Capital work-in-progress	5	49,033.83	27,407.63
Investment property	6	307.16	394.55
Intangible assets	7	970.52	937.35
Financial assets			
Loan to subsidiary	8	5,687.50	-
Investments in subsidiaries	9	5,945.83	5,945.83
Deposits under site restoration fund	10	6,948.01	6,559.26
Other financial assets	11	-	-
Deferred tax asset	12	-	-
Other non-current assets	13	20.90	54.96
Total non-current assets		96,836.76	70,440.80
2 Current assets			
Inventories	14	2,672.84	3,045.70
Financial assets			
Investments	15	33.56	3,035.08
Trade receivables	16	1,360.14	2,802.17
Cash and cash equivalents	17	1,293.84	3,009.54
Other bank balances	18	3,249.74	1,589.61
Loan to subsidiary	19	17,356.94	9,739.37
Other financial assets	20	4,562.54	3,052.62
Income tax assets (Net)	21	64.20	439.35
Other current assets	22	103.81	6,373.19
Total current assets		30,697.61	33,086.63
TOTAL ASSETS		127,534.37	1,03,527.43
EQUITY & LIABILITIES			
Equity			
Equity share capital	23	13,225.93	13,225.93
Other equity	24	63,370.57	59,792.12
Total equity		76,596.50	73,018.05
Liabilities			
1 Non-current liabilities			
Financial liabilities			
Long-term borrowings	25	16,061.45	8,827.64
Other financial liabilities	26	865.76	13.50
Provisions	27	11,510.39	10,908.00
Total non-current liabilities		28,437.60	19,749.14
2 Current liabilities			
Financial liabilities			
Borrowings	28	9,547.98	6,172.36
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small Enterprises	29	1,723.21	1,212.85
Other financial liabilities	30	10,145.50	2,818.16
Provisions	31	20.24	17.99
Other current liabilities	32	1,063.34	538.88
Total current liabilities		22,500.27	10,760.24
Total liabilities		50,937.87	30,509.38
TOTAL EQUITY & LIABILITIES		127,534.37	1,03,527.43

See accompanying notes forming part of the Standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN-117366W/W-100018

C Manish Muralidhar
Partner

Place : Hyderabad
Date : May 30, 2022

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 30, 2022

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 30, 2022

Josephin Daisy
Company Secretary
Place : Chennai
Date : May 30, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	33	13,050.47	9,943.83
Other income	34	1,680.41	1,182.56
Total income		14,730.88	11,126.39
EXPENSES			
Share of expenses from producing oil and gas blocks	35 (a)	2,225.18	2,296.32
Royalty, Cess and National Calamity Contingent Duty	35 (b)	2,294.87	1,968.63
(Increase) / decrease in stock of crude oil and condensate	36	230.11	(196.65)
Employee benefits expense	37	63.28	60.70
Finance costs - Unwinding of decommissioning liability	38	604.64	559.85
Finance costs - Others	38	141.26	-
Depreciation, depletion and amortization expense	4,6,7	1,484.88	1,858.10
Other expenses	39	667.62	832.20
Total expenses		7,711.84	7,379.15
Profit before exceptional items and tax		7,019.04	3,747.24
Exceptional items	40	(3,436.53)	2,758.72
Profit before tax		3,582.51	6,505.96
Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total tax expense		-	-
Profit for the year		3,582.51	6,505.96
Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
- Re-measurement gain / (loss) of defined benefit plans, net of tax		(4.06)	4.23
Other comprehensive income (net of tax)		(4.06)	4.23
Total comprehensive income for the year		3,578.45	6,510.19
Earnings per equity share of ₹ 10 attributable to equity holders	41		
Basic		2.71	4.92
Diluted		2.71	4.92

See accompanying notes forming part of the Standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN-117366W/W-100018

For and on behalf of the Board of Directors

C Manish Muralidhar
Partner

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 30, 2022

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 30, 2022

Josephin Daisy
Company Secretary
Place : Chennai
Date : May 30, 2022

Place : Hyderabad
Date : May 30, 2022

STANDALONE STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***a) Equity Share Capital**

Particulars	As at the period ended			
	31-Mar-2022		31-Mar-2021	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Balance at the beginning of the current reporting year	13,22,43,289	13,225.93	13,22,43,289	13,225.93
Changes in Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-
Changes in share capital during the current year	-	-	-	-
Balance at the end of the current reporting year	13,22,43,289	13,225.93	13,22,43,289	13,225.93

b) Other Equity as on March 31, 2022

Particulars	Reserves and surplus			Total ₹ in lacs
	Securities premium	Capital reserve	Retained earnings	
Balance as at April 1, 2020	78,865.42	96,084.50	(1,21,667.99)	53,281.93
Profit for the year	-	-	6,505.96	6,505.96
Other comprehensive income (net of tax)	-	-	4.23	4.23
Total comprehensive income for the year	-	-	6,510.19	6,510.19
Balance as at March 31, 2021	78,865.42	96,084.50	(1,15,157.80)	59,792.12
Profit for the year	-	-	3,582.51	3,582.51
Other comprehensive income (net of tax)	-	-	(4.06)	(4.06)
Total comprehensive income for the year	-	-	3,578.45	3,578.45
Balance as at March 31, 2022	78,865.42	96,084.50	(111,579.35)	63,370.57

See accompanying notes forming part of the Standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN-117366W/W-100018

C Manish Muralidhar
Partner

Place : Hyderabad
Date : May 30, 2022

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821

Place : Chennai
Date : May 30, 2022

R. Jeevanandam
Director & CFO
DIN No 07046442

Place : Chennai
Date : May 30, 2022

Josephin Daisy
Company Secretary

Place : Chennai
Date : May 30, 2022

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	3,582.51	6,505.96
Adjustments for:		
Depreciation, depletion and amortization	1,484.88	1,858.10
Unwinding of discount on decommissioning liability	604.64	559.85
Provision for compensated absences	-	9.67
Provision for doubtful advance	-	44.71
Exceptional items	3,436.53	(2,758.72)
Net foreign exchange differences	(305.82)	239.42
Interest income	(806.71)	(615.62)
Net gain on sale of investments	-	(510.15)
Net gain on sale or fair valuation of investments	(8.06)	(19.08)
Rental income	(30.02)	(33.76)
Operating profit before working capital changes	7,957.95	5,280.38
Working capital adjustments for:		
Trade receivables	1,442.02	718.90
Inventories	372.86	(844.08)
Loans and advances and other current assets	(729.20)	(5,772.73)
Trade payables and other liabilities	1,480.67	(5,918.23)
Cash generated / (used in) from operations	10,524.30	(6,535.76)
Direct taxes (payment) (net of refunds)	375.15	(4.23)
Net cash generated / (used) by operating activities	10,899.45	(6,539.99)
Cash flow from Investing activities		
Property, plant and equipment (net)	(17,491.83)	(13,627.99)
Intangible assets	(66.74)	-
Loan to subsidiary	(6,740.00)	(3,382.53)
Rent received	30.02	30.83
Net gain on sale of investments	-	510.15
Net gain on sale or fair valuation of investments	8.06	19.08
Interest received	83.26	358.28
Bank deposit - Under site restoration fund	(388.74)	(317.96)
Bank deposit - Lien for bank guarantees/facilities	(1,660.13)	(64.84)
Net cash flows used in investing activities	(26,226.10)	(16,474.98)
Cash flow from financing activities		
Term loan received	26,960.56	15,000.00
Term loan repayment	(16,976.13)	-
Short term loan (Net of repayment)	625.00	-
Net cash flows from financing activities	10,609.43	15,000.00
Net decrease in cash and cash equivalents	(4,717.22)	(8,014.97)
Cash and cash equivalents at the beginning of the year	6,044.62	14,059.59
Cash and cash equivalents at the end of the year	1,327.40	6,044.62
Balances with banks		
- In deposit accounts	4.87	872.97
- In current accounts	1,288.97	2,136.57
Current Investments	33.56	3,035.08
Total cash and cash equivalents	1,327.40	6,044.62

See accompanying notes forming part of the Standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN-117366W/W-100018

C Manish Muralidhar
Partner

Place : Hyderabad
Date : May 30, 2022

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 30, 2022

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 30, 2022

Josephin Daisy
Company Secretary
Place : Chennai
Date : May 30, 2022

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***1. Corporate Information**

Hindustan Oil Exploration Company Limited ('the Company' or "HOEC") was incorporated in India on September 22, 1983 under the provisions of the Companies Act, 1956. The Company's shares are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE'). HOEC is engaged in the exploration, development and production of crude oil and natural gas in India, both onshore and offshore.

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	PY-1	Hindustan Oil Exploration Company Limited (O)	100	100
2	CY-OS-90/1 (PY-3)	Hardy Exploration & Production (India) Inc. (O)	18	18
		Oil and Natural Gas Corporation Limited	40	40
		Hindustan Oil Exploration Company Limited	21	21
		Tata Petrodyne Limited	21	21
3	Asjol	Hindustan Oil Exploration Company Limited (O)	50	50
		Gujarat State Petroleum Corporation Limited	50	50
4	North Balol	Hindustan Oil Exploration Company Limited (O)	25	25
		Gujarat State Petroleum Corporation Limited	45	45
		Gujarat Natural Resources Limited (GNRL)	30	30
5	CB-ON/7 (Palej)	Hindustan Oil Exploration Company Limited (O)	35	35
		Gujarat State Petroleum Corporation Limited	35	35
		Oil and Natural Gas Corporation Limited	30	30
6	AAP-ON-94/1 (Assam)	Hindustan Oil Exploration Company Limited (O)	26.882	26.882
		Indian Oil Corporation Limited	29.032	29.032
		Oil India Limited	44.086	44.086
7	MB/OSDSF/ B80/2016 **	Hindustan Oil Exploration Company Limited (O)	60	60
		Adhboot Estates Private Limited	40	40
8	AA/ONDSF/ KHEREM/2016	Hindustan Oil Exploration Company Limited (O)	40	40
		Oil India Limited	40	40
		Prize Petroleum Company Limited	20	20
9	AA-ONHP- 2017/19	Hindustan Oil Exploration Company Limited (O)	100	100
10	AA/ONDSF/ Umatara/2018	Hindustan Oil Exploration Company Limited	10	10
		Indian Oil Corporation Limited (O)	90	90

(O) Operator

* Government of India has issued a termination on September 5, 2018. However, the Company requested to withdraw the termination notice as it is not in accordance with the provisions of the PSC.

** Effective December 1, 2020 Adhboot Estates Private Limited assigned 10% of its participating interest in the UJV to HOEC. The amendment to the Revenue sharing contract is executed between the parties and it was approved by the Ministry of Petroleum and Natural Gas, Government of India.

The Company has wholly owned subsidiaries M/s. Hindage Oilfield Services Limited ("Hindage") (formerly known as, HOEC Bardahl India Limited) and Geopetrol International Inc. ("GPII") which has a wholly owned subsidiary Geopetrol Mauritius Limited ("GML"). GML has an associate company Geoenpro Petroleum Limited.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***2. Significant accounting policies****i) Statement of compliance and basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and Guidance note on Accounting for oil and gas producing activities (Ind AS) issued by the Institute of Chartered Accountants of India. These financial statements for the year ended March 31, 2022 for the Company has been prepared in accordance with Ind AS.

For all periods up to and including the year ended March 31, 2022, the Company had prepared its financial statements under historical cost convention on accrual basis in accordance with the generally accepted accounting principles and the accounting standards notified under section 133 of the Companies Act 2013.

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

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

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

Fair value measurement

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

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

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

ii) Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have the joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

The Company has entered into Unincorporated Joint Ventures (UJVs) with other oil and gas companies and executed Production Sharing Contracts ("PSC") and Revenue Sharing Contracts ("RSC") with the Government of India. These UJVs are in the form of joint arrangements wherein the participating entity's assets and liabilities are proportionate to its participating interest.

The UJVs entered into by the company are joint operations wherein the liabilities are several, not joint, and not joint and several and therefore do not come under the category of Joint Venture as defined under the Ind AS. In accounting for these joint operations, the company recognizes its assets and liabilities in proportion to its participating interest in the respective UJV. Likewise, revenue and expenses from the UJV are recognized for its participating interest only. The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in the UJVs in accordance with the Ind AS.

The financial statements of the Company reflect its share of assets, liabilities, income and expenditure of the Unincorporated Joint Ventures ("UJV") which are accounted, based on the available information in the audited financial statements of UJV on line by line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the various PSCs and RSCs. The financial statements of the UJVs are prepared by the respective Operators in accordance with the requirements prescribed by the respective PSCs. Hence, in respect of these UJV's, certain disclosures required under the relevant accounting standards have been made in the financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***iii) Investment in subsidiaries, associates and joint ventures**

The Company records the investments in subsidiaries, associate and joint ventures at cost less impairment loss, if any. On disposal of investment in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amounts (including corresponding value of dilution in deemed investment) are recognized in the Statement of Profit and Loss.

iv) Foreign exchange transactions

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

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

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

v) Revenue recognition

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

(i) Revenue from the sale of crude oil, condensate and natural gas, net of value added tax and profit petroleum to the Government of India, is recognized on transfer of custody to customers, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

(ii) Income from service if any is recognized on accrual basis on its completion and is net of taxes.

Other income

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

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

(v) Rental income arising from operating leases is accounted on straight-line basis over the lease term.

vi) Taxes

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

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

Current income taxes

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

Deferred income taxes

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

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

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

vii) Property plant and equipment (other than Oil and Gas Assets)

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

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

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

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

(i) Useful lives used for depreciation:

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

- Buildings	:	60 years
- Office Equipment	:	05 years
- Computers	:	03 years
- Furniture and Fixtures	:	10 years
- Vehicles	:	08 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the written down value method.

(ii) De-recognition of property, plant and equipment

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

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

viii) Oil and gas assets

Oil and gas assets are stated at historical cost less accumulated depletion and impairment. These are accounted in respect of an area / field having proved oil and gas reserves, when the wells in the area / field is ready to commence commercial production.

The Company generally follows the "Successful Efforts Method" of accounting for oil and gas assets as set out by the Guidance Note issued by the ICAI on "Accounting for Oil and Gas Producing Activities".

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Expenditure incurred on acquisition of license interest is initially capitalized on license by license basis as Intangible Assets as "Exploration". Costs are not depleted within exploratory and development work in progress until the exploration phase is completed or commercial oil and gas reserves are discovered.

- (a) Cost of surveys and studies relating to exploration activities are expensed as and when incurred.
- (b) Cost of exploratory / appraisal well(s) are expensed when it is not successful and the cost of successful well(s) are retained as exploration expenditure till the development plan is submitted. On submission of development plan, it is transferred to capital work in progress. On commencement of commercial production, the capital work in progress is transferred to producing property as tangible assets.
- (c) Cost of temporary occupation of land and cost of successful exploratory, appraisal and development wells are considered as development expenditure. These expenses are capitalized as producing property on commercial production.
- (d) Development costs on various activities which are in progress are accounted as capital work in progress. On completion of the activities the costs are moved to respective oil and gas assets.

Depletion to oil and gas assets

Depletion is charged on a unit of production method based on proved reserves for acquisition costs and proved and developed reserves for capitalized costs consisting of successful exploratory and development wells, processing facilities, assets for distribution, estimated site restoration costs and all other related costs. These assets are depleted within each cost center. Reserves for these purposes are considered on working interest basis which are assessed annually. Impact of changes to reserves if any are accounted prospectively.

ix) Site restoration

Provision for decommissioning costs are recognized as and when the Company has a legal or constructive obligation to plug and abandon a well, dismantle and remove plant and equipment to restore the site on which it is located. The estimated liability towards the costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is completed, and the plant and equipment are installed. The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk-free interest rate.

The corresponding amount is also capitalized to the cost of the producing property and is depleted on unit of production method. Any change in the estimated liability is dealt with prospectively and is also adjusted to the carrying value of the producing property.

Any change in the present value of the estimated decommissioning expenditure other than the periodic unwinding of discount is adjusted to the decommissioning provision and the carrying value of the asset. In case reversal of provision exceeds the carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance cost.

Provision for decommissioning cost in respect of assets under joint operations is considered as per the participating interest of the Company in the block / field.

x) Investment property

Properties held to on rentals and / or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognized using the Written Down Value Method, so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful lives are determined by technical evaluation, over the useful lives so determined. Depreciation method, useful life and the residual values are reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property and the value thereon. The effect of any change in the estimates of useful lives / residual value is accounted on a prospective basis.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognized in the Statement of Profit and Loss in the same period.

xi) Intangible assets (other than Oil and Gas Assets)

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

The Company amortizes intangible assets with a finite useful life using the straight-line method. The useful life considered for computer software is 6 years.

xii) Impairment

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

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

xiii) Inventories

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

- (i) Closing stock of crude oil and condensate in saleable condition is valued at the estimated net realizable value in the ordinary course of business.
- (ii) 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.

xiv) Employee benefits

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

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

a) Defined contribution plan

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

b) Defined benefit plan

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

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

Defined benefit costs are categorized as Service cost, Net interest expense and re-measurement cost.

c) Long term employee benefit

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

d) Other Employee Benefits including allowances, incentives etc. are recognized based on the terms of the employment.**xv) Employee share based payment**

Equity settled share-based payments to employees are measured at fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payment is expensed on straight line basis over the vesting period based on the Company's estimate of the equity instrument that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that cumulative expense reflects the revised estimate, with corresponding adjustment to the equity -settled employee benefits reserve.

xvi) Financial instruments

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

Financial assets

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

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

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

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

Financial liabilities

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***xvii) Provisions, contingent liabilities and contingent assets**

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

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

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

xviii) Leases

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***xix) Earnings per share**

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

xx) Statement of cash flow

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

xxi) Cash and cash equivalents

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

3. Critical accounting judgments, assumptions and key sources of estimation uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

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

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of oil and gas reserves, impairment, useful lives of property, plant and equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

3.1 Critical judgments in applying accounting policies

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

(a) Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹). In case of foreign subsidiaries in United States Dollar, it is converted using the year end exchange rates.

(b) Evaluation of indicators for impairment of oil and gas assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors such as significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc. and internal factors such as obsolescence or physical damage of an asset, poor economic performance of the asset etc. which could result in significant change in recoverable amount of the oil and gas assets.

3.2 Assumptions and key sources of estimation uncertainty**a) Estimation of provision for decommissioning**

The Company estimates provision for decommissioning for the future decommissioning of oil & gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the occurrence of removal events are uncertain. Technologies and costs for decommissioning are varying constantly. The timing and amounts of future cash flows are subject to significant uncertainty.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

The timing and the future expenditures are reviewed at the end of each reporting period, together with rate of inflation for current cost estimates and the interest rate used in discounting the cash flows. The economic life of the oil & gas assets is estimated based on the economic production profile of the relevant oil & gas asset.

b) Estimation of reserves

Management estimates production profile (proved and developed reserves) in relation to all the oil and gas assets determined as per the industry practice. The estimates so determined are used for the computation of depletion and loss of impairment if any.

The year-end reserves of the Company have been estimated by the Geological & Geophysical team which follows the guidelines for application of the petroleum resource management system consistently. The Company has adopted the reserves estimation by following the guidelines of Society of Petroleum Engineers (SPE) which defines "Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: They must be discovered, recoverable, commercial and remaining (as of a given date) based on development project(s) applied". Volumetric estimation is made which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate the recoverable reserves from it. As the field gets matured with production history the material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. In addition, new in- place volume and ultimate recoverable reserves are estimated for any new discoveries or new pool of discoveries in the existing fields and the appraisal activities may lead to revision in estimates due to new sub-surface data. Similarly, reinterpretation is also carried out based on the production data by updating the static and dynamic models leading to change in reserves. New interventional technologies, change in classifications and contractual provisions may also necessitate revision in the estimation of reserves.

c) Defined Benefit Obligation (DBO)

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

3.3 Estimation uncertainty relating to COVID-19 outbreak

The Company is in the business 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, gas and oil production of the company at Dirok field in Assam, PY-1 field in cauvery offshore and three small fields in Gujarat are under production as per the offtakes of the buyers.

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.

3.4 Amendments issued effective from April 1, 2022:

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:

- Ind AS 103 - Business Combinations - Reference to conceptual framework added
- Ind AS 16 - Property, Plant and Equipment - Accounting for proceeds before an asset's intended use
- Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets - Assessing if the contract is onerous
- Annual improvements to Ind AS - Improvements added in Ind AS 101 (First time adoption of Ind AS), Ind AS 109 (Financial Instruments), Ind AS 116 (Leases) and Ind AS 41 (Agriculture)

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***4. Property, plant & equipment****Summary**

Carrying amount of:	As at March 31, 2022	As at March 31, 2021
a) Oil and gas assets	27,585.52	28,858.77
b) Others		
- Freehold land	227.52	227.52
- Buildings	100.92	34.26
- Furniture & fixtures	3.41	4.54
- Vehicles	0.64	0.64
- Office equipment	3.13	3.34
- Computers	1.87	12.15
Total	337.49	282.45

Particulars	Oil and gas assets	Others						Total
		Freehold land	Buildings	Furnitures & fixtures	Vehicles	Office equipment	Computers	
Cost								
Balance as at April 1, 2020	2,59,374.06	227.52	138.69	65.57	12.86	101.68	105.14	2,60,025.52
Additions	141.01	-	-	-	-	-	4.19	145.20
Balance as at March 31, 2021	2,59,515.07	227.52	138.69	65.57	12.86	101.68	109.33	2,60,170.72
Additions	143.80	-	-	-	-	0.69	1.22	145.71
Transfer from Investment property	-	-	282.39	-	-	-	-	282.39
Balance as at March 31, 2022	259,658.87	227.52	421.08	65.57	12.86	102.37	110.55	260,598.82
Accumulated depletion, depreciation and impairment								
Balance as at April 1, 2020	2,28,870.54	-	102.75	59.48	12.22	96.62	94.70	2,29,236.31
Depletion/Depreciation for the year	1,785.76	-	1.68	1.54	-	1.73	2.48	1,793.19
Balance as at March 31, 2021	2,30,656.30	-	104.43	61.02	12.22	98.35	97.18	2,31,029.50
Transfer from Investment property	-	-	210.67	-	-	-	-	210.67
Depletion/Depreciation for the year	1,417.05	-	5.06	1.14	-	0.89	11.50	1,435.64
Balance as at March 31, 2022	232,073.35	-	320.16	62.16	12.22	99.24	108.68	232,675.81
Carrying value as at March 31, 2022	27,585.52	227.52	100.92	3.41	0.64	3.13	1.87	27,923.01
Carrying value as at March 31, 2021	28,858.77	227.52	34.26	4.54	0.64	3.34	12.15	29,141.22

Note: The charge for movable and immovable Property refer Note 25

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***5. Capital work-in-progress**

Particulars	Development	Exploration	Total
Cost			
Balance as at April 1, 2020	15,033.56	2,385.94	17,419.50
Additions	13,482.79	-	13,482.79
Balance as at March 31, 2021	28,516.35	2,385.94	30,902.29
Additions	21,626.20	-	21,626.20
Balance as at March 31, 2022	50,142.55	2,385.94	52,528.49
Accumulated impairment			
Balance as at April 1, 2020	1,108.72	2,385.94	3,494.66
Additions	-	-	-
Balance as at March 31, 2021	1,108.72	2,385.94	3,494.66
Additions	-	-	-
Balance as at March 31, 2022	1,108.72	2,385.94	3,494.66
Carrying value as at March 31, 2022	49,033.83	-	49,033.83
Carrying value as at March 31, 2021	27,407.63	-	27,407.63

Note: The charge for movable and immovable Property refer Note 25

(a) Capital work-in-progress ageing schedule

Particulars	As at March 31, 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	21,626.20	13,482.79	13,712.09	212.75	49,033.83
Projects temporarily suspended	-	-	-	-	-

Particulars	As at March 31, 2021				
	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	13,482.79	13,712.09	169.26	43.49	27,407.63
Projects temporarily suspended	-	-	-	-	-

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***6. Investment property**

Particulars	Building
Cost	
Balance as at April 1, 2020	904.63
Additions	-
Balance as at March 31, 2021	904.63
Transfer to buildings	(282.39)
Balance as at March 31, 2022	622.24
Accumulated depreciation	
Balance as at April 1, 2020	489.99
Depreciation for the year	20.09
Balance as at March 31, 2021	510.08
Transfer to buildings	(210.67)
Depreciation for the year	15.67
Balance as at March 31, 2022	315.08
Carrying value as at March 31, 2022	307.16
Carrying value as at March 31, 2021	394.55

Note: During the year one of the property at Mumbai using for own project. Hence it has been reclassified from Investment property to Buildings.

6.1 Fair value of the Company's investment property

The following table gives details of the fair value of the Company's investment property as at March 31, 2022 and March 31, 2021.

Particulars	Level 3 : March 31, 2022	Level 3 : March 31, 2021
Building	2,208.00	2,208.00

The fair values of the Company's investment properties are assessed on the basis of a valuation carried out by an independent valuer not related to the Company in March 31, 2020. Fair value is derived using the market comparable approach based on the recent market/government prices without any significant adjustments being made to the market observable data. For the current year, the Management has done an internal assessment of the fair value as at March 31, 2022 and value has not significantly changed compared to earlier year.

The buildings of the Company are hypothecated as charge for the purpose of term loan facilities from Axis Bank Ltd (Refer Note 25)

The property rental income earned by the Company from its investment property, all of which is leased out under operating leases, amounted to ₹ 30.02 lacs (2020-21: ₹ 33.76 lacs).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***7. Intangible assets (including under development)**

Particulars	Software	Exploration	Total
Cost			
Balance as at April 1, 2020	526.67	903.78	1,430.45
Additions	-	-	-
Balance as at March 31, 2021	526.67	903.78	1,430.45
Additions		66.74	66.74
Balance as at March 31,2022	526.67	970.52	1,497.19
Accumulated amortization and impairment			
Balance as at April 1, 2020	448.28	-	448.28
Amortization for the year	44.82	-	44.82
Balance as at March 31, 2021	493.10	-	493.10
Amortization for the year	33.57	-	33.57
Balance as at March 31,2022	526.67	-	526.67
Carrying value as at March 31, 2022	-	970.52	970.52
Carrying value as at March 31, 2021	33.57	903.78	937.35

Intangible assets under development aging schedule:

Particulars	As at March 31, 2022				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development					
Projects in progress	66.74	-	-	903.78	970.52
Projects temporarily suspended	-	-	-	-	-

Particulars	As at March 31, 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development					
Projects in progress	-	-	-	903.78	903.78
Projects temporarily suspended	-	-	-	-	-

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***8. Loan to subsidiary**

Particulars	As at March 31, 2022	As at March 31, 2021
Loan to Wholly owned subsidiary HOSL (Refer Note.45)	5,687.50	-
Total	5,687.50	-

9. Investments in subsidiaries

Particulars	As at March 31, 2022	As at March 31, 2021
<i>Unquoted equity shares of subsidiaries</i>		
50,002 (PY: 50,002) equity shares of ₹ 100 each fully paid-up in Hindage Oilfield Services Limited	50.00	50.00
10,000,000 (PY: 10,000,000) equity shares of \$1 each fully paid-up in Geopetrol International Inc	5,895.83	5,895.83
Total	5,945.83	5,945.83

10. Deposit under site restoration fund

Particulars	As at March 31, 2022	As at March 31, 2021
Site restoration deposit with bank with maturity period in excess of 12 months	6,948.01	6,559.26
Total	6,948.01	6,559.26

The above amount has been deposited with bank and can be withdrawn only for the purposes of site restoration pursuant to an abandonment plan agreed with the Government of India. Therefore, this amount is considered as restricted cash and not considered as 'Cash and cash equivalent'.

11. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Other advances	13.55	13.55
Less: Provision for doubtful advances	(13.55)	(13.55)
Total	-	-

12. Deferred tax asset

Particulars	As at March 31, 2022	As at March 31, 2021
Exploration expenses	2,658.81	2,658.81
Development expenses	660.17	660.17
Depreciation, depletion, amortization and impairment of assets	(1,228.12)	490.71
Unabsorbed business losses and depreciation	21,158.31	21,930.09
Deferred tax assets	23,249.17	25,739.78
Less: Amounts not recognised (refer note below)	(23,249.17)	(25,739.78)
Deferred tax assets	-	-

Note: Deferred tax asset has not been recognized. It will be adjusted based on the actual realization. There is no provision for tax in view of the brought forward losses / unabsorbed depreciation relating to earlier years available for set off while computing income under the provisions of the Income Tax Act, 1961.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***13. Other non-current assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	57.90	91.96
Pre-deposit - Service tax [refer note 46 (b)]	7.71	7.71
	65.61	99.67
Less: Provision for doubtful advances	(44.71)	(44.71)
	20.90	54.96

14. Inventories (cost or NRV whichever is lower)

Particulars	As at March 31, 2022	As at March 31, 2021
Finished goods		
- Crude oil	43.60	22.44
- Condensate	112.70	354.85
Drilling and production stores, and spares	2,516.54	2,668.41
Total	2,672.84	3,045.70

15. Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in lacs	Quantity	₹ in lacs
Financial assets carried at fair value through profit and loss.				
i) Quoted equity instruments				
Reliance Industries Limited Equity Shares @ ₹ 10 each	1,272	33.51	1,272	25.48
Reliance Communication Ventures Limited Equity Shares @ ₹ 10 each	318	0.01	318	0.01
Reliance Infrastructure Limited Equity Shares @ ₹ 10 each	23	0.03	23	0.01
Reliance Capital Limited Equity Shares @ ₹ 10 each	30	-	30	0.00
Reliance Power Limited Equity Shares @ ₹ 10 each	79	0.01	79	0.00
(i)		33.56		25.50
ii) Mutual Funds				
Units of Liquid/Liquid plus/Short Term/Medium Term schemes				
Axis Overnight Fund @ ₹ 1,000 each	-	-	2,30,658.57	2,506.36
SBI Overnight Fund Growth @ ₹ 1,000 each	-	-	1,27,599.00	503.22
(ii)		-		3,009.58
iii) Unquoted Equity Instruments				
Gujarat Securities Limited Equity Shares @ ₹ 10 each	1,00,000	10.00	1,00,000	10.00
Aggregate amount of impairment in value of investments		(10.00)		(10.00)
(iii)		-		-
Total	(i) + (ii) + (iii)	33.56		3,035.08

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate amount (cost) of Quoted Investments	0.49	0.49
Market Value of Quoted Investments	33.56	25.50
Aggregate amount (cost) of Mutual Fund Investments	–	3,001.82
Fair value of Mutual Fund Investments	–	3,009.58
Aggregate Value of Unquoted equity instruments	–	–
Total investments	33.56	3,035.08
Impairment of investments	–	–
Net total investments	33.56	3,035.08

16. Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good (unless otherwise stated)		
Trade receivables	1,360.14	2,802.17
Total	1,360.14	2,802.17

The Company enters into long-term crude oil and gas sales arrangement with its customers. The average credit period on sale of products is varying from 7- 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice.

Accordingly, the Company assess the impairment loss on dues from the customers on facts and circumstances relevant to each transaction. Usually, the Company collects all its receivables from its customers within 30 days.

The Company has less credit risk due to the fact that the Company has significant receivables from customers which are reputed and creditworthy public-sector undertakings (PSUs).

Age of receivables

Particulars	As at March 31, 2022					
	Outstanding for following periods from the date of invoice					
	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	1,360.14	–	–	–	–	1,360.14
(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	–	–	–	–	–	–

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	As at March 31, 2021					
	Outstanding for following periods from the date of invoice					
	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	2,802.17	-	-	-	-	2,802.17
(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	-	-	-	-	-	-

17. 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
Balances with banks:		
Current accounts	1,288.97	2,136.57
Bank deposits- maturity < 3 months	4.87	872.97
Total	1,293.84	3,009.54

Note 1: The above current account balance includes balances held by the Company in the capacity as Operator for the UJVs. The cash held on behalf of UJVs is indicated in the payables / receivables to UJVs partners.

18. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Deposits- maturity > 3 months < 12 months	3,249.74	1,589.61
Total	3,249.74	1,589.61

Note 1: Fixed deposits with bank which are under lien for issue of bank guarantees and term loan facilities availed from the bank

19. Loan to subsidiary

Particulars	As at March 31, 2022	As at March 31, 2021
Loan to wholly owned subsidiary		
Loan to GPII (refer note 45)	10,044.44	9,739.37
Loan to HOSL (refer note 45)	7,312.50	-
Total	17,356.94	9,739.37

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***20. Other Financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	75.34	75.34
Receivable from joint venture partners (net)	3,873.74	2,729.54
Interest accrued on loan to wholly owned subsidiary (refer note 45)	613.46	244.81
Other receivables	-	2.93
Total	4,562.54	3,052.62

21. Income tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision-nil, previous year-nil)	64.20	439.35
Total	64.20	439.35

22. Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good		
Advances recoverable (refer note 1 below)	34.34	6,278.44
Prepaid expenses	69.47	90.82
Others (refer note 2 below)	168.35	172.28
	272.16	6,541.54
Less: Provision for doubtful advances	(168.35)	(168.35)
Total	103.81	6,373.19

Note 1 Advance recoverable includes ₹ 22.45 lacs given to wholly owned subsidiary (As at March 31, 2021 ₹ 6,260) refer note 45.

Note 2 Others include GST paid under protest on royalty.

23. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized		
50,00,00,000 (PY: 50,00,00,000) equity shares of ₹ 10 each	50,000.00	50,000.00
Issued		
132,313,363 (PY: 132,313,363) equity shares of ₹ 10 each	13,231.34	13,231.34
Subscribed and Fully Paid up		
132,243,289 (PY: 132,243,289) equity shares of ₹ 10 each	13,224.33	13,224.33
Add: Amount Paid-up on Shares Forfeited (32,975 shares)	1.60	1.60
Total issued, subscribed and fully paid-up share capital	13,225.93	13,225.93

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***(a) Reconciliation of equity shares and the amount outstanding at the beginning and at the end of the period:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
At the beginning of the year	13,22,43,289	13,224.33	13,22,43,289	13,224.33
Outstanding at the end of the year	13,22,43,289	13,224.33	13,22,43,289	13,224.33

(b) Details of shares held by Promoters

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
M/s Burren Energy India Limited	5,745	0.00	-
TOTAL	5,745	0.00	-

(c) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of ₹ 10 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) Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholders	As at March 31, 2022		As at March 31, 2021	
	No.	% of holding	No.	% of holding
Ashok Kumar Goel	1,84,65,078	13.96	1,84,65,078	13.96
Housing Development Finance Corporation Limited	86,83,148	6.57	1,40,86,303	10.65
LCI1 Estates LLP	81,00,000	6.13	81,00,000	6.13

24. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	96,084.50	96,084.50
Securities premium account	78,865.42	78,865.42
Retained earnings		
Opening balance	(1,15,157.80)	(1,21,667.99)
Profit for the Year	3,582.51	6,505.96
Other comprehensive income (net of tax)	(4.06)	4.23
Closing balance	(111,579.35)	(1,15,157.80)
Total Reserves and Surplus	63,370.57	59,792.12

25. Long term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loan from Vyoman Tradelink India Private Limited (refer note 45)	-	8,827.64
Term Loan from Axis Bank Limited	9,752.82	-
Term Loan from HDFC Bank Limited	6,308.63	-
Total	16,061.45	8,827.64

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	Original Tenor	Interest Rate	Outstanding tenor as at March 31, 2022	Repayment Terms	Security details	As at March 31, 2022	As at March 31, 2021
Secured term Loan	27 Monthly Instalments	12%	–	Monthly instalments	Nil	–	15,000.00
Secured term Loan	20 Quarterly Instalments	10.75%	20 Quarterly Instalments	Quarterly Instalments	Refer note 1	12,731.61	
Secured term Loan	27 Monthly Instalments	10%	23 Monthly Instalments	Monthly instalments	Refer note 2	12,252.82	
Sub Total						24,984.43	15,000.00
Less: Current Maturities of non-current borrowings						8,922.98	6,172.36
Non-Current Borrowings						16,061.45	8,827.64

Note: 1 Exclusive charge over land and building of PY1 block and Oil & Gas asset of Dirok block and second charge over current asset of B80 block.

Note:2 Exclusive charge over Offshore processing unit owned by GML, Corporate guarantee of GML, First pari passu charge with Axis Bank 60% PI on cash flow from B80 block. Exclusive Hypothecation charge on 60% Participating interest of HOEC in the B80 field. Second charge with Axis bank on all the property collateral mortgaged to Axis bank.

The Company facilities are subject to certain financial and non-financial covenants. The Company has complied with the covenants as per the original/amended/extended terms of the loan agreement.

There is no difference interms of quarterly returns or statements of current assets filed by the Company with banks with the books of accounts for the year ended 31 March 2022 and 31 March 2021.

26. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposit	13.50	13.50
Fair value of foreign exchange derivative liabilities	852.26	–
Total	865.76	13.50

27. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for decommissioning	11,473.29	10,868.65
Provision for compensated absences	37.10	39.35
Total	11,510.39	10,908.00

27.1 Movement of Provision for decommissioning

Particulars	2021-22	2020-21
Balance at beginning of the year	10,868.65	10,308.80
Unwinding of discount	604.64	559.85
Balance at end of the year	11,473.29	10,868.65

27.2 The Company estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of oil & gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future for which the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the oil & gas assets is estimated on the basis of long term production profile of the relevant oil & gas asset. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***28. Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturity of long-term borrowings (refer schedule 25)	8,922.98	6,172.36
Borrowings	625.00	-
Total	9,547.98	6,172.36

Note: The Company has not been declared a willful defaulter by any bank or financial Institution or other any lender. The Company has not defaulted in repayment of loans / interests or other borrowings or in the payment of interest thereon to any lender.

The Company has used the borrowings from banks for the capital expenditures and working capital purposes.

29. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro enterprises and small enterprises (refer note (i))	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,723.21	1,212.85
Total	1,723.21	1,212.85

29 (i) Trade Payables ageing schedule

	As at March 31, 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	1,723.21	-	-	-	1,723.21
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	As at March 31, 2021				
	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	1,212.85	-	-	-	1,212.85
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***(ii) Details of dues to micro, small & medium enterprises**

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount payable (but not due) to suppliers as at year end	–	–
Interest accrued and due to suppliers on the above amount as at year end	–	–
Payment made to suppliers (other than interest) beyond the appointed day, during the year	–	–
Interest paid to suppliers (other than Section 16)	–	–
Interest paid to suppliers (Section 16)	–	–
Interest due and payable to suppliers for payments already made	–	–
Interest accrued and remaining unpaid to suppliers as at year end	–	–

Note 1: Dues to Micro, Small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

30. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to joint venture partners (net)*	2,240.50	1,150.93
Payable towards capital expenditure	4,988.58	1,560.79
Interest payable	114.13	106.44
Fair value of foreign exchange derivative liabilities	13.09	–
Other payable (refer note 40 (1))	2,789.20	–
Total	10,145.50	2,818.16

* This includes CB-OS/1 settlement (refer note 40 (2))

31. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for compensated absences	20.24	17.99
Total	20.24	17.99

32. Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	1,041.78	538.88
Gratuity fund payable to LIC	21.56	–
Total	1,063.34	538.88

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***33. Revenue from operations**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Domestic sales		
Sale of crude oil / condensate	5,196.64	2,719.38
Sale of Natural gas	8,075.02	7,311.32
Less: Profit petroleum to Government of India	(221.19)	(86.87)
Net sales	13,050.47	9,943.83

33.1 Details of sales

Product	UOM	For the year ended March 31, 2022		For the year ended March 31, 2021	
		Quantity	Value	Quantity	Value
Crude oil / condensate	Barrels	91,836	4,994.88	85,382	2,640.96
Natural gas	Million SCF	3,878	8,055.59	3,918	7,302.87
Total			13,050.47		9,943.83

33.2 More than 90% of the revenue is realized from three major customers to the Company.

34. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on bank deposits	109.39	166.89
Interest on site restoration deposits with banks	342.51	317.96
Interest income on loan to wholly owned subsidiary (refer note 45)	354.81	130.76
Interest on Income tax refund	525.19	1.19
Rental income	30.02	33.76
Net gain on sale of investments	-	510.15
Net gain on fair valuation of investments	8.06	19.08
Net gain on foreign exchange	310.43	-
Miscellaneous Income	-	2.77
Total	1,680.41	1,182.56

35. Share of expenses from producing oil and gas blocks

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Share of expenses-producing oil and gas		
Manpower costs	632.68	641.98
Repairs and maintenance	1,089.68	1,107.78
Other statutory charges	37.53	77.08
Insurance	138.03	127.81
Other production expenses	102.81	73.98
Consumables	6.97	5.48
Transportation and logistics	217.48	262.21
	2,225.18	2,296.32
b) Royalty, cess & National Calamity Contingent Duty	2,294.87	1,968.63
Total	4,520.06	4,264.95

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***36. (Increase)/Decrease in stock of crude oil and condensate**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year	156.31	377.30
Inventories at the beginning of the year	377.30	176.71
(Increase) / Decrease in inventories	220.99	(200.59)
Less: Profit petroleum to Government of India	9.12	3.94
Net (Increase) / Decrease in inventories	230.11	(196.65)

37. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	49.03	49.62
Contribution to provident fund and other funds	2.65	8.25
Staff welfare expenses	11.60	2.83
Total	63.28	60.70

38. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Unwinding of discount on decommissioning liability	604.64	559.85
Others	141.26	-
Total	745.90	559.85

39. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Office and guest house rent	3.95	4.64
Power	1.08	0.83
Rates and taxes	8.68	34.57
Repairs and maintenance - others	7.34	9.02
Travelling and conveyance	1.19	-
Communication expenses	2.26	2.56
Membership and subscription	18.15	22.78
Legal and professional fees	314.12	161.67
Insurance	3.07	1.26
Directors' sitting fees	17.87	15.05
Directors' commission (refer note 45)	18.00	18.00
Printing and stationery	0.90	0.97
Bank charges	24.76	37.35
Expenditure for corporate social responsibility (refer note 48)	201.83	194.83
Net loss on foreign exchange	-	236.91
Provision for doubtful advances (refer note 13)	-	44.71
Miscellaneous expenses	9.37	12.83
	632.57	797.98
Payment to Auditor:		
Statutory audit fee	32.69	31.86
Tax audit fee	2.36	2.36
	35.05	34.22
Total other expenses	667.62	832.20

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***40. Exceptional items**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
PY-1 Royalty (refer note below 1)	(2,789.18)	-
CB-OS/1 settlement (refer note below 2)	(647.35)	-
Liability written back (refer note below 3)		2,758.72
Income (net)	(3,436.53)	2,758.72

- Note: 1. Production Sharing Contract ("PSC") for PY1 block was extended up to June 4, 2022 by Government of India ("GOI") to continue the production from the field while addendum to the PSC for 10 years extension is pending with GOI. HOEC and GOI have a dispute on computation of royalty payable under the PSC since commencement of production from 2009 onwards. HOEC stated that as per PSC the royalty should be on well head value, whereas Government of India insists that the royalty is payable on realizable value. While considering the extension, GOI insists that the royalty needs to be computed since 2009 by adopting realized value as the basis for computation and the differential amount should be paid along with applicable interest. This matter was referred to Dispute Resolution Committee and it was agreed during the year to make a payment of ₹ 2,789.18 Lacs inclusive of interest to obtain 10 years extension of the block from the date of expiry of the initial contract on October 5, 2020 based on the draft settlement agreement. The company is in the process of obtaining the signed settlement agreement and signed extension letter as on date of this result. Accordingly, the amount of ₹ 2,789.18 lacs has been provided in the books as at March 31, 2022.
2. With reference to CB-OS/1 block, Oil and Natural Gas Corporation Limited ("ONGC") made a claim of ₹ 1,245 lacs which was disputed by the Company and the matter was referred to arbitration. The final award was received on March 24, 2022, directing HOEC to pay to ONGC ₹ 647.35 lacs inclusive of interest and arbitration cost
3. During the previous year, the Government of Assam amended the Petroleum Mining Lease of Dirak field, previously held solely in the name of Oil India Limited ("OIL"), in favour of all the contracting parties to the Production Sharing Contract ("PSC") in proportion to their participating interest, effective May 19, 2020. Royalty and cess expense which was earlier paid entirely by OIL will now be paid by all the contracting parties in proportion to their participating interests effective May 19, 2020. The PSC has been duly amended and executed between the contracting parties and is pending with appropriate authorities as at March 31, 2021 for approval. The Company had made a provision in the earlier years for royalty and cess, based on the notification from the Central Government on petroleum mining lease between the contracting parties. Consequent to the above amendment to the petroleum mining lease by the Government of Assam, liability accrued by the Company for royalty and cess from August 14, 2018 to May 18, 2020, is no longer required and has been written back.

41. Earnings per share (EPS)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year as per statement of profit & loss	₹ 3,582.51 lacs	₹ 6,505.96 lacs
	No.	No.
Weighted average number of equity shares used in calculating basic EPS	13,22,59,301	13,22,59,301
Par value per share	₹ 10	₹ 10
Earnings per equity share in ₹ computed on the basis of profit for the year -Basic	2.71	4.92
Weighted average number of equity shares used in calculating diluted EPS	13,22,59,301	13,22,59,301
Earnings per equity share in ₹ computed on the basis of profit for the year -Diluted	2.71	4.92

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares used in the calculation of basic earnings per share	13,22,59,301	13,22,59,301
Shares deemed to be issued for no consideration in respect of: - employee options	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	13,22,59,301	13,22,59,301

42. Significant Accounting Estimates, Assumptions and Judgements**(a) Site Restoration Costs**

The Company estimates and provides for abandoning of wells, decommissioning of facilities and restoration of sites expected to be incurred at a future date. The same is capitalized as part of producing property in accordance with Ind AS 16. The estimation of liability is as per the industry practice and adjusted for inflation. The estimated cost is discounted to the reporting date by an appropriate discount factor. Accordingly, the difference in cost and depletion is adjusted.

(b) Employee Benefit Estimates**i. Defined contribution plan**

The Company makes provident fund contribution under defined contribution plan for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognized ₹ 23.98 lacs (PY: ₹ 39.86 lacs) for provident fund contribution in the statement of profit and loss. The contributions are payable to this plan by the company at rates specified in the rules of the scheme.

ii. Defined benefit plan**a) Gratuity**

The following table sets out funded status of the gratuity and the amount recognized in the financial statements.

Profit and loss account for current period

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:		
Current service cost	22.42	24.74
Past Service cost	-	-
Loss/(gain) on curtailments and settlement	-	-
Net interest cost	(0.99)	(0.98)
Total included in 'Employee Benefits Expense'	21.43	23.76

Other Comprehensive Income for the current period

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(3.12)	-
Due to change in demographic assumptions	-	-
Due to experience adjustments	5.83	(6.74)
Return on plan assets excluding amounts included in interest income	1.35	2.52
Amounts recognized in Other Comprehensive Income	4.06	(4.22)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***Changes in the present value of the defined benefit obligation ("DBO")**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Defined Benefit Obligation	138.52	138.34
Current service cost	22.42	24.74
Interest cost	8.28	8.95
Actuarial (gain)/loss due to change in financial assumptions	(3.12)	-
Actuarial (gain)/loss due to change in demographic assumptions	-	-
Actuarial (gain)/loss due to experience adjustments	5.83	(6.74)
Benefits paid	(15.70)	(26.77)
Closing defined benefit obligation	156.23	138.52

Changes in fair value of plan assets

Particulars	As at March 31, 2022	As at March 31, 2021
Opening value of plan assets	142.45	140.96
Interest Income	9.28	9.92
Return on plan assets excluding amounts included in interest income	(1.35)	(2.52)
Contributions by employer	-	20.86
Benefits paid	(15.70)	(26.77)
Closing value of plan assets	134.68	142.45

Net liability recognized in the balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of the defined benefit obligation	156.23	138.52
Fair value of plan assets	134.68	142.45
Plan Liability / (asset)	21.55	(3.93)

The principal assumptions used in determining gratuity and for the Company's plans are shown below

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.85%	6.55%
Future salary increase	5.00%	5.00%
Rate of return on plan assets	6.85%	6.55%
Withdrawal rates	6% at younger ages reducing to 2% at older ages	6% at younger ages reducing to 2% at older ages

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***Mortality rates**

Age (in years)	For the year ended March 31, 2022	For the year ended March 31, 2021
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Company expects to contribute ₹ 21.56 lacs towards its gratuity plan for the next year.

Maturity profile of defined benefit obligation as at March 31, 2022:

Year 1 %	Year 2 %	Year 3 %	Year 4 %	Year 5 %	Year 6 to 10 %
9.2	13.1	4.0	1.7	2.9	16.9

Maturity profile of defined benefit obligation as at March 31, 2021:

Year 1 %	Year 2 %	Year 3 %	Year 4 %	Year 5 %	Year 6 to 10 %
9.2	1.6	16.1	2.4	1.7	14.3

Sensitivity analysis

Significant actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Discount Rate		
Increase by 0.5%	(151.30)	(133.49)
Decrease by 0.5%	161.52	143.91
Salary growth rate		
Increase by 0.5%	(160.56)	(142.50)
Decrease by 0.5%	152.25	134.42

b) Compensated absences

The key assumptions used in computation of provision for long term compensated absences are as given below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.85%	6.55%
Future salary increase	5.00%	5.00%
Withdrawal rates	6% at younger ages reducing to 2% at older ages	6% at younger ages reducing to 2% at older ages

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Significant actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Discount Rate		
Increase by 0.5%	(55.98)	(59.25)
Decrease by 0.5%	58.80	59.23
Salary growth rate		
Increase by 0.5%	(58.82)	(142.50)
Decrease by 0.5%	55.95	55.55

43. Oil and Gas Reserves

Proved & Probable Reserves for the working interest of the Company is estimated by management in line with the development plan approved by the Directorate General of Hydrocarbons. However, the reserves of B-80 field is based on the reserves audited by Gaffney Cline Associates, UK. Accordingly, the reserves as on 31 March 2022 is as follows:

Developed and Undeveloped:

	Unit of Measurement	As at April 1, 2021	Addition / (Deletion)	Production	As at March 31, 2022
Proved reserves (1P)					
- Oil	MMBBL	10.52	0.02	0.08	10.46
- Gas	BCF	90.14	-	3.39	86.75
Proved and probable (2P)					
- Oil	MMBBL	16.41	0.01	0.08	16.34
- Gas	BCF	138.32	-	3.39	134.93

Developed:

	Unit of Measurement	As at April 1, 2021	Addition	Production	As at March 31, 2022
Proved reserves (1P)					
- Oil	MMBBL	10.52	0.02	0.08	10.46
- Gas	BCF	90.14	-	3.39	86.75

Note1: The above reserve estimates excludes the reserves of PY-3 as there is no viable plan for recommencement as on date. Regarding CB-OS-1, Government of India has issued a termination notice on September 5, 2018. However, the company requested to withdraw the termination notice as it is not in accordance with the provisions of the law. Therefore, no reserves of CB-OS/1 is included in the above estimates.

Note 2: Unit of measurement is considered in barrels for oil and cubic feet for gas.

Developed and Undeveloped:

	Unit of Measurement	As at April 1, 2020	Addition	Production	As at March 31, 2021
Proved reserves (1P)					
- Oil	MMBBL	3.09	7.51	0.08	10.52
- Gas	BCF	73.79	20.31	3.96	90.14
Proved and probable (2P)					
- Oil	MMBBL	4.29	12.19	0.08	16.41
- Gas	BCF	119.72	22.56	3.96	138.32

Developed:

	Unit of Measurement	As at April 1, 2020	Addition	Production	As at March 31, 2021
Proved reserves (1P)					
- Oil	MMBBL	0.59	10.01	0.08	10.52
- Gas	BCF	64.55	29.55	3.96	90.14

Note 1: The above reserve estimates excludes the reserves of PY-3 as there is no viable plan for recommencement as on date. Regarding CB-OS-1, Government of India has issued a termination notice on September 5, 2018. However, the company requested to withdraw the termination notice as it is not in accordance with the provisions of the law. Therefore, no reserves of CB-OS/1 is included in the above estimates

Note 2: Unit of measurement is considered in barrels for oil and cubic feet for gas

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***44. Segment reporting**

The Company is primarily engaged in a single business segment of "Oil and Gas" in one geographic segment in India. Therefore, there are no separate reportable segments for Segment Reporting.

45. Related Party Disclosures

a) a) Related Parties as of March 31, 2022:

i) Wholly owned subsidiaries:

- a) Hindage Oilfield Services Ltd., ("Hindage")
b) Geopetrol International Inc ("GPII")

ii) Key management personnel:

Whole-time directors

- Mr. P. Elango - Managing Director
- Mr. R. Jeevanandam - Director & CFO

Non-Executive independent Directors

- Mr. Vivek Ræ
- Ms. Sharmila H. Amin
- Mr. P.K. Borthakur

Non-Executive, Non-Independent Directors

- Mr. Ashok Kumar Goel
- Mr. Rohit Rajgopal Dhoot

Company Secretary

- Ms.G.Josephin Daisy

iii) Other related parties - Related to Non-Executive, Non-Independent Director:

- Vyoman Tradelink India Pvt Ltd

b) Nature and volume of transactions during the year and outstanding balances as at the balance sheet date with the above parties:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on loan to GPII	354.81	130.76
Subsidiary (Hindage) - Reimbursement of expenses	-	11.62
Key managerial personnel remuneration-		
1. Mr. P. Elango - Managing Director	122.24	109.48
2. Mr. R. Jeevanandam - Director & CFO	117.68	105.59
3. Ms. G. Josephin Daisy - Company Secretary	10.40	9.42
Sitting fee - Independent Directors	15.75	12.75
Commission - Independent Directors*	18.00	18.00
Advances - Wholly owned subsidiary company **		
Advance paid to HOSL	22.45	4,270.00
Advance recovered from HOSL	-	867.05
Loan to HOSL***	13,000.00	-
Loan from Vyoman Tradelink India Private Limited	-	15,000.00
Loan repayment to Vyoman Tradelink India Private Limited	15,000.00	-
Interest on loan to Vyoman Tradelink India Private Limited	887.67	238.36

* which is within 1% of the net profit of the Company.

** Represents advance made for business purposes.

*** Advances paid to HOSL as at March 31,2022 amounting to ₹ 13,000.00 lacs converted as a term loan during the year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***Loan and advances to wholly owned subsidiary**

Particulars	Outstanding as at March 31, 2022	Maximum amount outstanding during the year	Outstanding as at March 31, 2021	% of total loan as at March 31, 2022	% of total loan as at March 31, 2021
Loan to GPII	10,044.44	10,044.44	9,739.37	44%	100%
Loan to HOSL	13,000.00	13,000.00	-	56%	-
Interest accrued on loan to GPII (including gain on foreign exchange)	613.46	613.46	244.81	-	-
Advance recoverable from HOSL	22.45	13,022.45	6,260.00	-	-

Other related parties with whom transactions have taken place during the year and balances outstanding at the year end.

Particulars	Outstanding as at March 31, 2022	Maximum amount outstanding during the year	Outstanding as at March 31, 2021
Loan from Vyoman Tradelink India Private Limited	-	15,000.00	15,000.00
Interest accrued on loan	-	147.95	106.44

46. Commitments and Contingencies

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Contingent Liabilities		
(a) Claims not acknowledged as debts CY-OS-90/1 (refer note a)	3,112.00	3,112.00
(b) Royalty demand (refer note 40 (1))	-	4,122.96
(c) Claims not acknowledged as debts CB-OS/1 (refer note 40 (2))	-	1,245.00
(d) Service tax liability (refer note b)	168.92	168.92
(e) Service tax liability (refer note c)	24,283.35	17,353.70
(f) Goods and Service tax liability (refer note d)	218.99	-
(g) Goods and Service tax liability (refer note e)	888.03	-
(ii) Commitments		
Estimated value of contracts remaining to be executed on capital account and not provided for	24.36	3,726.35

- a) i. In CY-OS-90/1 (PY-3) block, an arbitration award dated February 28, 2020 was issued against the Company and two other co-respondents, by a majority of two to one dissent by an Arbitration Tribunal which was received and acknowledged by the Company in June 2020. The share of the Company's exposure to the claim is ₹ 1,624 lacs in addition to other ancillary awards that are subject to reconciliation of cash call payments and net off other credits to be given to the Company towards refund of excess service tax granted by the Tribunal, which are yet to be quantified.

The Company filed an appeal against the aforesaid award in the High Court of Malaysia but the matter was dismissed on February 11, 2022. Hence, an appeal has been filed before the Court of Appeal at Kuala Lumpur in May 2022.

The applicant Hardy Exploration & Production (India) Inc. ("Hardy") has preferred an application under section 47 and 49 of the Arbitration Act before the Hon'ble Gujarat High Court for recognition and enforcement of the foreign arbitral award and the Hon'ble Court vide its Order dated October 26, 2020 directed HOEC to file its objections to the said application. However, in view of Section 48(1)(e) that the arbitral award has not yet attained finality since a challenge to such award is pending before the competent authority, the Company filed a review petition w.r.t the Order dated October 26, 2020, which was not upheld by the High Court vide its Order dated August 10, 2021. The Company has filed an appeal to the order dated August 10, 2021 before the Supreme Court of India, which is pending admission. Pending conclusion of the appeal filed, the amount of claim not acknowledged as debt is in the judgement of management retained as same as prior year and no provision is presently considered.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

- ii. The claim not acknowledged as debt by the company includes ₹ 1,488 lacs for the participating interest of the Company relating to the dispute between Aban Offshore Limited and the operator Hardy.
- b) During the year 2019-20, there was a demand for service tax for ₹ 77.09 lacs with an equivalent amount of penalty due to disallowance of Cenvat credit for the period from October 2007 to March 2011. An appeal was filed after paying an amount of ₹ 7.71 lacs to the tax authorities. This dispute is before the CESTAT for adjudication and no provision is made in the financial statements. The above amount also includes a demand of ₹ 14.74 lacs pertaining to one of the unincorporated joint ventures.
- c) Service tax demand was made on cash call contributions, cost and profit petroleum share of the contractors and Government of India, for the period commencing from April 2010 to March 2015 for various unincorporated joint ventures under production sharing contracts for ₹ 8,676.85 lacs with equivalent amount as penalty and interest of which the participating interest of the Company is ₹ 6,638.84 lacs. The Hon'ble High Court of Madras has remanded back to the Commissionerate for fresh adjudication based on the merits of the case on 8th April 22, in response to the writ appeal filed by the company. Further, the statement of demand received ₹ 6,901.11 lacs for the period April 2015 to June 2017 of which the participating interest of the Company is ₹ 2,705.35 lacs is being dealt with the same for disposal awaiting the outcome in respect of the earlier year. This being an industry issue, the above claim of the tax authority is disputed by the Company and is being redressed at various appellate forum and hence no provision has been considered in the financial statements. This industry issue is taken up by the Ministry of Petroleum and Natural Gas with Finance Ministry of Government of India for appropriate clarification and redressal.
- Further, for the period April 2016 to June 2017 a show cause notice has been received towards service tax on royalty amounting to ₹ 28.54 lacs of which the participating interest of the Company is ₹ 24.86 lacs. The Company filed the submission and seeking redressal before Ministry of Petroleum and Natural Gas, Government of India.
- d) During the year for the period July 2017 to March 2021 a show cause notice has been received towards GST on royalty amounting to ₹ 218.99 lacs of which the participating interest of the Company is ₹ 208.76 lacs. The company is in the process of filing submission and seeking redressal before Ministry of Petroleum and Natural Gas, Government of India.
- e) During the year, intimation of GST demand received by HOEC as company rendering manpower and business support service to UJV for the period July 17 to March 21 amounting to ₹ 888.03 lacs of which the participating interest of the Company is ₹ 315.73 lacs. The Company is in the process of filing reply.

47. Effects of Changes in Foreign Exchange Rates**a) Expenditure in foreign currency (on accrual basis)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating expenditure	750.87	685.59

b) Value of Imports calculated on CIF basis (on accrual basis)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Components and spare parts	0.76	0.09

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***48. Corporate Social Responsibility**

Gross amount required to be spent towards CSR activities from the profits calculated as per Section 198 of the Companies Act, 2013 during the year: ₹ 201.83lacs (PY: ₹ 194.83). Amount spent during the year on:

Particulars	2021-22	2020-21
Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 (on annual basis) (A)	201.83	194.83
Amount expenditure incurred during the year (B)	2.03	11.26
In cash		
(i) Construction / acquisition of any asset	–	–
(ii) On purposes other than (i) above:	2.03	11.26
Promoting preventive health care	–	–
Promoting education	–	–
Conservation of natural resources and other allied areas	–	–
Shortfall at the end of the year (C)	199.80	183.57
Total of previous years shortfall, (D)	183.57	
Reason for shortfall (E)	Due to covid 19	
Nature of CSR activities (F)		
Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to csr expenditure as per relevant accounting standard, (g)	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. (h)	383.37	183.57

49. Financial instrument disclosure**(a) Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings disclosed in notes 25, 28 and 15, 17 after deducting cash and bank balances) and equity of the Company (comprising issued capital, reserves and surplus, retained earnings as disclosed in notes 23 and 24). The Company monitors capital using a gearing ratio which is net debt divided by total capital plus net debt.

Gearing Ratio:

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	25,609.43	15,000.00
Less: Cash and cash equivalent	(1,327.40)	(6,044.62)
Net Debt	24,282.03	8,955.38
Equity	76,596.50	73,018.05
Total Capital	76,596.50	73,018.05
Capital and Net Debt	100,878.53	81,973.43
Gearing Ratio	24.07%	10.92%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***Accounting classifications and fair values**

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

Financial instruments by category

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Investments in subsidiaries	–	5,945.83	5,945.83	–	5,945.83	5,945.83
Deposits under site restoration fund	–	6,948.01	6,948.01	–	6,559.26	6,559.26
Investments	33.56	–	33.56	3,035.08	–	3,035.08
Trade receivables	–	1,360.14	1,360.14	–	2,802.17	2,802.17
Cash and cash equivalents	–	1,293.84	1,293.84	–	3,009.54	3,009.54
Other bank balances	–	3,249.74	3,249.74	–	1,589.61	1,589.61
Loan to subsidiary	–	23,044.44	23,044.44	–	9,739.37	9,739.37
Other financial assets	–	4,562.54	4,562.54	–	3,052.62	3,052.62
Total Financial Assets	33.56	46,404.54	46,438.10	3,035.08	32,698.40	35,733.48
Financial Liabilities						
Borrowings	–	26,609.43	26,609.43	–	15,000.00	15,000.00
Interest Accrued	–	114.13	114.13	–	106.44	106.44
Trade Payables	–	1,723.21	1,723.21	–	1,212.85	1,212.85
Deposits	–	13.50	13.50	–	13.50	13.50
Other financial liabilities	865.35	10,018.28	10,883.63	–	2,711.72	2,711.72
Total Financial Liabilities	865.35	38,478.55	39,343.90	–	19,044.51	19,044.51

Fair value hierarchy

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

(b) Financial assets and liabilities valued at fair value

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

As at March 31, 2022

Particulars	Fair Value Measurements using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value (refer note 15)				
- Quoted equity instruments	33.56	33.56	–	–
- Mutual fund investments	–	–	–	–
- Derivatives	865.35	865.35	–	–

As at March 31, 2021

Particulars	Fair Value Measurements using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value (refer note 15)				
- Quoted equity instruments	25.50	25.50	–	–
- Mutual fund investments	3,009.58	3,009.58	–	–

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***(c) Financial assets and liabilities measured at amortised cost**

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

(d) Offsetting

The Company has not offset financial assets and financial liabilities as at 31 March 2022 and 31 March 2021. The Company's borrowing are secured, the details of which are more fully described in Note 25.

50. Financial Risk Management Objectives & Policies

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

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

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

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

(a) Market risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and operational contracts with the rates payable in foreign currencies. The Company manages its foreign currency risk by having natural hedge as the revenue on sale of oil and gas is determined and paid in equivalent US dollars.

Details of Unhedged Foreign Currency Exposure

The details of unhedged Foreign Currency Exposure of the Company, are as under:

Particulars	As at March 31, 2022		As at March 31, 2021	
Receivables				
Loan to wholly owned subsidiary	\$ 1,32,50,000	₹ 10,044.44 lacs	\$ 1,32,50,000	₹ 9,739.37 lacs
Interest accrued on loan to wholly owned subsidiary	\$ 809,242	₹ 613.46 lacs	\$ 3,33,059.72	₹ 244.81 lacs
Payables				
Loan from banks INR to USD swaps	\$ 35,375,087	₹ 25,609.43 lacs	-	-

Foreign Currency Sensitivity

The Company having outstanding derivatives as at 31 March 2022 and 31 March 2021 (Nil) and all of its foreign currency exposure is unhedged. The following table demonstrates the sensitivity in the USD to the functional currency of the Company, with all other variables held constant. The impact on the Company's Profit before tax is due to changes in the fair value of monetary assets

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	Changes in currency exchange rate	Effect on profit before tax	
		For the year ended 31 March 2022	For the year ended 31 March 2021
US Dollars	+5%	809.31	499.19
	-5%	(809.31)	(499.19)

(ii) Commodity risk

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

(iii) Interest rate risk

Particulars	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowings	–	–
Fixed Rate Borrowings	25,609.43	15,000.00
Total	25,609.43	15,000.00

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

(b) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk as its sale of oil and gas is to Government Nominees.

Cash and Bank balances

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

(i) Financial instruments and cash deposits

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

(c) Liquidity risk

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

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

Particulars	As at March 31, 2022			Total	Carrying Value
	Less than 1 year	1-5 years	More than 5 years		
Borrowings	9,547.98	16,061.45	–	25,609.43	25,609.43
Trade Payables	1,723.21	–	–	1,723.21	1,723.21
Other Financial liabilities	10,997.76	13.50	–	11,011.26	11,011.26
Total	22,268.95	16,074.95	–	38,343.90	38,343.90

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	As at March 31, 2021			Total	Carrying Value
	Less than 1 year	1-5 years	More than 5 years		
Borrowings	6,172.36	8,827.64	–	15,000.00	15,000.00
Trade Payables	1,212.85	–	–	1,212.85	1,212.85
Other Financial liabilities	2,818.16	13.50	–	2,831.66	2,831.66
Total	10,203.37	8,841.14	–	19,044.51	19,044.51

51. Events after the reporting period

There is no material events after the reporting period.

52. Previous year figures

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

53. Ratio Analysis:

Particulars	As at FY 2021-22	As at FY 2020-21	Variation	Remarks for variation more than 25%
(a) Current Ratio (in times)	1.36	3.07	(56%)	Reduction due to short term borrowings
(b) Debt-Equity Ratio (in times)	0.33	0.21	63%	Increase due to additional borrowings
(c) Debt Service Coverage Ratio, (in times)	2.05	23.52	(91%)	Reduction due to additional borrowings
(d) Return on Equity Ratio (in %)	4.68	8.91	48%	Due to exceptional expenditure
(e) Inventory turnover ratio (in times)	48.91	35.90	36%	Due to increase in revenue
(f) Trade Receivables turnover ratio (in times)	6.27	3.15	99%	current year increase in sales and old outstanding received during previous year.
(g) Trade payables turnover ratio, (in times)	4.75	5.13	7%	–
(h) Net capital turnover ratio, (in times)	0.86	0.49	25%	current year increase in borrowings
(i) Net profit ratio, (in %)	27	65	(58%)	Due to exceptional expenditure
(j) Return on Capital employed, (in %)	4	7	(53%)	Due to exceptional expenditure and additional borrowings
(k) Return on investment. (in %)	3	4	(62%)	Reduction due to utilisation of funds

Explanations to items included in computing the above ratios:

- Current Ratio: Current Asset over Current Liabilities
- Debt-Equity Ratio: Debt (includes Borrowings and Current & Non-Current Lease Liabilities) over total share holders equity (including Reserves & Surplus)
- Debt Service Coverage Ratio: EBIT + Interest on lease liabilities + Depreciation over Lease payments (principal + interest)
- Return on Equity Ratio: Profit After Tax over average Equity (including Reserves & Surplus)
- Inventory turnover ratio: Revenue over average Inventory
- Trade Receivables turnover ratio: Revenue from operations over average Trade Receivable
- Trade payables turnover ratio: Purchases / expenses over average Trade Payable
- Net capital turnover ratio: Revenue from operations over average working capital
- Net profit ratio: Profit After Tax over Revenue from operations
- Return on Capital employed: Profit Before Interest & Tax over Capital employed (Capital employed includes total share holders equity, borrowings, short term and long term lease liabilities)
- Return on investment: Interest income on fixed deposit + Mutual fund investment gain over average investments (investments includes investments in mutual funds, margin money and other bank deposits)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

54. The charge creation for HDFC bank loan, pending with banker for their internal clearance.
55. The Company has not been declared a willful defaulter by any bank or financial institution or other lender.
56. No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.
57. Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.
58. The Company has not traded / invested in Crypto currency or virtual currency.
59. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- 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 to or on behalf of the Ultimate Beneficiaries
60. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- 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,
61. The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
62. The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
63. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
64. No schemes of arrangements have been applied or approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.
65. The title deeds of all immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date.
66. **Approval of financial statements**
The financial statements were approved for issue by the board of directors on May 30, 2022.

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821

R. Jeevanandam
Director & CFO
DIN No 07046442

Josephin Daisy
Company Secretary

Place : Chennai
Date : May 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hindustan Oil Exploration Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Hindustan Oil Exploration Company Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of loss in associate, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements"), which includes eight unincorporated joint ventures accounted on a proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the considerations of reports of the other auditors on separate financial statements of unincorporated joint ventures and subsidiary referred to in Other Matters section below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matter	Auditor's Response
1	<p>Impairment of Upstream Oil and Gas assets included in PP&E and Capital Work in Progress</p> <p>Oil and Gas assets included in Property, Plant and equipment (PP&E) and Capital Work in progress of the Group aggregate ₹ 125,545 lakhs</p> <p>Recoverability of such Oil and Gas assets has been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the carrying value of the assets being assessed; The assessment of the recoverable amount of the Group's Cash Generating Units (CGUs) involves significant judgements about future cash flow forecasts and the discount rates applied; and 	<p>Principal audit procedures performed:</p> <p>Our procedures relating to Impairment of Upstream Oil and Gas PP&E and Capital Work in Progress included the following, among others:</p> <p>i. Tested the effectiveness of internal controls over the Group's process in estimating the oil and gas reserves, the completeness and accuracy of the input data used and the reasonableness of key assumptions considered in the impairment evaluation including the discount rates and future oil and gas prices.</p> <p>We had discussions with the component auditors in regard to the impairment evaluation of Upstream Oil</p>

S.No	Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> The estimation of oil and natural gas reserves is a significant area of judgement due to the technical uncertainty involved and this has a substantial impact on impairment testing. <p>As required by Ind AS 36 'Impairment of Assets', management estimated the recoverable amount of the CGU to determine if any impairment charges or reversals were required</p>	<p>and Gas PP&E and Capital Work in Progress assets. Also, we have sent out referral instructions to the auditor of the component and evaluated the responses received from them. The procedures performed by the component auditors and which were evaluated by us are as follows:</p> <ol style="list-style-type: none"> assessed the valuation methodology used by management, evaluated the appropriateness of management's identification of the CGU's and tested the arithmetical accuracy of the impairment calculations. conducted corroborative inquiries with the Group personnel, including internal reserve experts, to identify factors, if any, which should be considered in the analysis. Tested the key assumptions used in the assessment including reserve estimate, oil and gas prices by comparing them with prior year's data and external data, where relevant. Assessed the reasonableness of the discount rates used with the assistance of our internal valuation experts Verified the estimated future capital and operational costs, by comparing the same with the approved budgets and the production forecasts. Performed sensitivity analysis of key assumptions, including estimate of production-based revenue growth rates and the discount rates applied in the valuation workings.
2.	<p>Measurement of provision for decommissioning, dismantling, removal and restoration ("DDRR")</p> <p>The provision outstanding for DDRR of the Group amounts to ₹ 11,824 Lakhs. The estimation of DDRR provision, involves significant degree of judgement and uncertainty in estimation.</p> <p>DDRR provisions are inherently subjective given they are based on estimates of costs that will be settled in the future. The Group reviews the DDRR provision on an annual basis, of which key components include the interest rate, inflation rate and expected future costs.</p>	<p>Principal audit procedures performed:</p> <p>Our procedures relating to Measurement of provision for decommissioning, dismantling, removal and restoration included the following, among others:</p> <ol style="list-style-type: none"> Tested the effectiveness of internal controls over the Group's process in estimating the future costs, the completeness and accuracy of the input data used and the reasonableness of key assumptions considered in their evaluation including the inflation rate and discount rates. <p>We had discussions with the component auditors in regard to the Measurement of provision for decommissioning, dismantling, removal and restoration. As Principal auditors. Also, we have sent out referral instructions to the auditor of the component and evaluated the responses received from them. The procedures performed by the component auditors and which were evaluated by us are as follows:</p> <ol style="list-style-type: none"> Obtained and evaluated the report received by the Group from an external specialist for reasonableness. Tested the completeness of the provision by comparing the list of operating blocks with the obligation to create a provision for DDRR. Tested the arithmetical accuracy of the Decommissioning liability.

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

- The Parent's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Boards' Report including Annexures to the Board's Report, Management Discussion and Analysis Report and Corporate Governance Report including annexures thereon but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, unincorporated joint ventures and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, unincorporated joint ventures and associate, is traced from their financial statements audited by the other auditors.
- When we read the Board's Report, Corporate Governance Report, Management Discussion and Analysis and Business Responsibility Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 The Auditor's responsibilities Relating to Other Information.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of 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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies ; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the subsidiaries within the Group and its associate to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements of seven unincorporated joint ventures included in the consolidated Ind AS financial statements of the Company, whose financial statements reflect total assets of ₹ 57,082 Lakhs as at March 31, 2022 and total revenues of ₹ Nil for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements of these unincorporated joint ventures have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far relates to the amounts and disclosures included in respect of these unincorporated joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid unincorporated joint ventures, is solely based on the report of such other auditors.
- We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 34,032 Lakhs as at March 31, 2022 and total revenues of ₹ 2,553 Lakhs for the year ended March 31, 2022, total net loss after tax and total comprehensive loss of ₹ 453 Lakhs, which includes Group's share of net loss of ₹ 90 lakhs in respect of an associate for the year ended March 31, 2022, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the

consolidated financial statements, in so far as relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor:

The other auditor, without qualifying his opinion, has reported that financial statements of the aforesaid consolidated subsidiary includes assets of ₹ 1,411 Lakhs and liabilities of ₹ 1,875 Lakhs which represents its participating interest in an unincorporated joint venture based on unaudited financial information certified by the management. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

- (c) We have placed reliance on the technical / commercial evaluation performed by the management in respect of the categorization of wells as exploratory, development, producing and dry wells, allocation of costs incurred on them, proved developed hydrocarbon reserves and depletion thereof on Oil and Gas assets, impairment and liability for site restorations costs.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the respects of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the of the report of the other auditors on the separate financial statements of unincorporated joint ventures and subsidiary referred to in the Other Matter section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the IndAS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Parent Company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.
 - ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, its subsidiaries and its associate.

- iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company incorporated in India to or in any other person(s) or entity(ies), including foreign entities.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary company incorporated in India from any person(s) or entity(ies), including foreign entities.
- (c) Based on the audit procedures that has 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) of Rule 11(e), as provided under (vi)(a) and (vi)(b) above, contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 22213649AJVYMJ3934)

Place : Hyderabad
Date : May 30, 2022
MM/JM/2022/29

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Hindustan Oil Exploration Company Limited** (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent, its subsidiary companies, which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance

with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the parent and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India..

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
 (Firm's Registration No.117366W/W-100018)

C Manish Muralidhar
 (Partner)
 (Membership No. 213649)
 (UDIN: 22213649AJVYMJ3934)

Place : Hyderabad
 Date : May 30, 2022
 MM/JM/2022/29

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Non-current assets			
Property, plant & equipment			
a) Oil and gas assets	4	29,654.75	31,214.43
b) Others	4	20,113.48	994.07
Capital work-in-progress	5	75,867.54	53,459.39
Investment property	6	307.15	394.54
Intangible assets	7	970.52	937.35
Financial assets			
Investment in associate	8	1,837.82	1,927.53
Deposits under site restoration fund	9	7,256.32	6,853.23
Other financial assets	10	5.93	6.11
Deferred tax asset	11	–	–
Other non-current assets	12	20.90	54.96
Total non-current assets		136,034.41	95,841.61
2. Current assets			
Inventories	13	3,098.45	3,609.58
Financial assets			
Investments	14	34.19	4,537.73
Trade receivables	15	1,619.96	3,107.15
Cash and cash equivalents	16	2,912.22	4,688.95
Other bank balances	17	3,625.14	2,462.53
Other financial assets	18	3,955.64	2,853.99
Income tax assets (Net)	19	376.45	736.11
Other current assets	20	1,067.79	677.27
Total current assets		16,689.84	22,673.31
TOTAL ASSETS		152,724.25	1,18,514.92
EQUITY & LIABILITIES			
Equity			
Equity share capital	21	13,225.93	13,225.93
Other equity	22	62,086.33	60,091.02
Total equity		75,312.26	73,316.95
Liabilities			
1 Non-current liabilities			
Financial liabilities			
Long-term borrowings	23	20,461.45	15,916.85
Other financial liabilities	24	10,085.67	13.50
Provisions	25	11,877.80	11,259.47
Deferred tax liability	26	97.89	133.12
Total non-current liabilities		42,522.81	27,322.94
2 Current Liabilities			
Financial liabilities			
Borrowings	27	15,272.89	9,451.82
Trade payables	28		
Total outstanding dues of Micro enterprises and small enterprises		–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,792.03	3,194.26
Other financial liabilities	29	13,326.60	3,347.79
Provisions	30	1,404.57	1,318.97
Other current liabilities	31	1,093.09	562.19
Total current liabilities		34,889.18	17,875.03
Total Liabilities		77,411.99	45,197.97
TOTAL EQUITY & LIABILITIES		152,724.25	1,18,514.92

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN-117366W/W-100018

For and on behalf of the Board of Directors

C Manish Muralidhar
Partner

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 30, 2022

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 30, 2022

Josephin Daisy
Company Secretary
Place : Chennai
Date : May 30, 2022

Place : Hyderabad
Date : May 30, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	32	15,572.52	11,386.47
Other income	33	1,146.39	1,132.23
Total income		16,718.91	12,518.70
EXPENSES			
Share of expenses from producing oil and gas blocks	34(a)	2,822.89	2,953.93
Royalty, cess and National Calamity Contingent Duty	34(b)	3,234.56	2,445.34
Vessel operating expenses	34(c)	266.75	-
(Increase) / decrease in stock of crude oil and condensate	35	379.10	(329.54)
Employee benefits expense	36	93.28	69.05
Finance costs			
- Unwinding of discount on decommissioning liability	37	620.58	577.99
- Others	38	301.04	1.29
Depreciation, depletion and amortization expense	4,6,7	2,621.46	2,336.53
Other expenses	39	884.54	834.18
Total expenses		11,224.20	8,888.77
Profit before share of profit of associate, exceptional items and tax		5,494.71	3,629.93
Share of profit of associate	8	(89.71)	153.64
Profit before exceptional items and tax		5,405.00	3,783.57
Exceptional items	40	(3,436.53)	1,398.88
Profit before tax		1,968.47	5,182.45
(1) Current tax		-	-
(2) Adjustment of tax relating to earlier periods		4.33	9.68
(3) Deferred tax		(35.23)	(169.14)
Total tax expense		(30.90)	(159.46)
Profit for the year		1,999.37	5,341.91
Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
- Re-measurement gain / (loss) on defined benefit plans, net of tax		(4.06)	4.23
Other comprehensive income (net of tax)		(4.06)	4.23
Total comprehensive income for the year		1,995.31	5,346.14
Earnings per equity share of ₹10 attributable to equity holders.	41		
Basic		1.51	4.04
Diluted		1.51	4.04

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN-117366W/W-100018

C Manish Muralidhar
Partner

Place : Hyderabad
Date : May 30, 2022

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 30, 2022

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 30, 2022

Josephin Daisy
Company Secretary
Place : Chennai
Date : May 30, 2022

For and on behalf of the Board of Directors

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***a) Equity Share Capital**

Particulars	As at the period ended			
	31-Mar-2022		31-Mar-2021	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Balance at the beginning of the current reporting year	13,22,43,289	13,225.93	13,22,43,289	13,225.93
Changes in Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-
Changes in share capital during the current year	-	-	-	-
Balance at the end of the current reporting year	13,22,43,289	13,225.93	13,22,43,289	13,225.93

b) Other Equity as on March 31, 2022

Particulars	Reserves and surplus				Total ₹ in lacs
	Securities premium	Capital reserve	General reserve	Retained earnings	
Balance as at March 31, 2020	78,865.42	96,129.35	38.00	(1,20,287.88)	54,744.88
Profit for the year	-	-	-	5,341.91	5,341.91
Other comprehensive income	-	-	-	4.23	4.23
Total comprehensive income	-	-	-	5,346.14	5,346.14
Balance as at March 31, 2021	78,865.42	96,129.35	38.00	(1,14,941.74)	60,091.02
Profit for the year	-	-	-	1,999.37	1,999.37
Other comprehensive income	-	-	-	(4.06)	(4.06)
Total comprehensive income	-	-	-	1,995.31	1,995.31
Balance as at March 31, 2022	78,865.42	96,129.35	38.00	(112,946.43)	62,086.33

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN-117366W/W-100018

C Manish Muralidhar
Partner

Place : Hyderabad
Date : May 30, 2022

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 30, 2022

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 30, 2022

Josephin Daisy
Company Secretary
Place : Chennai
Date : May 30, 2022

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from Operating activities		
Profit before tax	1,999.37	5,341.91
Adjustments for:		
Depletion, depreciation and amortisation	2,621.46	2,336.53
Unwinding of discount on Decommissioning liability	620.58	577.99
Provision for compensated absences	-	7.95
Provision for doubtful advances	-	44.71
Exceptional Items	3,436.53	(1,398.88)
Tax expense	(30.91)	(159.46)
Net foreign exchange differences	58.49	58.82
Interest income	(823.79)	(635.30)
Net gain on sale of investments	-	(541.18)
Net gain on fair valuation of investments	(10.95)	(21.30)
Rental income	(30.02)	(33.76)
Share of profit of associate	89.71	(153.64)
Operating profit before working capital changes	7,930.47	5,424.39
Working capital adjustments for:		
(Increase) / Decrease in trade receivables	1,487.19	529.01
(Increase) / Decrease in Inventories	511.13	(950.84)
(Increase) / Decrease in Loans and advances and other current assets	(1,089.27)	(2,721.56)
Increase / (Decrease) in trade payables and other liabilities	1,601.76	(10,184.23)
Cash generated/ (used in) from operations	10,441.28	(7,903.23)
Direct taxes (payment) (net of refunds)	355.33	242.22
Net cash generated/ (used) by operating activities	10,796.61	(7,661.01)
Cash flow from Investing activities		
Property, plant and equipment (net)	(26,532.88)	(20,661.47)
Intangible assets	(66.74)	-
Rent received	30.02	30.83
Net gain on sale of investments	-	541.18
Net gain on fair valuation of investments	10.95	21.30
Interest received (net of repayment)	100.32	504.53
Bank deposit- Under site restoration fund	(403.09)	(334.74)
Bank deposit -Lien for bank guarantees / facilities	(1,162.61)	(937.76)
Net cash flows used in investing activities	(28,024.03)	(20,836.13)
Cash flow from financing activities		
Term loan received	28,988.28	18,743.72
Term loan repayment	(18,666.13)	(58.51)
Short term loan (Net of repayment)	625.00	1,930.58
Net cash flows from financing activities	10,947.15	20,615.79
Net decrease in cash and cash equivalents	(6,280.27)	(7,881.35)
Cash and cash equivalents at the beginning of the year	9,226.68	17,108.03
Cash and cash equivalents at the end of the year	2,946.41	9,226.68
Components of cash and cash equivalents		
Cash in hand	0.15	0.08
Balances with banks		
- In deposit accounts	4.87	872.97
- In current accounts	2,907.20	3,815.90
Current Investments	34.19	4,537.73
Total cash and cash equivalents	2,946.41	9,226.68

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN-117366W/W-100018

C Manish Muralidhar
Partner

Place : Hyderabad
Date : May 30, 2022

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 30, 2022

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 30, 2022

Josephin Daisy
Company Secretary
Place : Chennai
Date : May 30, 2022

For and on behalf of the Board of Directors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***1. Corporate Information**

- a) Hindustan Oil Exploration Company Limited ('the Company' or "HOEC") was incorporated in India on September 22, 1983 under the provisions of the Companies Act, 1956. The Company's shares are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE'). HOEC is engaged in the exploration, development and production of crude oil and natural gas in India, both onshore and offshore.

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 Group 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	PY-1	Hindustan Oil Exploration Company Limited (O)	100	100
2	CY-OS-90/1 (PY-3)	Hardy Exploration & Production (India) Inc. (O)	18	18
		Oil and Natural Gas Corporation Limited	40	40
		Hindustan Oil Exploration Company Limited	21	21
		Tata Petrodyne Limited	21	21
3	Asjol	Hindustan Oil Exploration Company Limited (O)	50	50
		Gujarat State Petroleum Corporation Limited	50	50
4	North Balol	Hindustan Oil Exploration Company Limited (O)	25	25
		Gujarat State Petroleum Corporation Limited	45	45
		Gujarat Natural Resources Limited (GNRL)	30	30
5	CB-ON/7 (Palej)	Hindustan Oil Exploration Company Limited (O)	35	35
		Gujarat State Petroleum Corporation Limited	35	35
		Oil and Natural Gas Corporation Limited	30	30
6	CB-OS/1*	Oil and Natural Gas Corporation Limited (O)	55.26	55.26
		Hindustan Oil Exploration Company Limited	38.07	38.07
		Tata Petrodyne Limited	6.67	6.67
7	AAP-ON-94/1 (Assam)	Hindustan Oil Exploration Company Limited (O)	26.882	26.882
		Indian Oil Corporation Limited	29.032	29.032
		Oil India Limited	44.086	44.086
8	MB/OSDSF/B80/2016**	Hindustan Oil Exploration Company Limited (O)	60	60
		Adhboot Estates Private Limited	40	40
9	AA/ONDSF/KHEREM/2016	Hindustan Oil Exploration Company Limited (O)	40	40
		Oil India Limited	40	40
		Prize Petroleum Company Limited	20	20
10	AA-ONHP-2017/19	Hindustan Oil Exploration Company Limited	100	100
11	AA/ONDSF/Umatara/2018	Hindustan Oil Exploration Company Limited	10	10
		Indian Oil Corporation Limited (O)	90	90

(O) Operator

* GOI has issued a termination on September 5, 2018. However, the Company requested to withdraw the termination notice as it is not in accordance with the provisions of the PSC.

** Effective December 1, 2020 Adhboot Estates Private Limited assigned 10% of its participating interest in the UJV to HOEC. The amendment to the Revenue sharing contract is executed between the parties and it was approved by the Ministry of Petroleum and Natural Gas, Government of India.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

- c) HOEC acquired the entire share capital of Geopetrol International Inc. ("GPII"), a company registered and existing under the Laws of Panama. GPII is registered as a foreign company in India and operates through a project office in India. GPII has entered into a production sharing contract with Government of India for a producing oil field Kharsang in Arunachal Pradesh. The details of the Participating Interest are as follows:

Sl. No.	Unincorporated Joint Ventures	Participants	As at March 31, 2022 Share %	As at March 31, 2021 Share %
1	Kharsang Field	Geoenpro Petroleum Limited (O)	10	10
		Geopetrol International Inc.	25	25
		JEKPL Private Limited	25	25
		Oil India Limited	40	40

(O) Operator

- d) Geopetrol Mauritius Ltd ("GML"), is a wholly owned subsidiary of GPII. GML is a company established under the laws of Mauritius and has global business category -I license. It is in the business of investment in oil and gas exploration and oil and gas services.
- e) Geoenpro Petroleum Limited ("Geoenpro") is a company established and operated under the Indian Companies Act. GML is currently holding 50% of the paid up share capital of Geoenpro and is an associate company of GML.

The Company, along with HOSL, GPII, GML shall hereinafter, be collectively referred to as 'the Group'.

2. Significant accounting policies**i) Statement of compliance and basis of preparation**

The consolidated financial statements of the Group and its subsidiaries (together the Group) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2022, the Group had prepared its consolidated financial statements under historical cost convention on accrual basis in accordance with the generally accepted accounting principles and the accounting standards notified under section 133 of the Companies Act 2013.

In case of foreign subsidiaries, the foreign currency is converted to year end rates of exchange and the fair value of fixed assets are determined for impairment if any. In case of associates, the investment in associates is given under a separate category of asset viz., "Investment in associates".

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

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

Fair value measurement

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***ii) Basis of consolidation**

- (a) The consolidated financial statements incorporate the financial statement of the Company and its Subsidiaries.
- (b) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated in full on consolidation.
- (c) The Consolidated financial statements have been prepared using uniform accounting policies, except as stated otherwise, for similar transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- (d) In case of Associate Company, the investment at cost is considered subject to the impairment if any.

iii) Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have the joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

The Group has entered into Unincorporated Joint Ventures (UJVs) with other oil and gas companies and executed Production Sharing Contracts ("PSC") and Revenue Sharing Contracts ("RSC") with the Government of India. These UJVs are in the form of joint arrangements wherein the participating entity's assets and liabilities are proportionate to its participating interest.

The UJVs entered into by the Group are joint operations wherein the liabilities are several, not joint, and not joint and several and therefore do not come under the category of Joint Venture as defined under the Ind AS. In accounting for these joint operations, the Group recognizes its assets and liabilities in proportion to its participating interest in the respective UJV. Likewise, revenue and expenses from the UJV are recognized for its participating interest only. The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in the UJVs in accordance with the Ind AS.

The consolidated financial statements of the Group reflect its share of assets, liabilities, income and expenditure of the Unincorporated Joint Ventures ("UJV") which are accounted, based on the available information in the audited financial statements of UJV on line by line basis with similar items in the Group's accounts to the extent of the participating interest of the Group as per the various PSCs and RSCs. The financial statements of the UJVs are prepared by the respective Operators in accordance with the requirements prescribed by the respective PSCs. Hence, in respect of these UJV's, certain disclosures required under the relevant accounting standards have been made in the financial statements.

iv) Investment in associates and joint ventures

The Group records the investments in associate and joint ventures at cost less impairment loss, if any. On disposal of investment in associates and joint ventures, the difference between the net disposal proceeds and the carrying amounts (including corresponding value of dilution in deemed investment) are recognized in the Statement of Profit and Loss.

v) Foreign exchange transactions

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

In preparing the financial statements of each individual group company, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

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

vi) Revenue recognition

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

- (i) Revenue from the sale of crude oil, condensate and natural gas, net of value added tax and profit petroleum to the Government of India, is recognized on transfer of custody to customers, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***Other income**

- (ii) Income from service if any is recognized on accrual basis on its completion and is net of taxes.
- (iii) Interest income is recognized on the basis of time, by reference to the principal outstanding and at effective interest rate applicable on initial recognition.
- (iv) Dividend Income from investments is recognized when the right to receive has been established.
- (v) Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

vii) Taxes

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

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

Current income taxes

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

Deferred income taxes

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

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

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

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

viii) Property, plant and equipment (other than oil and gas assets)

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***(i) Useful lives used for depreciation (other than oil and gas assets):**

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

- Plant & machinery	:	15 years
- Building	:	60 years
- Office Equipment	:	05 years
- Electrical Fittings	:	10 years
- Computer	:	03 years
- Furniture and Fixtures	:	10 years
- Vehicles	:	08 years
- Vessels	:	20 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the written down value method.

(ii) De-recognition of assets

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

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

ix) Oil and gas assets

Oil and gas assets are stated at historical cost less accumulated depletion and impairment. These are accounted in respect of an area / field having proved oil and gas reserves, when the wells in the area / field is ready to commence commercial production.

The Group generally follows the "Successful Efforts Method" of accounting for oil and gas assets as set out by the Guidance Note issued by the ICAI on "Accounting for Oil and Gas Producing Activities".

Expenditure incurred on acquisition of license interest is initially capitalized on license by license basis as Intangible Assets. Costs are not depleted within exploratory and development work in progress until the exploration phase is completed or commercial oil and gas reserves are discovered.

- Cost of surveys and studies relating to exploration activities are expensed as and when incurred.
- Cost of exploratory/appraisal well(s) are expensed when it is not successful and the cost of successful well(s) are retained as exploration expenditure till the development plan is submitted. On submission of development plan, it is transferred to capital work in progress. On commencement of commercial production, the capital work in progress is transferred to producing property as tangible assets.
- Cost of temporary occupation of land and cost of successful exploratory, appraisal and development wells are considered as development expenditure. These expenses are capitalized as producing property on commercial production.
- Development costs on various activities which are in progress are accounted as capital work in progress. On completion of the activities the costs are moved to respective oil and gas assets.

Depletion to oil and gas assets

Depletion is charged on a unit of production method based on proved reserves for acquisition costs and proved and developed reserves for capitalized costs consisting of successful exploratory and development wells, processing facilities, assets for distribution, estimated site restoration costs and all other related costs. These assets are depleted within each cost center. Reserves for these purposes are considered on working interest basis which are assessed annually. Impact of changes to reserves if any are accounted prospectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***x) Site restoration**

Provision for decommissioning costs are recognized as and when the Group has a legal or constructive obligation to plug and abandon a well, dismantle and remove plant and equipment to restore the site on which it is located. The estimated liability towards the costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is completed, and the plant and equipment are installed. The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk-free interest rate.

The corresponding amount is also capitalized to the cost of the producing property and is depleted on unit of production method. Any change in the estimated liability is dealt with prospectively and is also adjusted to the carrying value of the producing property.

Any change in the present value of the estimated decommissioning expenditure other than the periodic unwinding of discount is adjusted to the decommissioning provision and the carrying value of the asset. In case reversal of provision exceeds the carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance cost.

Provision for decommissioning cost in respect of assets under joint operations is considered as per the participating interest of the Group in the block / field.

xi) Investment property

Properties held to on rentals and / or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognized using the Written Down Value Method, so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful lives are determined by technical evaluation, over the useful lives so determined. Depreciation method, useful life and the residual values are reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property and the value thereon. The effect of any change in the estimates of useful lives / residual value is accounted on a prospective basis.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognized in the Statement of Profit and Loss in the same period.

xii) Intangible assets (other than oil and gas assets)

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

The Group amortizes intangible assets with a finite useful life using the straight-line method. The useful life considered for computer software is 6 years.

xiii) Impairment

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***xiv) Inventories**

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

- (i) Closing stock of crude oil and condensate in saleable condition is valued at the estimated net realizable value in the ordinary course of business.
- (ii) Stores, spares, capital stock and drilling tangibles are valued at cost on first in first out basis or 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.

xv) Employee benefits

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

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

a) Defined contribution plan

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

b) Defined benefit plan

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

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

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

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

c) Long term employee benefit

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

d) Other Employee Benefits including allowances, incentives etc. are recognized based on the terms of the employment.**xvi) Employee share based payment**

Equity settled share-based payments to employees are measured at fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payment is expensed on straight line basis over the vesting period based on the estimate of the equity instrument that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that cumulative expense reflects the revised estimate, with corresponding adjustment to the equity -settled employee benefits reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***xvii) Financial instruments**

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

Financial assets

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

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

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

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

Financial liabilities

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

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

xviii) Provisions, Contingent liabilities and Contingent assets

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

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

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

xix) Leases

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

xx) Earnings per share

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

xxi) Statement of cash flow

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

xxii) Cash and cash equivalents

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

xxiii) Borrowing costs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

3. Critical accounting judgments, assumptions and key sources of estimation uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

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

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of oil and gas reserves, impairment, useful lives of property, plant and equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

3.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 4(b)), that the Management have made in the process of applying the Group's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

a) Determination of functional currency

Currency of the primary economic environment in which the Group operates ("the functional currency") is Indian Rupee (₹) in which the Group primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹). In case of foreign subsidiaries in United States Dollar is converted in the year end exchange rates.

b) Evaluation of indicators for impairment of oil and gas assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors such as significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc. and internal factors such as obsolescence or physical damage of an asset, poor economic performance of the asset etc. which could result in significant change in recoverable amount of the oil and gas assets.

3.2 Assumptions and key sources of estimation uncertainty

a) Estimation of provision for decommissioning

The Group estimates provision for decommissioning for the future decommissioning of oil & gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the occurrence of removal events are uncertain. Technologies and costs for decommissioning are varying constantly. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and the future expenditures are reviewed at the end of each reporting period, together with rate of inflation for current cost estimates and the interest rate used in discounting the cash flows. The economic life of the oil & gas assets is estimated based on the economic production profile of the relevant oil & gas asset.

b) Estimation of reserves

Management estimates production profile (proved and developed reserves) in relation to all the oil and gas assets determined as per the industry practice. The estimates so determined are used for the computation of depletion and loss of impairment if any.

The year-end reserves of the Group have been estimated by the G&G team which follows the guidelines for application of the petroleum resource management system consistently. The Group has adopted the reserves estimation by following the guidelines of Society of Petroleum Engineers (SPE) which defines "Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: They must be discovered, recoverable, commercial and remaining (as of a given date) based on development project(s) applied". Volumetric estimation is made which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate the recoverable reserves from it. As the field gets matured with production history the material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. In addition, new in- place volume and ultimate recoverable reserves are estimated for any new discoveries or new pool of discoveries in the existing fields and the appraisal activities may lead to revision in estimates due to new sub-surface data. Similarly, reinterpretation is also carried out based on the production data by updating the static and dynamic models leading to change in reserves. New interventional technologies, change in classifications and contractual provisions may also necessitate revision in the estimation of reserves.

c) Defined Benefit Obligation (DBO)

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

3.3 Recent Accounting Pronouncements

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, which will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value with enhanced disclosures. However, under Ind AS 17, all operating lease expenses are charged to the statement of Profit & Loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Group adopts this standard effective April 1, 2019 and do not perceive any material impact on its adoption.

3.4 Estimation uncertainty relating to COVID-19 outbreak

The Group 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, gas and oil production of the company at Dirok field in Assam, PY-1 field in cauvery offshore, kharsang field in Arunachal Pradesh and three small fields in Gujarat are under production as per the offtakes of the buyers.

In assessing the recoverability of its assets including receivables and inventory, the Group has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Group has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Group 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 Group will continue to closely monitor any material changes to future economic conditions.

3.5 Amendments issued effective from April 1, 2022:

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:

- Ind AS 103 - Business Combinations - Reference to conceptual framework added
- Ind AS 16 - Property, Plant and Equipment - Accounting for proceeds before an asset's intended use
- Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets - Assessing if the contract is onerous
- Annual improvements to Ind AS - Improvements added in Ind AS 101 (First time adoption of Ind AS), Ind AS 109 (Financial Instruments), Ind AS 116 (Leases) and Ind AS 41 (Agriculture)

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***4 Property, plant & equipment****Summary**

Carrying amount of:	As at March 31, 2022	As at March 31, 2021
a) Oil and gas assets	29,654.75	31,214.43
b) Others		
- Freehold land	239.28	239.28
- Buildings	104.81	38.34
- Fire safety facilities	41.11	50.20
- Plant & Machinery	514.50	628.36
- Vessel	19,193.50	-
- Furniture & fixtures	4.95	6.61
- Vehicles	9.21	13.10
- Office equipment	3.55	4.12
- Computers	2.57	14.06
Total	20,113.48	994.07

Carrying amount of:	Oil and gas assets	Others										Total
		Freehold land	Buildings	Fire Safety facilities	Plant & machinery	Vessels	Furnitures & fixtures	Vehicles	Office equipment	Computers	Lease hold improvements	
Cost												
Balance as at April 1, 2020	2,73,500.69	239.28	167.39	129.10	1,893.78	-	103.83	68.04	215.39	241.35	22.32	2,76,581.17
Additions / (Deletions)	141.00	-	-	-	0.59	-	-	-	-	4.19	-	145.78
Balance as at March 31, 2021	2,73,641.69	239.28	167.39	129.10	1,894.37	-	103.83	68.04	215.39	245.54	22.32	2,76,726.95
Additions / (Deletions)	143.80					19,914.52			0.69	1.22		20,060.23
Transfer from Investment property			282.39									282.39
Balance as at March 31, 2022	273,785.49	239.28	449.78	129.10	1,894.37	19,914.52	103.83	68.04	216.08	246.76	22.32	297,069.57
Accumulated depletion, depreciation and impairment												
Balance as at April 1, 2020	2,40,323.00	-	127.15	67.81	1,127.05		94.96	49.28	208.91	226.35	22.32	2,42,246.83
Depreciation	2,104.26	-	1.90	11.09	138.96		2.26	5.66	2.36	5.13	-	2,271.62
Balance as at March 31, 2021	2,42,427.26	-	129.05	78.90	1,266.01		97.22	54.94	211.27	231.48	22.32	2,44,518.45
Transfer from Investment property			210.67									210.67
Depreciation	1,703.48		5.25	9.09	113.86	721.02	1.66	3.89	1.26	12.71		2,572.22
Balance as at March 31, 2022	244,130.74		344.97	87.99	1,379.87	721.02	98.88	58.83	212.53	244.19	22.32	247,301.34
Carrying value as at March 31, 2022	29,654.75	239.28	104.81	41.11	514.50	19,193.50	4.95	9.21	3.55	2.57		49,768.23
Carrying value as at March 31, 2021	31,214.43	239.28	38.34	50.20	628.36	-	6.61	13.10	4.12	14.06	-	32,208.50

Note: The charge of movable and immovable Property (Refer Note 23)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***5 Capital work-in-progress**

Particulars	Development	Exploration	Plant & Machinery	Vessels	Total
Cost					
Balance as at April 1, 2020	15,078.55	2,385.94	13,031.26	5,735.55	36,231.30
Additions	13,486.21	-	1,297.28	5,939.26	20,722.75
Balance as at March 31, 2021	28,564.76	2,385.94	14,328.54	11,674.81	56,954.05
Additions	21,626.20	-	12,217.05	8,262.58	42,105.83
Transfer	-	-	-	(19,697.68)	(19,697.68)
Balance as at March 31,2022	50,190.96	2,385.94	26,545.59	239.71	79,362.20
Accumulated impairment					
Balance as at April 1, 2020	1,108.72	2,385.94	-	-	3,494.66
Additions	-	-	-	-	-
Balance as at March 31, 2021	1,108.72	2,385.94	-	-	3,494.66
Additions	-	-	-	-	-
Balance as at March 31,2022	1,108.72	2,385.94	-	-	3,494.66
Carrying value as at March 31, 2022	49,082.24	-	26,545.59	239.71	75,867.54
Carrying value as at March 31, 2021	27,456.04	-	14,328.54	11,674.81	53,459.39

Note: The charge of movable and immovable Property (Refer Note 23)

(a) Capital work-in-progress ageing schedule

Particulars	As at March 31, 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	34,082.96	14,783.49	24,383.19	2,617.90	75,867.54
Projects temporarily suspended	-	-	-	-	-

Particulars	As at March 31, 2021				
	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	26,458.30	24,383.19	2,617.90	-	53,459.39
Projects temporarily suspended	-	-	-	-	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***6. Investment property**

Particulars	Building
Cost	
Balance as at April 1, 2020	904.63
Addition	-
Balance as at March 31, 2021	904.63
Transfer to Buildings	(282.39)
Balance as at March 31, 2022	622.24
Accumulated Depreciation	
Balance as at April 1, 2020	489.99
Depreciation for the year	20.09
Balance as at March 31, 2021	510.08
Transfer to Buildings	(210.67)
Depreciation for the year	15.68
Balance as at March 31, 2022	315.09
Carrying value as at March 31, 2022	307.15
Carrying value as at March 31, 2021	394.54

Note During the year one of the property at Mumbai using for own project. Hence it has been reclassified from Investment property to Buildings.

6.1 Fair value of the Group's investment property

The following table gives details of the fair value of the Group's investment property as at March 31, 2022 and March 31, 2021.

Particulars	Level 3 : March 31, 2022	Level 3 : March 31, 2021
Building	2,208.00	2,208.00

The fair values of the Group's investment properties are assessed on the basis of a valuation carried out by an independent valuer not related to the Group in 31st March 2020. Fair value is derived using the market comparable approach based on the recent market/government prices without any significant adjustments being made to the market observable data. For the current year, the Management has done an internal assessment of the fair value as at 31 March 2022 value has not significantly changed compare to earlier year.

The buildings of the Company are hypothecated as charge for the purpose of term loan facilities from Axis Bank Ltd (Refer Note 23)

The property rental income earned by the Company from its investment property, all of which is leased out under operating leases, amounted to ₹ 30.02 lacs (2020-21: ₹ 33.76 lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***7. Intangible assets (including under development)**

Particulars	Software	Exploration	Total
Cost			
Balance as at April 1, 2020	647.37	903.78	1,551.15
Additions	-	-	-
Balance as at March 31, 2021	647.37	903.78	1,551.15
Additions		66.74	66.74
Balance as at March 31, 2022	647.37	970.52	1617.89
Accumulated amortization and impairment			
Balance as at April 1, 2020	568.98	-	568.98
Amortization for the year	44.82		44.82
Balance as at March 31, 2021	613.80	-	613.80
Amortization for the year	33.57		33.57
Balance as at March 31, 2022	647.37		647.37
Carrying value as at March 31, 2022	-	970.52	970.52
Carrying value as at March 31, 2021	33.57	903.78	937.35

Intangible assets under development aging schedule:

Particulars	As at March 31, 2022				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development					
Projects in progress	66.74	-	-	903.78	970.52
Projects temporarily suspended	-	-	-	-	-

Particulars	As at March 31, 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development					
Projects in progress	-	-	-	903.78	903.78
Projects temporarily suspended	-	-	-	-	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***8 Investment in associate**

Particulars	As at March 31, 2022	As at March 31, 2021
GML, wholly owned subsidiary of GPII invested 50% of equity share capital in Geoenpro Petroleum Limited (No of shares held - 5,60,000)	1,927.53	1,773.90
Share of profit from associates during the year	(89.71)	153.63
Total	1,837.82	1,927.53

9 Deposit under site restoration fund

Particulars	As at March 31, 2022	As at March 31, 2021
Site restoration deposit with bank with maturity period in excess of 12 months	7,256.32	6,853.23
Total	7,256.32	6,853.23

The above amount has been deposited with banks and can be withdrawn only for the purposes of site restoration pursuant to an abandonment plan agreed with the Government of India. Therefore, this amount is considered as restricted cash and not considered as 'Cash and cash equivalents'.

10. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Unsecured and considered good		
Security Deposits	5.93	6.11
(ii) Unsecured and considered doubtful		
Other advances	13.55	13.55
Less: Provision for doubtful advances	(13.55)	(13.55)
Total	5.93	6.11

11. Deferred tax asset

Particulars	As at March 31, 2022	As at March 31, 2021
Exploration expenses	2,658.81	2,658.81
Development expenses	660.17	660.17
Depreciation, depletion, amortization and impairment of assets	(1,228.12)	490.71
Unabsorbed business losses and depreciation	21,158.31	21,930.09
Others	-	-
Deferred tax assets	23,249.17	25,739.78
Less: Amounts not recognised (refer note below)	(23,249.17)	(25,739.78)
Deferred tax assets	-	-

Note: Deferred tax asset has not been recognized. It will be adjusted based on the actual realization. There is no provision for tax in view of the brought forward losses / unabsorbed depreciation relating to earlier years available for set off while computing income under the provisions of the Income Tax Act, 1961.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***12. Other non-current assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	57.90	91.96
Pre-deposit - Service tax (refer note 46 (b))	7.71	7.71
	65.61	99.67
Less: Provision for doubtful advances	(44.71)	(44.71)
	20.90	54.96

13. Inventories (cost or NRV whichever is lower)

Particulars	As at March 31, 2022	As at March 31, 2021
Finished Goods		
- Crude Oil	118.51	246.35
- Condensate	112.70	354.85
Drilling and Production Stores, and spares	2,867.24	3,008.38
Total	3,098.45	3,609.58

14. Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	₹ in lacs	Quantity	₹ in lacs
Financial assets carried at fair value through profit and loss.				
A) Quoted equity instruments				
Reliance Industries Limited Equity Shares @ ₹ 10 each	1,272	33.51	1,272	25.48
Reliance Communication Ventures Limited Equity Shares @ ₹ 10 each	318	0.01	318	0.01
Reliance Infrastructure Limited Equity Shares @ ₹ 10 each	23	0.03	23	0.01
Reliance Capital Limited Equity Shares @ ₹ 10 each	30	0.00	30	0.00
Reliance Power Limited Equity Shares @ ₹ 10 each	79	0.01	79	0.00
	(A)	33.56		25.50
B) Mutual Funds				
Units of Liquid/Liquid plus/Short Term/Medium Term schemes				
Axis Liquid Fund- Regular plan-Growth @ ₹ 10 each			44,066.00	1,001.51
Axis Overnight Fund- Regular Growth @ ₹ 1000 each			2,76,731.57	3,006.99
SBI Overnight Fund Growth @ ₹ 1000 each			1,27,599.00	503.22
TATA Treasury Advantage Fund - Growth @ ₹ 1,000 each	1,638.20	0.62	1,638.20	0.51
	(B)	0.62		4,512.23
C) Unquoted Equity Instruments				
Gujarat Securities Limited Equity Shares @ ₹ 10 each	100,000	10.00	100,000	10.00
Aggregate amount of impairment in value of investments	-	(10.00)	-	(10.00)
	(C)			-
Total (A) + (B) + (C)		34.19		4,537.73
Aggregate amount (cost) of Quoted Investments		0.49		0.49
Market Value of Quoted Investments		33.56		25.50
Aggregate amount (cost) of Mutual Fund Investments		0.62		4,501.75
Fair value of Mutual Fund Investments		0.62		4,512.23
Aggregate Value of Unquoted equity instruments		-		-
Total investments		34.19		4,537.73
Impairment of investments		-		-
Net investments		34.19		4,537.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***15 Trade Receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good	1,619.96	3,107.15
Total	1,619.96	3,107.15

The Group enters into long-term crude oil and gas sales arrangement with its customers. The average credit period on sale of products is varying from 7- 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice.

Accordingly, the Group assess the impairment loss on dues from the customers on facts and circumstances relevant to each transaction. Usually, the Group collects all its receivables from its customers within 30 days.

The Group has less credit risk due to the fact that the Group has significant receivables from customers which are reputed and creditworthy public-sector undertakings (PSUs).

Age of receivables

Particulars	As at March 31, 2022					
	Outstanding for following periods from the date of invoice					
	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	1,619.96	-	-	-	-	1,619.96
(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	-	-	-	-	-	-

Age of receivables

Particulars	As at March 31, 2021					
	Outstanding for following periods from the date of invoice					
	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	3,107.15	-	-	-	-	3,107.15
(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	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***16. 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 as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.15	0.08
Balances with banks:		
Current accounts	2,907.21	3,815.90
Bank deposits- maturity < 3 months	4.86	872.97
Total	2,912.22	4,688.95

Note 1: The above current account balance includes balances held by the company in the capacity of Operator for the UJVs. However, the cash held on behalf of UJVs is indicated in the payables / receivables to UJVs partners.

17. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Deposits- maturity > 3 months < 12 months	3,625.14	2,462.53
Total	3,625.14	2,462.53

Note 1: Fixed deposits with bank which are under lien for issue of bank guarantees and term loan facilities availed from the bank

18. Other Financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposit	75.54	75.54
Advances recoverable in cash or kind	5.07	24.81
Other receivables	-	2.93
Receivable from joint venture partners (net)	3,873.74	2,740.68
Interest accrued on deposits	1.29	10.03
Total	3,955.64	2,853.99

21. Income tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision-nil, previous year-nil)	376.45	736.11
Total	376.45	736.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***20. Other current assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good		
Additional fund with LIC for gratuity	8.95	12.88
Advances recoverable	38.61	121.97
Income tax pre-deposit	5.02	5.02
Input tax (GST)	927.88	432.26
Others	174.70	168.96
Prepaid expenses	80.98	104.53
	1,236.14	845.62
Less: Provision for doubtful advances	(168.35)	(168.35)
Total	1,067.79	677.27

Note: Others include GST paid under protest on royalty

21. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized		
50,00,00,000 (PY: 50,00,00,000) equity shares of ₹ 10 each	50,000.00	50,000.00
Issued		
132,313,363 (PY: 132,313,363) equity shares of ₹ 10 each	13,231.34	13,231.34
Subscribed and Fully Paid up		
132,243,289 (PY: 132,243,289) equity shares of ₹ 10 each	13,224.33	13,224.33
Add: Amount Paid-up on Shares Forfeited (32,975 shares)	1.60	1.60
Total issued, subscribed and fully paid-up share capital	13,225.93	13,225.93

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
At the beginning of the year	13,22,43,289	13,224.33	13,22,43,289	13,224.33
Issued during the year	-	-	-	-
Outstanding at the end of the year	13,22,43,289	13,224.33	13,22,43,289	13,224.33

(b) Details of shares held by Promoters

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	%of total shares	
M/s Burren Energy India Limited	5,745	0.00	-
TOTAL	5,745	0.00	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***(c) Terms/rights attached to equity shares**

The Company has one class of equity shares having par value of ₹ 10 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) Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholders	As at March 31, 2022		As at March 31, 2021	
	No.	% of holding	No.	% of holding
Ashok Kumar Goel	1,84,65,078	13.96	1,84,65,078	13.96
Housing Development Finance Corporation Limited	86,83,148	6.57	1,40,86,303	10.65
LCI1 Estates LLP	81,00,000	6.13	81,00,000	6.13

22. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	96,129.35	96,129.35
General Reserve	38.00	38.00
Securities premium account	78,865.42	78,865.42
Retained earnings		
Opening balance	(1,14,941.74)	(1,20,287.88)
Profit for the Year	1,999.37	5,341.91
Other comprehensive income (net of tax)	(4.06)	4.23
Closing balance	(112,946.43)	(1,14,941.74)
Total Reserves and Surplus	62,086.33	60,091.02

23. Long term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Loan from Vyoman Tradelink India Private Limited (refer note 44)	-	8,827.64
Loan from Sundaram Finance Limited (Hypothecation of vehicle)	-	1.50
Loan from Axis Bank limited	14,152.82	7,087.71
Loan from HDFC Bank limited	6,308.63	-
Total	20,461.45	15,916.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

Particulars	Original Tenor	Interest Rate	Outstanding tenor as at March 31, 2022	Repayment Terms	Security details	As at March 31, 2022	As at March 31, 2021
Secured Loan Vehicle Loan	59 Monthly Instalments	8.98%	2 monthly instalments	Principal & Interest - monthly	Vehicle	1.49	10.01
Secured term loan Axis Bank limited	60 Months	9.15%	34 Months	Repayable in Monthly instalments	Refer note 1	6,750.00	7,087.70
Secured term Loan Vyoman Tradelink India Private Limited	27 Monthly Instalments	12%	-	Repayable in Monthly instalments	-	-	15,000.00
Secured term Loan Axis Bank Limited	20 Quarterly Instalments	10.75%	20 Quarterly Instalments	Quarterly Instalments	Refer note 2	12,731.61	
Secured term Loan HDFC Bank Limited	27 Monthly Instalments	10%	23 Monthly Instalments	Monthly instalments	Refer note 3	12,252.82	
Sub Total						31,735.92	22,097.71
Less: Current Maturities of non-current borrowings						11,274.45	6,180.86
Non-Current Borrowings						20,461.47	15,916.85

Note1: Exclusive charge on the asset (FSO) funded.

Note:2: Exclusive charge over land and building of PY1 block and Oil & Gas asset of Dirok block and second charge over current asset of B80 block.

Note3: Exclusive charge over Offshore processing unit owned by GML, Corporate guarantee of GML, First pari passu charge with Axis Bank 60% PI on cash flow from B80 block. Exclusive Hypothecation charge on 60% PI of HOEC in the B80 field. Second charge with Axis bank on all the property collateral mortgaged to Axis bank.

The Group facilities are subject to certain financial and non-financial covenants. The Group has complied with the covenants as per the original / amended / extended terms of the loan agreement.

There is no difference in terms of quarterly returns or statements of current assets filed by the Company with banks with the books of accounts for the year ended 31 March 2022 and 31 March 2021.

24. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposit	13.50	13.50
Fair value of foreign exchange derivative liabilities	1,042.03	-
other liability	9,030.14	-
Total	10,085.67	13.50

25. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for decommissioning	11,824.75	11,204.17
Provision for compensated absences	53.05	55.30
Total	11,877.80	11,259.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***25.1 Movement of Provision for decommissioning**

Particulars	2021-22	2020-21
Balance at beginning of the year	11,204.17	10,626.17
Additions during the year	-	-
Recognized on account of business combinations	-	-
Adjusted/ reversal during the year	-	-
Unwinding of discount	620.58	578.00
Balance at end of the year	11,824.75	11,204.17

25.1 The Group estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of oil & gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future for which the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the oil & gas assets is estimated on the basis of long- term production profile of the relevant oil & gas asset. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

26. Deferred tax liability

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation, depletion, amortization and impairment	97.89	133.12
Net deferred tax liability	97.89	133.12

27. Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturity of long-term borrowings	11,274.47	6,180.86
Others	3,998.42	3,270.96
Total	15,272.89	9,451.82

Note: The Group has not been declared a willful defaulter by any bank or financial Institution or other any lender. The Group has not defaulted in repayment of loans / interests or other borrowings or in the payment of interest thereon to any lender.

The Group has used the borrowings from banks for the capital expenditures and working capital purposes.

28. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro enterprises and small enterprises [refer note (ii)]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,792.03	3,194.26
Total	3,792.03	3,194.26

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***28 (i) Trade Payables ageing schedule**

Particulars	As at March 31, 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	3,792.03	-	-	-	3,792.03
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	As at March 31, 2021				
	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	3,194.26	-	-	-	3,194.26
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount payable (but not due) to suppliers as at year end	-	-
Interest accrued and due to suppliers on the above amount as at year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers (other than Section 16)	-	-
Interest paid to suppliers (Section 16)	-	-
Interest due and payable to suppliers for payments already made	-	-
Interest accrued and remaining unpaid to suppliers as at year end	-	-

Note 1: Dues to Micro, Small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

29. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to employees	-	12.23
Payable to joint venture partners (net)*	2,324.85	1,150.91
Payable towards capital expenditure	4,988.60	1,560.80
Interest accrued	258.47	194.27
Fair value of foreign exchange derivative liabilities	13.08	-
Other payables	5,741.60	429.58
Total	13,326.60	3,347.79

Note: This includes CB-OS/1 Settlement (Refer note 40 (2))

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***30. Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for compensated absences	20.24	17.98
Provision for unfinished work programme	1,384.33	1,300.99
Total	1,404.57	1,318.97

31. Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	1,071.53	562.19
Gratuity fund payable to LIC	21.56	-
Total	1,093.09	562.19

32. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Domestic sales		
Sale of crude oil / condensate	8,064.98	4,295.78
Sale of natural gas	8,075.02	7,311.32
Less: Profit petroleum to Government of India	(567.48)	(220.63)
Net sales	15,572.52	11,386.47

32.1 Details of sales

Product	UOM	For the year ended March 31, 2022		For the year ended March 31, 2021	
		Quantity	Value	Quantity	Value
Crude oil / condensate	Barrels	143,892	7,516.93	1,35,620	4,083.60
Natural gas	Million SCF	3,081	8,055.59	3,918	7,302.87
Total			15,572.52		11,386.47

32.2 More than 90% of the revenue is realized from three major customers to the Group.**33. Other income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on bank deposits	144.80	211.78
Interest on site restoration deposits with banks	342.50	317.96
Rental income	30.02	33.76
Net gain on sale of investments	2.27	541.18
Net gain on fair valuation of investments	8.68	21.30
Net Gain on foreign exchange	8.82	-
Miscellaneous Income	84.10	5.06
Interest on income tax refund	525.20	1.19
Total	1,146.39	1,132.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***34. Share of expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Share of expenses-producing oil and gas		
Manpower costs	970.90	982.83
Repairs and maintenance	1,105.10	1,127.08
Other statutory charges	37.53	77.08
Insurance	150.60	139.32
Other production expenses	299.31	324.74
Consumables	37.39	36.15
Transportation and logistics	222.06	266.73
	2,822.89	2,953.93
b) Royalty, cess and National Calamity Contingent Duty	3,234.56	2,445.34
c) Vessel operating expenses		
Crew Wages	215.31	-
Provisions and Stores	14.44	-
Vessel Airtime Fee	5.80	-
Agency and clearing charges	0.96	-
Vessel management Fee	29.79	-
Travel Expenses	0.45	-
	266.75	-
Total	6,324.20	5,399.27

35 (Increase) / decrease in stock of crude oil and condensate

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year	231.22	601.21
Inventories at the beginning of the year	601.21	267.73
(Increase)/decrease in inventories	369.99	(333.48)
Less: Profit petroleum to Government of India	9.11	3.94
Net (Increase)/decrease in inventories	379.10	(329.54)

36 Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	75.60	56.46
Contribution to Provident fund and other funds	4.88	9.40
Staff welfare expenses	12.80	3.19
Total	93.28	69.05

37 Finance cost -Unwinding of discount on decommissioning liability

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Unwinding of discount on decommissioning liability	620.58	577.99
Total	620.58	577.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***38 Finance cost - others**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	285.87	1.29
Other finance charges	15.17	-
Total	301.04	1.29

39. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Office and guest house rent	40.83	34.16
Power	1.08	0.83
Rates and taxes	8.68	36.54
Repairs and maintenance - others	8.29	9.02
Travelling and conveyance	2.53	1.97
Communication expenses	2.58	2.87
Membership and subscription	18.15	22.78
Legal and professional fees	329.36	207.69
Insurance	3.55	1.26
Directors' sitting fees	18.77	15.75
Director's commission (refer note 45)	18.00	18.00
Printing and stationary	1.00	1.02
Net loss on foreign exchange	62.70	36.51
Corporate expenses	0.03	0.02
Bank charges	27.85	42.95
Expenditure incurred for corporate social responsibility (refer note 48)	201.83	194.83
Provision for doubtful advances (refer note 11)		44.71
Miscellaneous expenses	89.63	119.05
	834.86	789.96
Payment to Auditor:		
Audit fee	47.32	41.86
Tax audit fee	2.36	2.36
	49.68	44.22
Total other expenses	884.54	834.18

40. Exceptional items

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
PY-1 royalty (refer note 1 below)	(2,789.18)	-
CB-OS/1 Settlement (refer note 2 below)	(647.35)	-
Liability written back (refer note 3 below)	-	2,758.72
Profit oil differential amount (refer note 4 below)	-	(1,359.84)
Total	(3,436.53)	1,398.88

Note: 1. Production Sharing Contract ("PSC") for PY1 block was extended up to June 4, 2022 by Government of India ("GOI") to continue the production from the field while addendum to the PSC for 10 years extension is pending with GOI. HOEC and GOI have a dispute on computation of royalty payable under the PSC since commencement of production from 2009 onwards. HOEC stated that as per PSC the royalty should be on well head value, whereas Government of India insists that the royalty is payable on realizable value. While considering the extension, GOI insists that

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

the royalty needs to be computed since 2009 by adopting realized value as the basis for computation and the differential amount should be paid along with applicable interest. This matter was referred to Dispute Resolution Committee and it was agreed during the year to make a payment of ₹ 2,789.18 Lacs inclusive of interest to obtain 10 years extension of the block from the date of expiry of the initial contract on October 5, 2020 based on the draft settlement agreement. The company is in the process of obtaining the signed settlement agreement and signed extension letter as on date of this result. Accordingly, the amount of ₹ 2,789.18 lacs has been provided in the books as at March 31, 2022.

2. With reference to CB-OS/1 block, Oil and Natural Gas Corporation Limited ("ONGC") made a claim of ₹ 1,245 lacs which was disputed by the Company and the matter was referred to arbitration. The final award was received on March 24, 2022, directing HOEC to pay to ONGC ₹ 647.35 lacs inclusive of interest and arbitration cost
3. During the previous year, the Government of Assam amended the Petroleum Mining Lease of Dirok field, previously held solely in the name of Oil India Limited ("OIL"), in favour of all the contracting parties to the Production Sharing Contract ("PSC") in proportion to their participating interest, effective May 19, 2020. Royalty and cess expense which was earlier paid entirely by OIL will now be paid by all the contracting parties in proportion to their participating interests effective May 19, 2020. The PSC has been duly amended and executed between the contracting parties and is pending with appropriate authorities as at March 31, 2021 for approval. The Company had made a provision in the earlier years for royalty and cess, based on the notification from the Central Government on petroleum mining lease between the contracting parties. Consequent to the above amendment to the petroleum mining lease by the Government of Assam, liability accrued by the Company for royalty and cess from August 14, 2018 to May 18, 2020, is no longer required and has been written back.
4. Kharsang Block JV proposed differential amount of profit petroleum to Government of India towards cost recovery limit amounting to ₹ 1,359.84 lacs.

41. Earnings per share (EPS)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year as per statement of profit & loss	₹ 1,999.37 lacs	₹ 5,341.91 lacs
	No.	No.
Weighted average number of equity shares used in calculating basic EPS	13,22,59,301	13,22,59,301
Par value per share	₹ 10	₹ 10
Earnings per equity share in ₹ computed on the basis of profit for the year -Basic	1.51	4.04
Weighted average number of equity shares used in calculating - Diluted EPS	13,22,59,301	13,22,59,301
Earnings per equity share in ₹ computed on the basis of profit for the year -Diluted	1.51	4.04

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares used in the calculation of basic earnings per share	13,22,59,301	13,22,59,301
Shares deemed to be issued for no consideration in respect of: - employee options	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	13,22,59,301	13,22,59,301

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***42 Information relating to Hindage Oilfield Services Limited & Geopetrol International Inc., (Wholly owned subsidiaries of Hindustan Oil Exploration Company Limited)**

Information required pursuant to General Circular No. 2 /2011 No: 5/12/2007-CL-III dated February 08, 2011 issued by Ministry of Corporate Affairs, is as below:

1) Hindage Oilfield Services Limited

Particulars	2021-22	2020-21
Capital	50.00	50.00
Reserves	(261.16)	869.62
Total Assets (excluding Investments)	20,783.45	13,274.99
Total Liabilities (excluding Capital and other equity)	20,995.23	13,858.02
Investments (refer note below)	0.62	1,502.65
Turnover	-	-
(Loss) / Profit before tax	(1,126.45)	(11.80)
Tax expenses	(4.33)	-
(Loss) / Profit after tax	(1,130.78)	(11.80)

Note: Details of Investments of Hindage Oilfield Services Limited

Particulars	2021-22	2020-21
Schemes of Mutual funds		
Axis Liquid Fund-Regular Growth	-	1,001.51
Axis Overnight Fund-Regular Growth	-	500.63
Tata Treasury Advantage Fund - Growth	0.62	0.51
Total	0.62	1,502.65

2) Geopetrol International Inc ("GPII")

Particulars	2021-22	2020-21
Capital	6,506.20	6,506.20
Reserves	(1,633.49)	(1,181.11)
Total Assets	34,031.99	22,399.89
Total Liabilities (excluding Capital and other equity)	29,159.28	17,074.80
Turnover	2,522.05	1,442.64
Profit before tax	(487.61)	(1,311.72)
Tax expenses	(35.23)	(159.46)
Profit after tax	(452.38)	(1,152.26)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***3) Disclosure of additional information as required by Schedule III****i. As at and for the year ended March 31, 2022**

Name of the Company	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in lacs	As % of consolidated profit/(loss)	₹ in lacs	As % of consolidated other comprehensive income	₹ in lacs	As % of consolidated total comprehensive income	₹ in lacs
Parent								
HOEC	101.71%	76,596.50	100%	3,582.51	100%	(4.06)	179.34%	3,578.45
Subsidiaries (wholly owned)								
Indian								
Hindage	(0.35)%	(261.16)		(1,130.78)			(56.67)%	(1,130.78)
Foreign								
GPII	(1.36)%	(1,023.08)		(452.36)			(22.67)%	(452.36)
		75,312.26		1,999.37		(4.06)		1,995.31

ii. As at and for the year ended March 31, 2021

Name of the Company	Net Assets		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in lacs	As % of consolidated profit/(loss)	₹ in lacs	As % of consolidated other comprehensive income	₹ in lacs	As % of consolidated total comprehensive income	₹ in lacs
Parent								
HOEC	99.59%	73,018.05	100%	6,505.96	100%	4.23	121%	6,510.19
Subsidiaries (wholly owned)								
Indian								
Hindage	1.18%	869.62	-	(11.80)	-	-	0%	(11.80)
Foreign								
GPII	(0.77)%	(570.73)	-	(1,152.26)	-	-	(21)%	(1,152.26)
		73,316.94		5,341.90		4.23		5,346.13

43. Significant Accounting Estimates, Assumptions and Judgements**(a) Site Restoration Costs**

The Group estimates and provides for abandoning of wells, decommissioning of facilities and restoration of sites expected to be incurred at a future date. The same is capitalized as part of producing property in accordance with Ind AS 16. The estimation of liability is as per the industry practice and adjusted for inflation. The estimated cost is discounted to the reporting date by an appropriate discount factor. Accordingly, the difference in cost and depletion is adjusted.

(b) Employee Benefit Estimates**i. Defined contribution plan**

The Group makes provident fund contribution under defined contribution plan for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll cost to fund the benefits. The Group recognized ₹ 23.98 lacs (PY: ₹ 39.86 lacs) for provident fund contribution in the statement of profit and loss. The contributions are payable to this plan by the Group at rates specified in the rules of the scheme.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*ii. **Defined benefit plan**a) **Gratuity**

The following table sets out funded status of the gratuity and the amount recognized in the financial statements.

Profit and loss account for current period

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:		
Current service cost	22.42	24.74
Past Service cost	-	-
Loss/(gain) on curtailments and settlement	-	-
Net interest cost	(0.99)	(0.98)
Total included in 'Employee Benefits Expense'	21.43	23.76

Other Comprehensive Income for the current period

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(3.12)	-
Due to change in demographic assumptions		-
Due to experience adjustments	5.83	(6.74)
Return on plan assets excluding amounts included in interest income	1.35	2.52
Amounts recognized in Other Comprehensive Income	4.06	(4.22)

Changes in the present value of the defined benefit obligation ("DBO")

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Defined Benefit Obligation	138.52	138.34
Current service cost	22.42	24.74
Interest cost	8.28	8.95
Actuarial (gain)/loss due to change in financial assumptions	(3.12)	-
Actuarial (gain)/loss due to change in demographic assumptions	-	-
Actuarial (gain)/loss due to experience adjustments	5.83	(6.74)
Benefits paid	(15.70)	(26.77)
Closing defined benefit obligation	156.23	138.52

Changes in fair value of plan assets

Particulars	As at March 31, 2022	As at March 31, 2021
Opening value of plan assets	142.45	140.96
Interest Income	9.28	9.92
Return on plan assets excluding amounts included in interest income	(1.36)	(2.52)
Contributions by employer	-	20.86
Benefits paid	(15.70)	(26.77)
Closing value of plan assets	134.67	142.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***Net liability recognized in the balance sheet**

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of the defined benefit obligation	156.23	138.52
Fair value of plan assets	134.67	142.45
Plan Liability / (asset)	21.56	(3.93)

The principal assumptions used in determining gratuity and for the Company's plans are shown below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.85%	6.55%
Future salary increase	5.00%	5.00%
Rate of return on plan assets	6.85%	6.55%
Withdrawal rates	6% at younger ages reducing to 2% at older ages	6% at younger ages reducing to 2% at older ages

Mortality rates

Age (in years)	For the year ended March 31, 2022	For the year ended March 31, 2021
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Company expects to contribute ₹ 21.56 lacs towards its gratuity plan for the next year.

Maturity profile of defined benefit obligation as at March 31, 2022:

Year 1 %	Year 2 %	Year 3 %	Year 4 %	Year 5 %	Year 6 to 10 %
9.2	13.1	4.0	1.7	2.9	16.9

Maturity profile of defined benefit obligation as at March 31, 2021:

Year 1 %	Year 2 %	Year 3 %	Year 4 %	Year 5 %	Year 6 to 10 %
9.2	1.6	16.1	2.4	1.7	14.3

Significant actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Discount Rate		
Increase by 0.5%	(151.30)	(133.49)
Decrease by 0.5%	161.52	143.91
Salary growth rate		
Increase by 0.5%	(160.56)	(142.50)
Decrease by 0.5%	152.25	134.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***b) Compensated absences**

The key assumptions used in computation of provision for long term compensated absences are as given below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.85%	6.55%
Future salary increase	5.00%	5.00%
Withdrawal Rates	6% at younger ages reducing to 2% at older ages	6% at younger ages reducing to 2% at older ages

Significant actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Discount Rate		
Increase by 0.5%	(55.98)	(59.25)
Decrease by 0.5%	58.80	59.23
Salary growth rate		
Increase by 0.5%	(58.82)	(142.50)
Decrease by 0.5%	55.95	55.55

44. Oil and Gas Reserves

Proved & Probable Reserves for the working interest of the Group's is estimated by management in line with the development plan approved by the Directorate General of Hydrocarbons. However, the reserves of B-80 field is based on the reserves audited by Gaffney Cline Associates, UK. Accordingly, the reserves as on 31 March 2022 is as follows:

Developed and Undeveloped:

	Unit of Measurement	As at April 1, 2021	Addition / (Deletion)	Production	As at March 31, 2022
Proved reserves (1P)					
- Oil	MMBBL	12.63	0.02	0.12	12.52
- Gas	BCF	90.14	-	3.39	86.75
Proved and probable (2P)					
- Oil	MMBBL	18.51	0.01	0.12	18.39
- Gas	BCF	138.32	-	3.39	134.93

Developed:

	Unit of Measurement	As at April 1, 2021	Addition	Production	As at March 31, 2022
Proved reserves (1P)					
- Oil	MMBBL	10.91	0.02	0.12	10.81
- Gas	BCF	90.14	-	3.39	86.75

Note1: The above reserve estimates excludes the reserves of PY-3 as there is no viable plan for recommencement as on date. Regarding CB-OS-1, Government of India has issued a termination notice on September 5, 2018. However, the company requested to withdraw the termination notice as it is not in accordance with the provisions of the law. Therefore, no reserves of CB-OS/1 is included in the above estimates.

Note 2: Unit of measurement is considered in barrels for oil and cubic feet for gas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***Developed and Undeveloped:**

	Unit of Measurement	As at April 1, 2020	Addition	Production	As at March 31, 2021
Proved reserves (1P)					
- Oil	MMBBL	5.25	7.51	0.13	12.63
- Gas	BCF	73.79	20.31	3.96	90.14
Proved and probable (2P)					
- Oil	MMBBL	6.45	12.19	0.13	18.51
- Gas	BCF	119.72	22.56	3.96	138.32

Developed:

	Unit of Measurement	As at April 1, 2020	Addition	Production	As at March 31, 2021
Proved reserves (1P)					
- Oil	MMBBL	1.03	10.01	0.13	10.91
- Gas	BCF	64.55	29.55	3.96	90.14

Note 1: The above reserve estimates excludes the reserves of PY-3 as there is no viable plan for recommencement as on date. Regarding CB-OS-1, Government of India has issued a termination notice on September 5, 2018. However, the company requested to withdraw the termination notice as it is not in accordance with the provisions of the law. Therefore, no reserves of CB-OS/1 is included in the above estimates.

Note 2: Unit of measurement is considered in barrels for oil and cubic feet for gas.

45. Related Party Disclosures

a) Related Parties as of March 31, 2022:

Key management personnel-Whole-time directors

- Mr. P. Elango - Managing Director
- Mr. R. Jeevanandam - Director & CFO

Non-Executive independent Directors

- Mr. Vivek Rae
- Ms. Sharmila H. Amin
- Mr. P.K. Borthakur

Non-Executive, Non-Independent Directors

- Mr. Ashok Kumar Goel
- Mr. Rohit Rajgopal Dhoot

Company Secretary

- Ms. G. Josephin Daisy

Other related parties - Related to Non-Executive, Non-Independent Director:

- Vyoman Tradelink India Pvt Ltd

b) Nature and volume of transactions during the year and outstanding balances as at the balance sheet date with the above parties:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
EXPENDITURE		
Key managerial personnel remuneration-		
1. Mr. P. Elango - Managing Director	122.24	109.48
2. Mr. R. Jeevanandam - Director & CFO	117.68	105.59
3. Ms. G. Josephin Daisy - Company Secretary	10.40	9.42
Sitting fee - Independent Directors	15.75	13.35
Commission - Independent Directors*	18.00	18.00
Loan from Vyoman Tradelink India Private Limited	-	15,000.00
Loan repayment to Vyoman Tradelink India Private Limited	15,000.00	-
Interest on loan to Vyoman Tradelink India Private Limited	887.67	238.36

* which is within 1% of the net profit of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***46 Commitments and Contingencies**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Contingent Liabilities		
(a) Claims not acknowledged as debts CY-OS-90/1 (note -a)	3,112.00	3,112.00
(b) Royalty demand (refer note 40(1))	-	4,122.96
(c) Claims not acknowledged as debts CB-OS/1 (refer note 40(2))	-	1,245.00
(d) Service tax liability (note-b)	168.92	168.92
(e) Service tax liability (refer note c)	24,283.35	17,353.70
(f) Goods and Service tax liability (refer note d)	218.99	-
(g) Goods and Service tax liability (refer note e)	888.03	-
(h) Unfinished work program as debts AA ONN 2003/2 (refer note f)	1,243.14	1,205.39
(i) Profit petroleum as debts Kharsang (refer note g)	1,012.45	981.70
(ii) Commitments		
Estimated value of contracts remaining to be executed on capital account and not provided for	211.18	7,253.41

a) i. In CY-OS-90/1 (PY-3) block, an arbitration award dated February 28, 2020 was issued against the Company and two other co-respondents, by a majority of two to one dissent by an Arbitration Tribunal which was received and acknowledged by the Company in June 2020. The share of the Company's exposure to the claim is ₹ 1,624 lacs in addition to other ancillary awards that are subject to reconciliation of cash call payments and net off other credits to be given to the Company towards refund of excess service tax granted by the Tribunal, which are yet to be quantified.

The Company filed an appeal against the aforesaid award in the High Court of Malaysia but the matter was dismissed on February 11, 2022. Hence, an appeal has been filed before the Court of Appeal at Kuala Lumpur in May 2022.

The applicant Hardy Exploration & Production (India) Inc. ("Hardy") has preferred an application under Section 47 and 49 of the Arbitration Act before the Hon'ble Gujarat High Court for recognition and enforcement of the foreign arbitral award and the Hon'ble Court vide its Order dated October 26, 2020 directed HOEC to file its objections to the said application. However, in view of section 48(1)(e) that the arbitral award has not yet attained finality since a challenge to such award is pending before the competent authority, the Company filed a review petition w.r.t the Order dated October 26, 2020, which was not upheld by the High Court vide its Order dated August 10, 2021. The Company has filed an appeal to the order dated August 10, 2021 before the Supreme Court of India, which is pending admission. Pending conclusion of the appeal filed, the amount of claim not acknowledged as debt is in the judgement of management retained as same as prior year and no provision is presently considered..

ii. The claim not acknowledged as debt by the company includes ₹ 1,488 lacs for the participating interest of the Company relating to the dispute between Aban Offshore Limited and the operator Hardy.

b) During the year 2019-20, there was a demand for service tax for ₹ 77.09 lacs with an equivalent amount of penalty due to disallowance of Cenvat credit for the period from October 2007 to March 2011. An appeal was filed after paying an amount of ₹ 7.71 lacs to the tax authorities. This dispute is before the CESTAT for adjudication and no provision is made in the financial statements. The above amount also includes a demand of ₹ 14.74 lacs pertaining to one of the unincorporated joint ventures.

c) Service tax demand was made on cash call contributions, cost and profit petroleum share of the contractors and Government of India, for the period commencing from April 2010 to March 2015 for various unincorporated joint ventures under production sharing contracts for ₹ 8,676.85 lacs with equivalent amount as penalty and interest of which the participating interest of the Company is ₹ 6,638.24 lacs. The Hon'ble High Court of Madras has remanded back to the Commissionerate for fresh adjudication based on the merits of the case on 8th April 22, in response to the writ appeal filed by the company. Further, the statement of demand received ₹ 6,901.11 lacs for the period April 2015 to June 2017 of which the participating interest of the Company is ₹ 2,705.35 lacs is being dealt with the same for disposal awaiting the outcome in respect of the earlier year. This being an industry issue, the above claim of the tax authority is disputed by the Company and is being redressed at various appellate forum and hence no provision has been considered

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

in the financial statements. This industry issue is taken up by the Ministry of Petroleum and Natural Gas with Finance Ministry of Government of India for appropriate clarification and redressal.

Further, for the period April 2016 to June 2017 a show cause notice has been received towards service tax on royalty amounting to ₹ 23.42lacs. The company filed the submission and seeking redressal before Ministry of Petroleum and Natural Gas, Government of India.

- d) During the year for the period July 2017 to March 2021 a show cause notice has been received towards GST on royalty amounting to ₹ 219.77 lacs. The company is in the process of filing submission and seeking redressal before Ministry of Petroleum and Natural Gas, Government of India.
- e) During the year, intimation of GST demand received by HOEC as company rendering manpower and business support service to UJV for the period July 17 to March 21 amounting to ₹ 888.03 lacs. The company is in the process of filing reply.
- f) In respect of Block AA ONN 2003/2, Geopetrol has estimated the liability of unfinished work program as ₹ 3,030.11 lacs (US\$ 3.99 Million) in terms of the PSC. Out of which an amount of ₹ 1,688.38 lacs (US\$ 2.22 million) was realized by GOI by invocation of bank guarantee provided by Geopetrol and for the balance ₹ 1,341.73 lacs (US\$ 1.77 million) liability was created. However, DGH has made a claim of ₹ 4,273.26 lacs (US\$ 5.63 million) which has no basis and is being disputed. Accordingly, no liability is created for the disputed amount of ₹ 1243.14 lacs (US\$ 1.64 million).
- g) 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.
- h) Kharsang Block JV proposed our share of differential amount of profit petroleum to Government of India towards cost recovery limit of ₹ 1,402.43 lacs (US\$1.85) million against claim amount of ₹ 2,414.88 lacs (US\$3.18million). Accordingly, no liability is created for the disputed amount of ₹ 1,012.45 lacs (US\$ 1.33 million).

47. Effects of Changes in Foreign Exchange Rates**a) Expenditure in foreign currency (on accrual basis)**

Particulars	2021-22	2020-21
Operating expenditure	750.57	686.27

b) Value of Imports calculated on CIF basis (on accrual basis)

Particulars	2021-22	2020-21
Components and spare parts	10.89	10.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***48. Corporate Social Responsibility**

Gross amount required to be spent towards CSR activities from the profits calculated as per Section 198 of the Companies Act, 2013 during the year: ₹ 201.83 lacs (PY: ₹ 194.83). Amount spent during the year on:

Particulars	2021-22	2020-21
Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 (on annual basis) (A)	201.83	194.83
Amount expenditure incurred during the year (B)	2.03	11.26
In cash		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above:	2.03	11.26
Promoting preventive health care	-	-
Promoting education	-	-
Conservation of natural resources and other allied areas	-	-
Shortfall at the end of the year (C)	199.80	183.57
Total of previous years shortfall, (D)	183.57	
Reason for shortfall (E)	Due to Covid 19	
Nature of CSR activities (F)		
Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to csr expenditure as per relevant accounting standard, (g)	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. (h)	383.37	183.57

49. Segment reporting

The Group is primarily engaged in a single business segment of "Oil and Gas" in one geographic segment. Therefore, there are no separate reportable segments for Segment Reporting.

50. Financial instrument disclosure**(a) Capital Management**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the group consists of net debt (borrowings disclosed in notes 23, 27 and 14,16 after deducting cash and bank balances) and equity of the Company (comprising issued capital, reserves and surplus, retained earnings as disclosed in notes 21 and 22). The Group monitors capital using a gearing ratio which is net debt divided by total capital plus net debt.

Gearing Ratio:

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	35,734.34	25,368.67
Less: Cash and cash equivalent	(2,946.41)	(9,226.68)
Net Debt	32,787.93	16,141.99
Equity	75,312.26	73,316.95
Total Capital	75,312.26	73,316.95
Capital and Net Debt	108,100.19	89,458.94
Gearing Ratio	30.33%	18.04%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***Accounting classifications and fair values**

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

Financial instruments by category

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Deposits under site restoration fund	–	7,256.32	7,256.32	–	6,853.23	6,853.23
Investments	34.19	–	34.19	4,537.73	–	4,537.73
Trade receivables	–	1,619.96	1,619.96	–	3,107.15	3,107.15
Cash and cash equivalents	–	2,912.22	2,912.22	–	4,688.95	4,688.95
Other bank balances	–	3,625.14	3,625.14	–	2,462.53	2,462.53
Other financial assets	–	3,961.57	3,961.57	–	2,860.10	2,860.10
Total Financial Assets	34.19	19,375.21	19,409.40	4,537.73	19,971.96	24,509.69
Financial Liabilities						
Borrowings	–	35,734.34	35,734.34	–	25,368.67	25,368.67
Interest Accrued	–	258.47	258.47	–	194.27	194.27
Trade Payables	–	3,792.03	3,792.03	–	3,194.26	3,194.26
Deposits	–	13.50	13.50	–	13.50	13.50
Other financial liabilities	1,055.11	22,085.19	23,140.30	–	3,153.52	3,153.52
Total Financial Liabilities	1,055.11	61,883.53	62,938.64	–	31,924.22	31,924.22

Fair value hierarchy

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

(b) Financial assets and liabilities valued at fair value

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

As at March 31, 2022

Particulars	Fair Value Measurements using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value (refer note 14)				
- Quoted equity instruments	33.56	33.56	–	–
- Mutual fund investments	0.62	0.62	–	–
- Derivatives	1,055.11	1,055.11	–	–

As at March 31, 2021

Particulars	Fair Value Measurements using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value (refer note 14)				
- Quoted equity instruments	25.50	25.50	–	–
- Mutual fund investments	4,512.23	4,512.23	–	–

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***(c) Financial assets and liabilities measured at amortised cost**

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

(d) Offsetting

The Group has not offset financial assets and financial liabilities as at 31 March 2021 and 31 March 2020. The Group's borrowings are secured, the details of which are more fully described in Note 24.

51. Financial Risk Management Objectives & Policies

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

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

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

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

(a) Market risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and operational contracts with the rates payable in foreign currencies. The Group manages its foreign currency risk by having natural hedge as the revenue on sale of oil and gas is determined and paid in equivalent US dollars.

Details of Unhedged Foreign Currency Exposure

The details of unhedged Foreign Currency Exposure of the Group, are as under:

Particulars	As at March 31, 2022		As at March 31, 2021	
Loan	\$ 44,50,000.00	₹ 3,373.42	\$44,50,000.00	₹ 3,270.96 lacs
Interest accrued on loan	\$ 190,409.26	₹ 144.34	\$ 1,19,483.77	₹ 87.83 lacs
Loan from banks INR to USD swaps	\$ 38,846,702.86	₹ 27,459.00	-	-

Foreign Currency Sensitivity

The Group does not have outstanding derivatives as at 31 March 2022 and 31 March 2021 and all of its foreign currency exposure is unhedged. The following table demonstrates the sensitivity in the USD to the functional currency of the Group, with all other variables held constant. The impact on the Group's Profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives

Particulars	Changes in currency exchange rate	Effect on profit before tax	
		For the year ended 31 March 2022	For the year ended 31 March 2021
US Dollars	+5%	1,118.42	167.94
	-5%	(1,118.42)	(167.94)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***(ii) Commodity risk**

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

(iii) Interest rate risk

Particulars	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowings	–	–
Fixed Rate Borrowings	35,754.34	25,368.67
Total	35,754.34	25,368.67

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

(b) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is not exposed to credit risk as its sale of oil and gas is to Government Nominees.

Cash and Bank balances

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

(i) Financial instruments and cash deposits

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

(c) Liquidity risk

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

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

As at March 31, 2022					
Particulars	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Value
Borrowings	15,272.89	20,461.45	–	35,734.34	35,734.34
Trade Payables	3,792.03	–	–	3,792.03	3,792.03
Other Financial liabilities	23,398.77	13.50	–	23,412.27	23,412.27
Total	42,463.69	20,474.95	–	62,938.64	62,938.64
As at March 31, 2021					
Particulars	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Value
Borrowings	9,451.82	15,916.85	–	25,368.67	25,368.67
Trade Payables	3,194.26	–	–	3,194.26	3,194.26
Other Financial liabilities	3,347.79	13.50	–	3,361.29	3,361.29
Total	15,993.87	15,930.35	–	31,924.22	31,924.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)***52. Events after the reporting period**

There is no material event after the reporting period.

53. Previous year figures

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

53. Ratio Analysis:

Particulars	As at FY 2021-22	As at FY 2020-21	Variation	Remarks for variation more than 25%
(a) Current Ratio (in times)	0.48	1.27	(62%)	Reduction due to short term borrowings
(b) Debt-Equity Ratio (in times)	0.47	0.35	37%	Increase due to additional borrowings
(c) Debt Service Coverage Ratio, (in times)	2.03	25.04	92%	Increase due to additional borrowings
(d) Return on Equity Ratio (in %)	2.68	7.29	(64%)	Due to exceptional expenditure
(e) Inventory turnover ratio (in times)	37.41	18.94	98%	Due to increase in sales
(f) Trade Receivables turnover ratio (in times)	6.59	3.66	80%	current year increase in sales and old outstanding received during previous year.
(g) Trade payables turnover ratio, (in times)	2.09	2.35	(11%)	-
(h) Net capital turnover ratio, (in times)	(2.32)	2.26	(203%)	current year increase in borrowings
(i) Net profit ratio, (in %)	13	47	(73%)	Due to exceptional expenditure
(j) Return on Capital employed, (in %)	2	5	(67%)	Due to exceptional expenditure and additional borrowings
(k) Return on investment. (in %)	3	7	(60%)	Reduction due to utilisation of funds

Explanations to items included in computing the above ratios:

1. Current Ratio: Current Asset over Current Liabilities
2. Debt-Equity Ratio: Debt (includes Borrowings and Current & Non-Current Lease Liabilities) over total share holders equity (including Reserves & Surplus)
3. Debt Service Coverage Ratio: EBIT + Interest on lease liabilities + Depreciation over Lease payments (principal + interest)
4. Return on Equity Ratio: Profit After Tax over average Equity (including Reserves & Surplus)
5. Inventory turnover ratio: Revenue over average Inventory
6. Trade Receivables turnover ratio: Revenue from operations over average Trade Receivable
7. Trade payables turnover ratio: Purchases / expenses over average Trade Payable
8. Net capital turnover ratio: Revenue from operations over average working capital
9. Net profit ratio: Profit After Tax over Revenue from operations
10. Return on Capital employed: Profit Before Interest & Tax over Capital employed (Capital employed includes total share holders equity, borrowings, short term and long term lease liabilities)
11. Return on investment: Interest income on fixed deposit + Mutual fund investment gain over average investments (investments includes investments in mutual funds, margin money and other bank deposits)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022*(All amounts are in Indian Rupees in lacs, unless otherwise stated)*

55. The charge creation for HDFC bank loan, pending with banker for their internal clearance.
56. The group has not been declared a wilful defaulter by any bank or financial institution or other lender.
57. No proceedings have been initiated during the year or are pending against the group as at March 31, 2022 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.
58. Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.
59. The group has not traded / invested in Crypto currency or virtual currency.
60. The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
61. The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
62. The group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
63. The group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
64. The group has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
65. No schemes of arrangements have been applied or approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.
66. The title deeds of all immovable properties, (other than immovable properties where the group is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date.
67. **Approval of financial statements**
The financial statements were approved for issue by the board of directors on May 30, 2022.

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821

R. Jeevanandam
Director & CFO
DIN No 07046442

Josephin Daisy
Company Secretary

Place : Chennai
Date : May 30, 2022

GLOSSARY

3D Seismic	- Three Dimensional Seismic		
2P/P+P Reserves	- Proved and Probable Reserves		
	<p>Proved Reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulations. If probabilistic methods are used, there should be at least 90% probability that the quantities actually recovered will equal or exceed the estimate. Developed Reserves are expected quantities to be recovered from existing wells and facilities. Undeveloped Reserves are quantities expected to be recovered through future investments.</p> <p>Probable Reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proven plus probable reserves.</p>		
ADR	- American Depository Receipts	Development well	- A well drilled within the proved area of an oil and / or natural gas reservoir to the depth of a stratigraphic horizon known to be productive.
AGM	- Annual General Meeting		
AIFDP	- Alternate Integrated Field Development Plan		
AS	- Accounting Standard	DGH	- Directorate General of Hydrocarbons
ASOP	- Associate Stock Option Plan, 2015	DIN	- Director Identification Number
ATRs	- Action Taken Reports	DSF	- Discovered Small Fields
bbl	- barrel	EIL	- ENI India Ltd.
bcf	- billion cubic feet	EPS	- Earnings Per Share
BEE	- Bureau of Energy Efficiency	ERP	- Emergency Response Plan
boe	- barrels of oil equivalent	ESOS	- Employee Stock Option Scheme
bopd	- barrels of oil per day	Exploratory well	- A well drilled to find oil and / or gas in an unproved area, to find a new reservoir in an existing field or to extend a known reservoir
boepd	- barrels of oil equivalent per day		
BSE	- Bombay Stock Exchange		
CDSL	- Central Depository Services (India) Limited	E&P	- Exploration and Production
CEO	- Chief Executive Officer	FI	- Financial Institutions
CFO	- Chief Financial Officer	GDR	- Global Depository Receipts
CFS	- Consolidated Financial Statement	G&G	- Geological & Geophysical
CGD	- City Gas Distribution	GHG	- Green House Gas
CIN	- Corporate Identification Number	GML	- Geopetrol Mauritius Ltd.
CNG	- Compressed Natural Gas	GPII	- Geopetrol International Inc.
COO	- Chief Operating Officer	HAZID	- Hazard Identification (Risk Analysis)
CS	- Company Secretary	HAZOP	- Hazard and Operability Analysis
CSR	- Corporate Social Responsibility	HELP	- Hydrocarbon Exploration Licensing Policy
DP	- Depository Participant	HOEC	- Hindustan Oil Exploration Company Limited

HSECSR	- Health, Safety, Environment & Corporate Social Responsibility	NCLT	- National Company Law Tribunal
IEPF	- Investor Education and Protection Fund	NELP	- New Exploration Licensing Policy
IND AS	- Indian Accounting Standards	NSE	- National Stock Exchange
IOGP	- International Association of Oil & Gas Producers	NSDL	- National Securities Depository Limited
JSA	- Job Safety Awareness	OALP	- Open Acreage Licensing Policy
JV	- Joint Venture	ONGC	- Oil & Natural Gas Corporation Limited
KPI	- Key Performance Indicator	OPEC	Organization of the Petroleum Exporting Countries
LNG	- Liquefied Natural gas	PI	- Participating Interest
LLP	- Limited Liability Partnership	PoD	- Plan of Development
LPG	- Liquefied Petroleum Gas	PSC	- Production Sharing Contract
LTI	- Loss Time Incident	Revenue	- Sales + Other Income
MC	- Management Committee	RD	- Regional Director
MCA	- Ministry of Corporate Affairs	ROU	- Right of Use
M-GPP	- Modular Gas Processing Plant	RSC	- Revenue Sharing Contract
mmboe	- million barrels of oil equivalent	scmd	- standard cubic meters per day
mmbtu	- million british thermal unit	scm	- standard cubic meters
mmscfd	- million standard cubic feet per day	SEBI	- Securities and Exchange Board of India
mmscm	- million standard cubic meters	SEBI LODR	- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
mmscmd	- million standard cubic meters per day	SEM	- Successful Efforts Method
mmbbl	- million Barrels	SIMOPs	- Simultaneous Operations
mm	- million	USD/US\$	- United States Dollar
MoP&NG	- Ministry of Petroleum & Natural Gas	UJV	- Unincorporated Joint Venture
MSMED	- Micro Small & Medium Enterprises Development Act, 2006	Working interest basis	- Field Production x Participating Interest
NBP	- National Balancing Point		



Constructed road in the Margherita region of Assam



2016

Powai School in Margherita

2021



Mock drill at KGBOI



Environment Day pledge at PY1