Hindustan Oil Exploration Company Limited
'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai - 600 018. INDIA.
✆: 91 (044) 66229000 • Fax: 91 (044) 66229011 / 66229012
E-mail: contact@hoec.com • Website: www.hoec.com CIN: L11100GJ1996PLC029880

September 04, 2023 **By Online**

The Listing Department **National Stock Exchange of India Ltd.,** "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Stock Code: HINDOILEXP	**The Corporate Relationship Department** **BSE Limited,** 1st Floor, P. Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Stock Code: 500186

Dear Sir/Madam

Sub: Submission of Annual Report for FY 2022-23 and Notice of the 39th AGM

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company for the financial year 2022-23 along with the Notice convening the 39th Annual General Meeting of shareholders of the Company, which is being circulated to the shareholders through electronic mode.

The Annual Report and the Notice of AGM is also uploaded on the Company's website at https://hoec.com/annual-reports100/.

Kindly take the same on record.

Thanking you,
Yours Sincerely,
For Hindustan Oil Exploration Company Limited

Deepika C S Digitally signed by Deepika C S
Date: 2023.09.04 15:40:45
+05'30'

Deepika CS
Company Secretary

Encl.: a/a

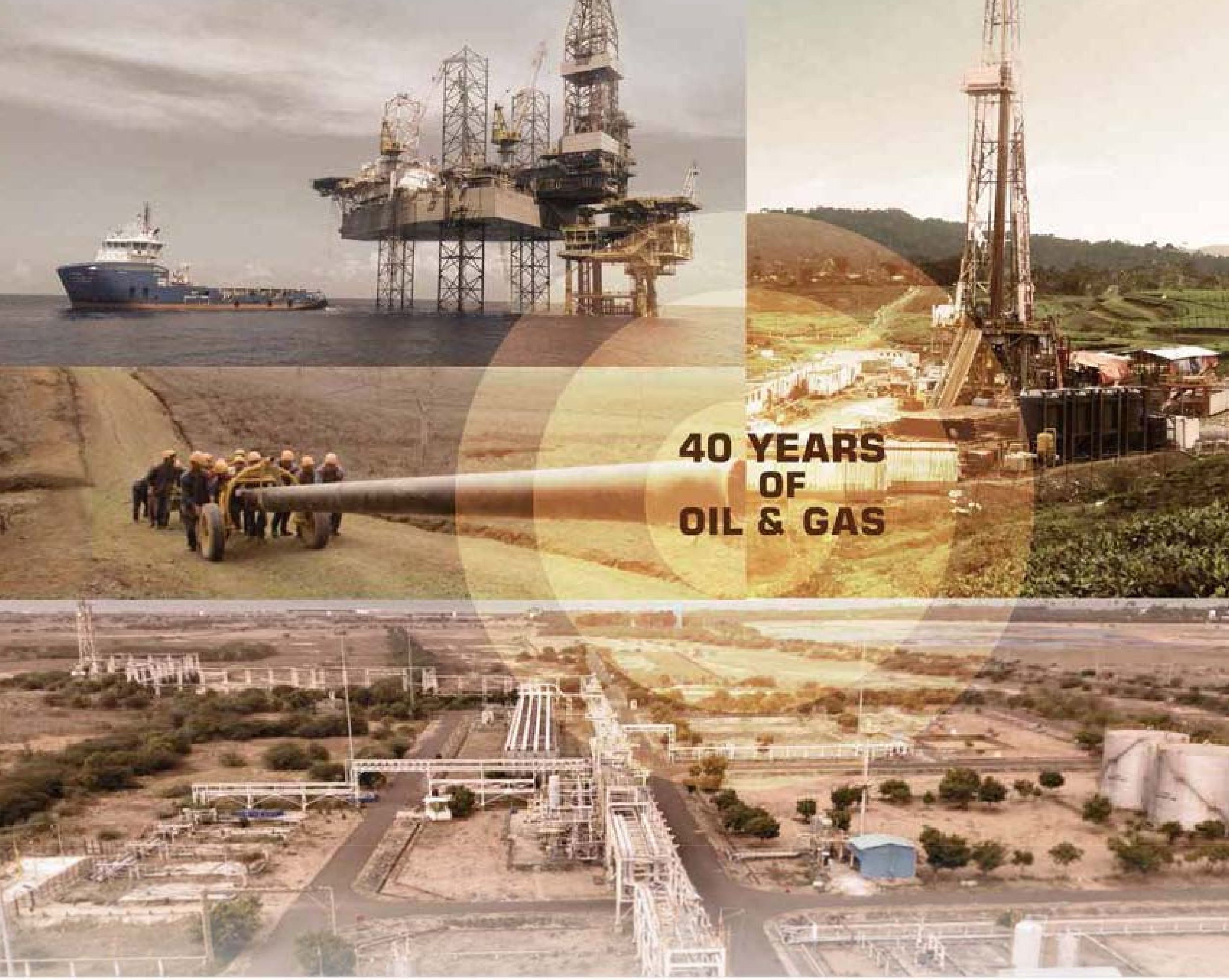
HOEC®

BSE — OVER 25 YEARS OF LISTING

NSE — OVER 15 YEARS OF LISTING

Annual Report | FY 2022-23

INDIA'S FIRST PRIVATE OIL AND GAS COMPANY



HINDUSTAN OIL EXPLORATION COMPANY LIMITED

TRANSFORMING THROUGH TALENT AND TECHNOLOGY

Growing Responsibly

USE BAMBOO FROM ASSAM

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39th Annual General Meeting

Day: **Wednesday** Date: **September 27, 2023** Time: **10:30 a.m.**

Mode: The Company is conducting the ensuing 39th AGM through VC / OAVM.

Detailed instructions for participation and voting at the meeting is available in the notice of the 39th AGM.

COMPANY INFORMATION

Registered Office
'HOEC House', Tandalja Road
Vadodara – 390 020
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
L11100GJ1996PLC029880

ISIN
INE345A01011

HIGHLIGHTS – FY 2022-2023

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

- HMGPP has crossed 1844 LTI free days.
- Dirok gas was sold at an average gas price of USD 7.79 per mmbtu for FY22-23 with premium price sales to niche consumers. Dirok Field has generated its highest revenue since start of commercial production.
- Field activities to increase the production to 70 MMSCMD have commenced with starting 18" Pipeline laying in the forest area.

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

- Discovered Small Field – B80 development project was completed safely.
- Both D1 and D2 well were put on production from December 2022.
- Two e-auctions were conducted for natural gas, tying up the volumes to GSPC & IOCL.
- Cumulative production of B-80 till March'23 is 0.18 Mstb oil and 2.11 bcf gas.

AVERAGE PRODUCTION

8793 boepd (Gross)

2973 boepd (HOEC-Net)

PROFIT FOR THE YEAR

194.08 Crores

PRODUCTION
WORKING INTEREST

10,83,998 boe

GROSS
WORKING CAPITAL

₹ 469 Crores

HSE
LOST TIME INJURY

0.01

NET
WORTH

₹ 947 Crores

TOTAL
INCOME

₹ 568 Crores

Note: Figures are given on a consolidated basis

Other North-Eastern Blocks

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

- PSC extension granted till 15 June 2030.
- RFDP is approved and the PML is granted till 15 June 2030.

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

- PML is yet to be granted by the state Government.

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

- Block awarded under OALP Bid Round 2019. Exploratory block adjacent to Dirok.
- Exploratory phase extended by 1 year. Preliminary Environmental Impact Assessment studies will be initiated to complete the regulatory process and commence exploration.

Umatara (HOEC PI : 10%)

- 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 IOCL (as Lead operator) & HOEC.
- Environmental Clearance received. Tendering and land acquisition is under progress.

(O) - HOEC as Operator (PI) - Participating Interest

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.
- 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.
- 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 and awaits execution from GoI.

Other Offshore Assets

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

- PSC Amendment executed to extend the term by 10 years.
- Completed Environmental Impact Assessment for obtaining environmental clearance to drill additional wells.

PY-3 (HOEC PI : 21%)

- Field under shut-in since July 2011.
- Last Production (100%) - 3,300 boepd.
- PSC extension has been granted till 2029.

OUR ASSET PORTFOLIO

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

Portfolio of discovered resources Ten blocks with production and development.

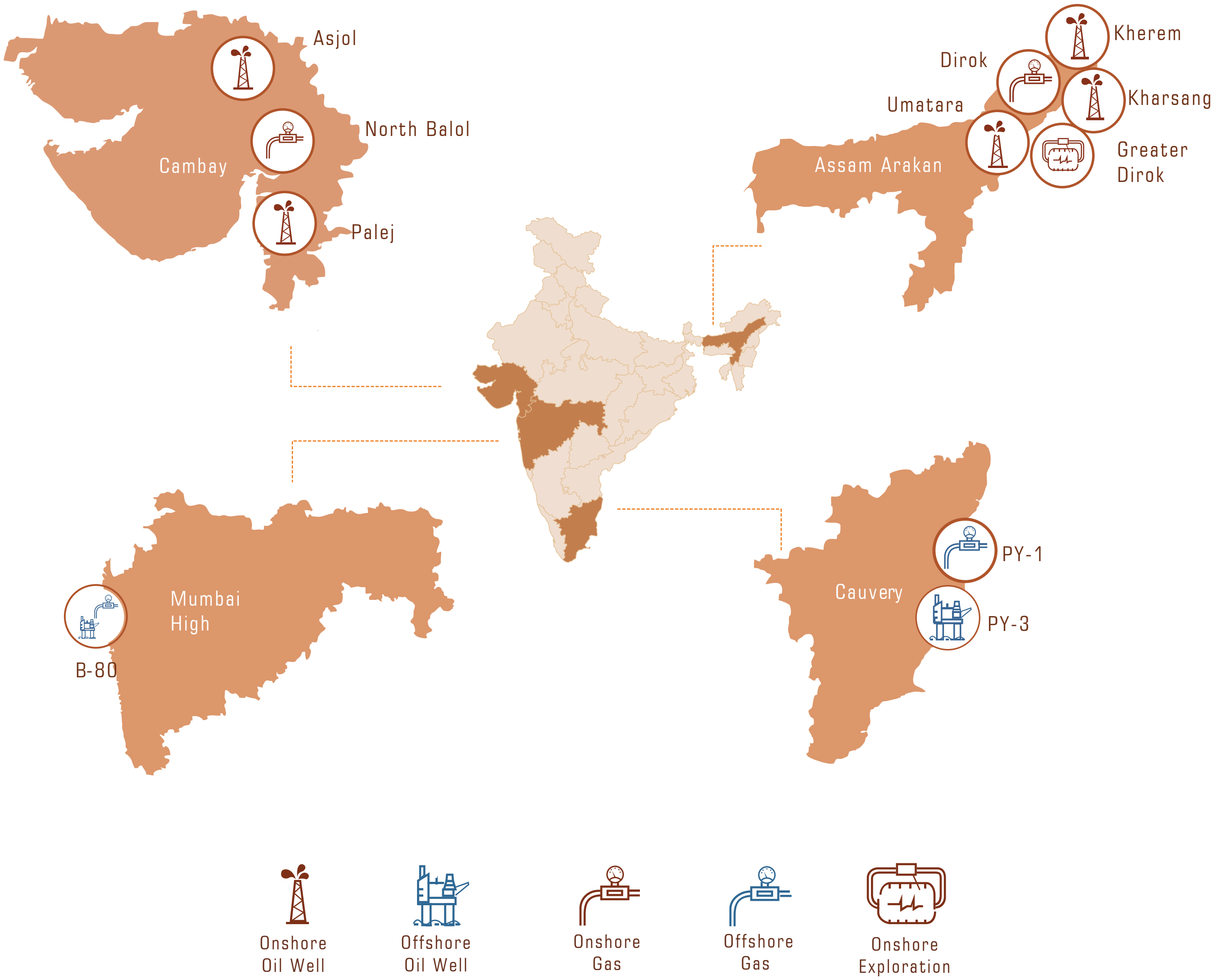
Diverse geographical footprint Presence in 4 out of 7 producing basins in India.

Balanced portfolio Offshore–3 blocks / Onshore -8 blocks.

Upside potential for exploration and further development within portfolio with existing infrastructure for rapid monetization.

Operatorship in all blocks except PY-3, to drive value creation.

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



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 43 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 holds a bachelor's degree in Commerce and is the 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 greatbusiness 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 25 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 38 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 41 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.

Key Performance Indicators (KPIs) : FY 2022 - 23	HOEC	OGP*
Fatal Accident Rate (FAR)	0.00	1.28
LTI Frequency (LTIF)	0.01	0.28
LTI Severity Rating (LTISR)	0.00	41.3
First Aid Cases	0.01	NR
Total Recordable Injury Rate (TRIR)	0.00	0.90

* OGP report No. 2022s (June 2023)

TO ENSURE THIS:

- The HOEC Safety management system enables implementation of safety measures to safeguard people, property and the environment.
- Employees feel a strong personal connection to their own safety and the safety of others – "shared accountability." Employees understand that they shouldn't take shortcuts and that safety is the top priority.
- Reduce the risk of workplace incidents, injuries, and fatalities through the Risk Management System.
- People from different parts of the organization are involved to make safety a shared responsibility and be proactive, preventive and integrated into the culture of the entire organization.
- Hazards are identified as deficient conditions impacting activities which can result in injury, illness, or death to people and/or system, equipment or property damages or losses.
- Risk assessment is performed and a risk matrix is used as a tool for evaluating the combined effects of likelihood and severity, prioritizing which safety risks to address in what sequence for adequate resource allocation.


Lifeboat Training at KGBOI


Fire Fighting Training at HMGPP


Mock Drill at KGBOI


Mutual Aid Mock Drill at Dirok Field


HSE Training at KGBOI

HOEC–Towards an exciting growth journey

Commencing production from B-80

In my last year message, I had mentioned that developing B-80 in a pandemic environment has been an incredibly challenging journey. During FY 23, we had crossed major milestones in B-80 development and Q4 became the first quarter, when both D-1 and D-2 wells were on continuous production mode simultaneously. This helped the company to exit the year with the record gross operated production level of over 10,000 barrels of oil equivalent per day (boepd). Significance of this milestone will be understood, when we recollect that in FY2015, gross operated production was 500 boepd.

B-80 project development involved drilling two new subsea development wells, installing India's first Mobile Offshore Processing Unit (MOPU), installing a Single Point Mooring System (SPM) and mobilisation of Floating Storage & Offloading (FSO) vessel with a storage capacity of 900,000 barrels of oil. When commercial gas sales started in June 2022, HOEC became the first company to commence production from an offshore field under the Discovered Small Field (DSF) policy of the Government of India.

By opting for "Outsource at field level and in source at corporate level" strategy in developing B-80, HOEC group companies funded and owned the MOPU and FSO & SPM assets to provide services to Joint Venture of B-80, operated by HOEC. Due to this, both the 100% owned subsidiary companies earned revenue and turned profitable for the first time during FY23.

Gas contributes to nearly 80% of HOEC's production. E- Auctions provide a transparent way to discover market determined prices. As a result of two successful e-auction conducted, today both GSPC and IOCL are major consumers of B80 – Gas. In addition, HOEC has successfully placed marginal surplus gas volumes in Indian Gas Exchange (IGX) to meet spot demand for gas by consumers in Gujarat. Gas is delivered to all consumers through Gas Transportation Network that involved sharing the facilities of ONGC and GAIL through tariff agreements by HOEC and gas consumers respectively. Efficiency of this complex offshore to onshore delivery system involving multiple stakeholders was established by HOEC, as a private sector player, successfully.

Dirok to get connected to North East Gas Grid

At Dirok, during FY 23, we achieved an average daily gas sales volume of 30 mmscfd. We continue to face the challenge of seasonal variation in gas off take. Maintenance activity of any major consumer also impacts off take adversely. However, once the North-East market is connected to the rest of India via the North-East Gas Grid Indradhanush, demand is set to increase significantly. In preparation, Dirok is being connected directly to Duliajan Marketing hub as part of the Dirok Field Development Plan phase-2. Pipeline construction work in the difficult forest segment has commenced after securing required regulatory approvals. The performance of Dirok reservoir has been excellent and we have the ability to ramp up gas production as the demand picks up.

Overall, our focus on value over volume in Dirok has proven its results during the last financial year. The successful gas e-auction that was conducted for the first time in North-East enabled us to execute six premium gas sales agreements directly with consumers increasing the realized price (>$1/MMBTU over and above the Government notified prices).

Plans for Development Drilling to increase production from all portfolio assets

During FY 23, the Production Sharing Contracts of both PY-1 and Kharsang has been extended by ten years by Government of India. In both the blocks, we have approved Field Development Plans. HOEC has 100% Participating Interest in the offshore PY-1 field in Tamil Nadu. Post the acquisition of Geopetrol International Inc. HOEC Group has 30% Participating Interest both directly and indirectly, in Kharsang, Arunachal Pradesh. To increase production, additional wells are planned to be drilled across PY-1, Kharsang, Cambay and when demand for gas picks up in Dirok too.

Now that B-80 wells are on continuous production mode and robust gas sales system has been established, this key asset along with Dirok will serve as double engines of growth for HOEC. With track record on driving production growth and demonstrated offshore and onshore capabilities, HOEC will, in future look at drilling wells to increase production to derive further value from its existing portfolio of offshore and onshore assets.

Responsible Operator

Even as we prepare for an accelerated growth by investing to increase production across our portfolio, we remain committed 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) and CSR aspects".

Since 2015, HOEC has been following a unique business strategy of focusing primarily on discovered oil and gas resources and developing them into production mode through a fast track - low cost model. Dirok was the first field to be developed under this model. While developing this oil and gas field, we have prioritised the local community development. Since 2015, HOEC along with its JV partners, have executed 25 CSR projects costing ₹ 11 Crores in Margherita Sub- Division, in Tinsukia District of Assam, where the field is located, primarily to improve education and rural development infrastructure. As production from Dirok field transformed HOEC, these CSR projects have made a difference to lives of the local community.

Thank you for your continuing support.

P. Elango
Managing Director

Board's Report

To

The Members of
Hindustan Oil Exploration Company Limited

Your director's have pleasure in placing before you the 39th Annual Report on the business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2023.

1. FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	38,104.82	13,050.47	55,891.53	15,572.52
Other Income	2,790.85	1,680.41	879.55	1,146.39
Total Income	**40,895.67**	**14,730.88**	**56,771.08**	**16,718.91**
Total Expenses	24,528.94	7,711.84	35,831.02	11,224.20
Profit before share of profit of associate, exceptional items and tax	**16,366.73**	**7,019.04**	**20,940.06**	**5,494.71**
Share of profit of associate	-	-	11.11	(89.71)
Profit before exceptional items and tax	**16,366.73**	**7,019.04**	**20,951.17**	**5,405.00**
Exceptional items	-	(3,436.53)	(1,221.99)	(3,436.53)
Profit before tax	**16,366.73**	**3,582.51**	**19,729.18**	**1,968.47**
Tax expense	-	-	324.36	(30.90)
Profit for the year	**16,366.73**	**3,582.51**	**19,404.82**	**1,999.37**
Other comprehensive income	3.17	(4.06)	3.17	(4.06)
Total comprehensive income for the year	**16,369.90**	**3,578.45**	**19,407.99**	**1,995.31**

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 4.59 BCF of gas and 0.18 million barrels of oil (previous year: 3.39 BCF of gas and 0.08 million barrel of oil). In oil equivalent term the production for the current year is 1.04 mmboe (0.84 mmboe in the previous year).

On a standalone basis, the revenue for the current year has increased to ₹ 38,104.82 lakhs from ₹ 13,050.47 lakhs in the previous year. Other income for the current year is ₹ 2,790.85 lakhs as against ₹ 1,680.41 lakhs in the previous year.

The cost towards production expenses has increased to ₹ 16,951.92 lakhs compared to ₹ 2,225.18 lakhs in the previous year and the total expenses for the current year has increased to ₹ 24,528.94 lakhs as compared to ₹ 7,711.84 lakhs in the previous year on account of commencement of production from B-80 field. This also includes the non-cash cost of depreciation, depletion and amortisation and finance cost towards unwinding of decommissioning of ₹ 3,527.28 Lakhs in the current year as against ₹ 2,089.72 lakhs incurred during the previous year.

On a standalone basis, the profit before exceptional items and tax has increased to ₹ 16,366.73 lakhs as compared to ₹ 7,019.04 lakhs in the previous year. The profit after tax is ₹ 16,366.73 lakhs as against the profit of ₹ 3,582.51 lakhs in the previous year. The cash and cash equivalent in the company as on March 31, 2023 is ₹ 13,866.98 lakhs, compared to ₹ 1,327.40 lakhs in the previous year. The gross working capital has increased from ₹ 28,531.51 lakhs in the previous year to ₹ 61,027.91 lakhs.

On a consolidated basis, revenue from operations has increased from ₹ 15,572.52 lakhs to ₹ 55,891.53 lakhs and the profit after tax for the current year is ₹ 19,404.82 lakhs compared to ₹ 1,999.37 lakhs in the previous year.

Capital Expenditure

During the year under review, a capital expenditure of ₹ 4,324.02 lakhs (₹ 21,617.88 lakhs for previous year) was incurred for development activities in the discovered fields of Block B-80, ₹ 501.20 lakhs (₹ 75.88 lakhs for previous year) for Dirok and ₹ 1.53 lakhs (₹ 76.24 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

Your Company has been appropriately addressing the challenges posed by the evolving situation with renewed vigour, while ensuring the wellbeing of the employees and the communities in which we operate.

Your Company continues to closely monitor any material changes to future economic conditions and manage their impact and costs across the organization.

3. OUTLOOK

Your Company has capital requirements to implement its business plans and to continue the development of PY-1, Dirok and other marginal fields at Cambay in the near future, which will be met through 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 and 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 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

Your Company is now identified as a "Listed entity with no promoter" with effect from March 13, 2023 and is led by a qualified and experienced management team who have experience and knowledge in the oil and gas sector, including in the fields of administration, marketing and human resource management.

10. SUBSIDIARIES

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

Hindage Oilfield Services Limited:

Hindage Oilfield Services Limited ('Hindage') is in the business of Oil Field 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 25% participating interest in Kharsang oil field in Arunachal Pradesh.

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, 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 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 have been prepared which form part of this Annual Report.

Also, a statement containing salient features 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-reports100/*.

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 and Sustainability 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, 2023, is available on the Company's website at *https://www.hoec.com/results-and-reports/annual-reports-new/*

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in Directorate during FY 2022-23:

During the year, there were no changes in the Directorship position in the Company.

Further, 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:

During FY 2022-23, Ms. Josephin Daisy resigned from her position as Company Secretary on June 30, 2022 and Ms. Deepika CS was appointed as Company Secretary w.e.f. August 12, 2022.

As on March 31, 2023, Mr. P. Elango, Managing Director, Mr. R. Jeevanandam, Executive Director & CFO and Ms. Deepika CS, 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, eleven (11) Board Meetings were 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 have framed a policy which lays down a framework for the remuneration payable to Directors and other Key Managerial Personnel. The details of the policy are stated in the Corporate Governance Report.

20. DIVIDEND DISTRIBUTION POLICY

The Board of Directors have framed a policy which lays down a framework for distribution of dividend by the Company in accordance with the provisions of the Act and the Listing Regulations. The details of the policy are available on the Company's website at *https://www.hoec.com/grow-with-us/policies/*

21. 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.

22. 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.

Your Directors draw the attention of the members to Note No. 46 to the standalone financial statements and Annexure II to this report which sets out the related party disclosures.

23. MATERIAL CHANGES AND COMMITMENTS

There were no material changes in the business operations since the closure of the financial year.

24. 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.

25. 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, 2023, 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.

26. PARTICULARS OF EMPLOYEES

The statement pertaining to particulars of employees including their remuneration as required to be reported under the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] (the Rules) are set out in Annexure III to this Report. However, as per the provisions of Section 136 of the Act, the Reports and Accounts for the Financial Year 2022-23 are being sent to the Members and others entitled thereto, excluding this statement. The said statement is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary. The disclosures pertaining to the remuneration of Directors, KMP and employees as required under Section 197(12) of the Act, read with Rule 5(1) of the Rules are provided in Annexure III to this Report.

27. AUDIT REPORTS AND AUDITORS

Audit Reports for the financial year ended March 31, 2023:

- The Auditors Report on the standalone and consolidated financial statements forms part of this Annual Report and do not contain any qualifications, 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, reservation 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, 2023 was filed with the Central Government within the prescribed timelines.
- The Internal Auditors' findings are discussed, and actions, as required, 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, 2024:

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.

28. 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

29. 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 ageing 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 areas are analysed to ensure that quality levels are within the statutory limits.
12. All air conditioner temperatures are set to 25^{0}C to optimise power consumption.
13. Calculating Greenhouse gas emission and declaring HOEC Dirok own benchmark of GHG emission reported every year.
14. As part of energy conservation, changing of sodium vapour lamps with LED fittings has been initiated at PY-1 site.

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: Replaced Manual operated choke valve with remote operated choke valve on one of the high producing well at Dirok field of Assam which helps to reduce frequent travel to wellsites & reduce fuel 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) Remote operated choke valve was imported and installed on one of the high producing well.

(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 2022-23 (₹ in lakhs)	FY 2021-22 (₹ in lakhs)
Foreign exchange earning	Nil	Nil
Expenditure in foreign currency:		
Operating expenditure	8,956.59	750.57
Capital expenditure	341.20	4,968.58

30. 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 are provided in the Corporate Governance Report section of this Annual Report.

31. 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's Discussion and Analysis Report, which forms part of this Annual Report.

32. HUMAN CAPITAL AND 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 permanent employee count, as on March 31, 2023, was 89 and the annualized attrition rate for the year stands at 11.6 %.

33. 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.

34. 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-information05/*

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

35. 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.

36. 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 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 : 25-05-2023	**P Elango**	**R Jeevanandam**	**Deepika CS**
Place : Chennai	Managing Director	Director & CFO	Company Secretary

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 as on 31.03.2023

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: ₹ 82.2169
Share capital	50.00	6,506.20
Reserves & surplus	430.32	713.12
Total assets (excluding investments)	18,461.57	38,655.43
Total liabilities	17981.25	33,285.02
Investments	-	1,848.93
Turnover	7,272.57	10,514.15
Profit / (Loss) before taxation	691.50	2,670.97
Provision for taxation	0.02	324.34
Profit / (Loss) after taxation	691.48	2,346.62
Proposed Dividend	-	-
Extent of shareholding (In percentage)	-	-

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 : 25-05-2023
Place : Chennai

P Elango
Managing Director

R Jeevanandam
Director & CFO

Deepika CS
Company Secretary

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, 2023, which were not at arm's length basis

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

I. (a) Name(s) of the related party and nature of relationship

Hindage Oilfield Service Limited - Wholly owned subsidiary of Hindustan Oil Exploration Company Limited

(b) Nature of contracts/arrangements/transactions

Interest on Loan

(c) Duration of the contracts/arrangements/transaction

16 months for repayment of loan

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The outstanding trade advances of ₹ 130 Crores as inter-corporate loans for a tenure of 16 months, at an interest of 9% p.a.

(e) Date(s) of approval by the Board, if any:

November 11, 2021

(f) Amount paid as advances, if any:

NIL

II. (a) Name(s) of the related party and nature of relationship

Hindage Oilfield Service Limited - Wholly owned subsidiary of Hindustan Oil Exploration Company Limited

(b) Nature of contracts / arrangements/transactions

Floating Storage Offshore Services

(c) Duration of the contracts / arrangements / transactions

5 years

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

i. Contract period of 5 years, subject to extension on mutually agreed terms
ii. Charter hire day rate of US$ 47,500 all inclusive
iii. GST extra, as applicable, on account of B-80 Consortium
iv. Fuel required for operation shall be supplied by the Operator
v. Income Tax shall be borne by Hindage

(e) Date(s) of approval by the Board, if any:
May 30, 2022

(f) Amount paid as advances, if any:
NIL

III. (a) Name(s) of the related party and nature of relationship
Geopetrol Mauritius Limited

(b) Nature of contracts/arrangements/transactions
Provision of Offshore Installation for processing oil and gas from B-80 field

(c) Duration of the contracts/arrangements/transactions
5 years

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
i. Contract period of 5 years, subject to extension on mutually agreed terms
ii. Charter hire day rate of US$ 49,500 all inclusive
iii. GST extra, as applicable, on account of B-80 Consortium
iv. Fuel required for operation shall be supplied by the Operator
v. Income Tax shall be borne by Geopetrol Mauritius Ltd.

(e) Date(s) of approval by the Board, if any:
May 30, 2022

(f) Amount paid as advances, if any:
NIL

IV. (a) Name(s) of the related party and nature of relationship
Geopetrol Mauritius Limited with Geopetrol International Inc.

(b) Nature of contracts / arrangements/transactions
Interest on Loan

(c) Duration of the contracts/arrangements/transactions
1 year

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Loan for a tenure of 01 year at a rate of interest of 7% and extendable at mutual consent.

(e) Date(s) of approval by the Board, if any:
20 January 2022

(f) Amount paid as advances, if any:
NIL

For and on behalf of the Board of Directors

Vivek Rae
Chairman
DIN: 01866765

P Elango
Managing Director
DIN: 06475821

Date : 25-05-2023
Place : Chennai

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 2022-23[1]	Remuneration FY 2021-22[1]	% increase in remuneration in FY 2022-23 as compared to FY 2021-22	Ratio of remuneration to MRE excluding WTDs	Ratio of remuneration to MRE including WTDs
Mr. Vivek Rae	NE-ID	975,000	10,00,000	(3%)	1.10	1.09
Ms. Sharmila Amin	NE-ID	1,175,000	11,00,000	7%	1.32	1.31
Mr. P. K. Borthakur	NE-ID	1,350,000	12,75,000	6%	1.52	1.50
Mr. Ashok Goel	NED	-	-	-	-	-
Mr. Rohit Dhoot	NED	-	-	-	-	-
Mr. P. Elango	MD	13,944,756	1,14,74,028	^22%	15.67	15.53
Mr. R. Jeevanandam	ED & CFO	13,386,960	1,10,41,884	^21%	15.04	14.91
Ms. G. Josephin Daisy $	CS	316,390	9,83,352	(68%)	0.36	0.35
Ms. Deepika C S #	CS	296,143	-	-	0.33	0.33

* 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]

$ Resigned with effect from June 30, 2022

Appointment with effect from August 12, 2022

Note: (1) The Commission payable for FY 2021-22 and FY 2022-23 has been included.

b) The MRE excluding WTDs was ₹ 8,89,932 for FY 2022-23 as against ₹ 7,68,816 for FY 2021-22. There is a 16% increase in MRE (excluding WTDs) for FY 2022-23 as compared to FY 2021-22 and a increase of 14% in MRE (including WTDs) for FY 2022-23 as compared to FY 2021-22.

c) The number of permanent employees on the rolls of Company: 89 (including WTDs)

d) There was an increase of 7% in the overall salaries of the employees.

e) The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

	Vivek Rae	**P Elango**
Date : 25-05-2023	**Chairman**	**Managing Director**
Place : Chennai	DIN: 01866765	DIN: 06475821

Annexure - IV

Form No. MR-3

Secretarial Audit Report

for the financial year ended 31st March 2023

[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 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 2023, 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 :

- 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 2023 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;

f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - 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.

- 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

  f) The Environment (Protection) Act, 1968

- 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.

- 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.
  - As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded
  - 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 audit period.
  - a) The shareholders of the Company passed a special resolution for raising of capital under section 23, 42, 62 and 71 of the Act at the Annual General Meeting held on 28th September 2022 up to a sum of INR 250 Crores.
- 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
PR No: 1116/2021
UDIN: F005853E000373462

Place : Chennai
Date : 25-05-2023

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
PR No: 1116/2021
UDIN: F005853E000373462

Place : Chennai
Date : 25-05-2023

Annexure - V

Annual Report on CSR Activities for the Financial Year 2022-23

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

1. **Brief outline on the CSR policy of the Company:**

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 focus 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;
- Upgrade local infrastructure
- 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 are 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	4	3
2	Ms. Sharmila Amin	Non-Executive Independent Director	4	4
3	Mr. P. K. Borthakur	Non-Executive Independent Director	4	4
4	Mr. P. Elango	Managing Director	4	4

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 executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.** Impact Assessment of CSR projects is Not applicable.

5. a. **Average net profit of the company as per sub-section (5) of Section 135.**
₹ 7757.48 Lakhs

b. **Two percent of average net profit of the company as per sub-section (5) of Section 135.**
₹ 1,55,14,964

c. **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.**
NIL

d. **Amount required to be set-off for the financial year, if any.**
NIL

e. **Total CSR obligation for the financial year [(b)+(c)-(d)].**
₹ 1,55,14,964

6. a. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).**
₹ 1,54,58,336

b. **Amount spent in Administrative Overheads.**
₹ 56,628

c. **Amount spent on Impact Assessment, if applicable.**
Not Applicable

d. **Total amount spent for the Financial Year [(a)+(b)+(c)].**
₹ 1,55,14,964 (1,54,58,336+56,628+0)

e. **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
1,55,14,964	NA	NA		NA	

f. **Excess amount for set-off, if any:**

Sl.No.	Particular	Amount (₹ in Lakhs)
i.	Two percent of average net profit of the company as per sub-section (5) of Section 135	1,55,14,964
ii.	Total amount spent for the Financial Year	1,68,57,417
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	13,42,453
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)]	13,42,453

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any a fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2019-20	NA	NA	NA	NA	NA	Nil	Nil
2	2020-21	183.57	Nil	183.09	NA	NA	Nil	Nil
3	2021-22	199.80	Nil	213.21	NA	NA	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No capital assets have been created or acquired.

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

During the year ended March 31, 2023, Company has met its CSR obligations.

For and on behalf of the Board of Directors

Date : 25-05-2023	**Vivek Rae**	**P Elango**
Place : Chennai	**Chairman of CSR Committee**	**Managing Director**
	DIN: 01866765	DIN: 06475821

Management Discussion and Analysis Report

OIL AND GAS INDUSTRY OUTLOOK AND OPPORTUNITIES

Climate events over the last few decades have made it clear that the world needs a more balanced energy system. Nations need an energy mix that has lower carbon content, is secure and affordable. Experts call this the Energy Trilemma.

In 2022, the oil market continued to rebalance, with the global oil consumption increasing by 2.37%, the global oil production increased to about 100 million barrels/day.

The market witnessed a substantial increase of about 42% in the oil price during 2022, when compared with 2021 and the average brent crude price for 2022 surpassed $100/barrel. The Price reached a peak of $112 / barrel in June 2022, but later declined to US$ 79.77 / barrel in March 2023.

The current geopolitical situation is adversely impacting the global economy. The industry outlook continues to be uncertain, caused by disruption of energy markets due to the Russia-Ukraine war, inflation worries affecting the global economy and increasing interest rates.

Oxford Institute of Energy Studies(OIES) estimates that oil demand from India and China is expected to account for nearly half of global demand growth in 2023 and 2024. India's oil demand (including oil imported for refining and re-export) is set to grow from 5.2 million barrels / day (in 2022) to 5.6 million barrels /day in 2024. India continues to rely on imports to meet over 85% of its domestic demand. The Government remains focused on introducing policy initiatives to strengthen its commitment to increasing domestic production of crude oil and natural gas, thus reducing import dependance.

In a major decision, the Government accepted the recommendations of Parikh Committee and implemented the following revised gas pricing policy:

- The revised domestic natural gas pricing guidelines for gas produced from nomination fields of ONGC/OIL, New Exploration Licensing Policy (NELP) blocks, and pre-NELP blocks, where Production Sharing Contract (PSC) provides for Government approval of prices, have been announced.
- Under this price natural gas will be 10% of the Indian Crude Basket's monthly average, and it will be announced monthly.

The price shall be subject to a floor of $ 4/mmbtu and a ceiling of $6.5 / mmbtu for APM gas. This new regime will be effective from 08th April 2023.

This policy measure will benefit the oil and gas sector as it sets a reasonable floor price for all the domestically produced gas.

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. Like this, HOEC conducted an e-auction twice for B-80 gas, linking the natural gas price to the increasing brent crude price. In addition, leveraging the growing popularity of Indian Gas Exchange (IGX), HOEC sold surplus volume of B-80 gas on spot market basis ensuring continuous offtake of the growing gas production from B-80.

Global Oil Price

Crude Oil Prices (Brent) decreased from US$ 107.14 / barrel in April 2022 to US$ 79.77 / barrel in March 2023.

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 (MoP&NG), Government of India increased from US$ 6.10/MMBTU during April 2022 - September 2022 to US$ 8.57/ MMBTU during October 2022 - March 2023.

GLOBAL OIL AND GAS MARKET IN CY 2022

Rising oil and gas prices, soaring inflation levels, tightening monetary policy conditions, the Russian -Ukraine war and Covid -19 contributed to slower global economic growth in CY22. Global oil production increased by about 5%. Global oil supply chain was disrupted and realigned as Russian oil shipments were redirected from Europe to China and India, and India commenced a growing export of petroleum products to Europe. Similarly, the loss of Russian pipeline gas to the EU in 2022 equivalent to 20% of EU gas consumption in 2021, drove European gas and Asian LNG prices to record levels. This resulted in increased imported LNG prices in India, in turn triggering fuel switching in the price sensitive Indian Gas Market that witnessed reduced gas consumption.

INDIA'S ENERGY TRANSITION GOALS

At the COP-26 summit in November 2021, India pledged to achieve net-zero carbon emission by 2070. This will require consistent and substantial reduction of 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. In addition, there is a strong policy push to promote use of Electric Vehicles. 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. 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.

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 realized price & by increasing production through optimizing 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.

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 2022-23 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.

Key operational highlights are:

- Despite the challenges posed by a greenfield off shore development project, operations continued by following adequate precautions.
- In B-80, Full Offshore Systems installed, Integrated and Process plant commissioned, and gas production commenced. Commercial Gas Sales to GSPC started in June 2022 and commercial oil production commenced in December 2022. Cumulative gas production crossed 2 BCF and cumulative crude oil production crossed 200,000 barrels.
- E-auction for gas sales was successfully conducted to ensure that full gas production from B-80 is sold to consumers at market determined prices. Dirok Field has completed 5 years of successful production and is consistently producing. Our HMGPP has crossed 1844 LTI free days and we have achieved a milestone by producing more than 50 BCF of gas and 1 MMBBL of condensate. In FY 2022-23, the average field gas production is about 30.695 mmscfd. For Dirok Phase-II execution, priority was assigned to the critical forest segment of the pipeline project and construction activities commenced after securing required regulatory approvals.
- In Cambay assets, preparations are ongoing to undertake the next development campaign.

OPERATIONAL AND FINANCIAL DISCIPLINE

Our business strategy is to develop discovered resources following a fast-track model focussing on short capital cycle. All of our development projects / portfolios 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 the projects are rigorously and consistently assessed for technical and economic feasibility. We use our in-house geoscience expertise and third-party independent specialists 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. When cost does not cause value to be sacrificed in the E&P company, it is seen as an aspect to be controlled.

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

Operations Overview

1. North-Eastern Assets

I. Dirok

On a single day Dirok field and facilities delivered 1.2 MMSCMD of gas. Field crossed cumulative Condensate production milestone of 1 MMBBL in Nov 2021 and cumulative Gas production milestone of 50 BCF in May 2022.

II. Kharsang

In a major breakthrough all outstanding cost recovery related issues have been either resolved or referred to Dispute Resolution Committee paving the way for PSC extension and next phase of development

III. Umatara

Block awarded under DSF Bid Round 2019 with 33.43 Sq. Km and HOEC is holding a participating interest of 10%. Jointly operated by IOCL (as Lead operator) & HOEC.

IV. Greater Dirok

Block awarded under OALP Bid Round 2019 located in Tinsukia District of Assam and HOEC has 100% Participating Interest.

2. Offshore Assets

I. B-80

Two subsea wells drilled and are on production mode now. Cumulative gas production crossed the milestone of 2 BCF and cumulative crude oil production crossed the milestone of 200,000 BBL.

II. PY-1

Unique, gas-bearing and the offshore fractured granitic basement reservoir in India covering an area of about 75 sq.km with 100% participating interest. Only offshore platform in Cauvery Basin with 8 slots & four wells drilled.

3. Cambay Assets

I. Asjol

The Asjol Petroleum Mining License Block lies 25 km South-West of Mehsana town in Gujarat State covering area of about 15 sq.km. HOEC has 50% Participating Interest and PSC extended till 01 February 2030.

II. North Balol

North Balol block is a gas field which is located 16km west of Mehsana town, covers an area of about 27.3 Sq.km.

III. Palej

The Palej Block is located on the eastern flank of Broach depression in the Jambusar Broach tectonic block & is situated between Dabka and Gandhar fields to the north & north-west and Ankleshwar field to the south. HOEC holds a participating Interest of 35%. Small volume of Associated Natural Gas (ANG) sale commenced to achieve zero flaring.

With the completion of the 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 2022-23 was 1.04 million barrels of oil equivalent (MMBOE) (Crude oil: 0.18 million barrels; Gas: 4.59 BCF) as against 0.84 million barrels of oil equivalent (MMBOE) (Crude oil: 0.08 million barrels; Gas: 3.39 BCF) during the previous year.

Reserves

As of March 31, 2023, the in-house estimates of Proved and Probable (P+P) reserves on working interest basis for the Company were 40.64 MMBOE.

RISKS, THREATS, UNCERTAINTIES AND CONCERNS

Upstream oil and gas companies by the very nature of their business are exposed to multiple risks both at surface and subsurface levels.

A risk management case study by Institute and Faculties of Actuaries for Oil and Gas industry; prioritised the risks using a set of objective criteria.

Category	Risk	Description	Impact	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.	HOEC has not used any hedging instruments to manage its oil and gas revenue. However, HOEC continues to focus on cost optimisation to protect its margins at different price points.
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.	• HOEC carries out pre - monsoon preparations and maintains its facilities regularly to withstand normal weather variations. In addition, it carries out regular mock drills and has a robust Crisis management system in place. • Appropriate insurance coverage to protect properties are in place.

Category	Risk	Description	Impact	Mitigation
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	• 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.	• Direct resources to lower risk projects • Invest in best available technology • Ensure high standards of risk analysis before committing resources

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 production, this would have a direct impact on the Company's revenue.

The company 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, Risk 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 to revise it 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 2022-23 and reviewed the B-80 development project execution
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.
Health, Safety and Environment.	Oil and gas operations by its very nature carry a potentially high level of safety and environmental risks. Before commissioning of production installations, HOEC carries out HAZOP, HAZID, SIMOPS and Safety Integrity Level (SIL) studies to mitigate process hazards with respect to safety, environmental impact and maintains risk register and Emergency Response Plan in all operating installation. The Company has devised a comprehensive policy on Health, Safety and Environment outlining organizations commitment and approach to manage Health, Safety and Environment in the workplace.

Description of Risk	Mitigation
	The Company also complies with the guidelines of various regulatory authorities of the Central and State Governments and compliance audits are conducted. The Company commences operations only after the Environmental Impact Assessments are prepared and approvals from authorities are secured. A robust HSE management system and processes being followed in all the HOEC installations. As on 31 March 2023, Hollong Modular Gas Processing Plant achieved 1844 LTI free days since commencement of process operations at Dirok. B-80 offshore installation KGBOI has achieved 483 LTI free days. A specific Crisis Management Plan (CMP) was prepared, and Crisis Management Team (CMT) was formed to ensure safe operation in a tough offshore environment.
Exploration Geological and Reservoir Risk	Exploration is inherently a risky business, with statistically only a relatively small proportion of exploration wells resulting in commercial discovery. Systematic geo-scientific workflow is pursued by HOEC under internal technical stewardship and peer reviewed by third party experts to minimise geological 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 Recovery Risk	Numerous uncertainties are inherent in estimating crude oil and natural gas reserves. Reservoir engineering 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	Continuous engagement exists between the Company and its stakeholders, which is central to harmonious operations. 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	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.

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

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

FINANCIAL REVIEW

The revenue for the current year has increased to ₹ 38,104.82 lakhs from ₹ 13,050.47 lakhs in the previous year (standalone basis). The average price realised on sale of crude oil for current financial year is US$ 76.43/bbl and for gas is US$ 9.91 per mmbtu against US$ 75.99/bbl for crude oil and US$ 2.75 per mmbtu for gas in the previous year. The Company's production on working interest, on a standalone basis during the year is 10,39,297 boe (3,647 boepd) and for the previous year was 8,43,317 boe (2,310 boepd). Other income for the current year stands at ₹ 2,790.85 lakhs as against ₹ 1,680.41 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's Discussion & Analysis Report.

Operating Costs

During the year, the cost towards production expenses has increased to ₹ 16,951.92 lakhs compared to ₹ 2,225.18 lakhs in the previous year. Other expenses have increased to ₹ 1,759.62 lakhs from ₹ 667.62 lakhs in the previous year. The increase in expenses is mainly on account of cost towards B-80 Opex.

Finance Costs

The Company has incurred interest or finance cost during the financial year 2022-23 to the tune of ₹ 2,423.15 lakhs in addition to the finance cost on unwinding of decommissioning liability.

Net Profit/Loss

On a standalone basis, the Profit-After-Tax is ₹ 16,366.73 lakhs as against ₹ 3,582.51 lakhs in the previous year. The increase in profits is mainly due to revenue from B-80 fleet and better realization from Dirok.

Cash Flow

The Operating profit before exceptional items and tax is ₹ 16,366.73 lakhs in the current financial year against ₹ 7,019.04 lakhs in the previous year. Operating profit before the working capital changes is ₹ 20,158.47 lakhs in the current financial year and for the previous year is ₹ 8,099.21 lakhs. The exceptional item for the current year is nil and for the previous year was ₹ (3,436.53) lakhs. The net increase in cash and cash equivalents during the financial year is ₹ 12,539.58 lakhs. The effective cash and cash equivalents of the Company at the end of the financial year is ₹ 13,866.98 lakhs as against ₹ 1,327.40 lakhs in the previous year.

Ratio Analysis

The key financial ratios are as follows:

Particulars	FY 2022-23	FY 2021-22
Debtors Turnover Ratio	13.49 times	6.27 times
Inventory Turnover Ratio	10.02 times	48.91 times
Current Ratio	1.45 times	1.27 times
Debt-Equity Ratio	0.31 times	0.33 times
Interest Coverage Ratio	7.54 times	3.97 times
Operating Profit Margin	43%	54%
Change in Return on Net Worth	17%	5%

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 ₹ 13,866.98 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

The Company has capital requirements to implement its business plans and to continue the development of B-80, Dirok, PY-1and other marginal fields at Cambay in the immediate future. The Company has a successful track record of raising capital in the past and the Company will 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 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 and statutory 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. 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 a 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/wp-content/uploads/2022/08/whistle-blower.pdf* 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

Our stated business goal is to Transform through Talent and Technology. We have focussed building a world class talent in our core competent area of Exploration, Drilling and Development, while outsourcing the routine operations and maintenance with reputed Oil Field Service providers with scale, size and systems to support. HOEC provides 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. For example, 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. We value work life balance and gender diversity.

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 analyze 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 2023. 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 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 2022-23	FY 2021-22
Fatalities Accident Rate (FAR)	0	0
No. of LTIs	1	0
Days since last LTI	315	1,939
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.
- Upgrade infrastructure in local areas
- 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 2022-23, HOEC has expedited the execution of CSR projects approved by the Board for multiple Financial Years to ensure full compliance and has completed the following projects:

Board approved Projects for FY	Projects	Sector	Location
20-21	Construction of WBM & paver cement block roads in different locations at Makumpathar Gram Panchayat	Rural development	Assam
20-21	Setting up of open gym in two different locations Margherita subdivision	Rural development	Assam
20-21	Distribution of Agriculture tools to Gram Panchayats	Rural development	Assam, Tamilnadu
21-22	Construction of Paver cement block roads in Kamarapatty Gram Panchayat	Rural development	Assam
21-22	Installation of 50 No's of solar streetlamp in Margherita subdivision	Rural development	Assam
22-23	Construction of paver cement block roads in different locations at Makumpathar Gram Panchayat	Rural development	Assam

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's Discussion and Analysis Report:

(a) previous year figures have been re-grouped to conform to the current year presentation; and

(b) figures have been rounded off.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L11100GJ1996PLC029880
2	**Name of the Listed Entity**	Hindustan Oil Exploration Company Limited
3	**Year of incorporation**	22 September, 1983
4	**Registered office address**	Tandalja Road, Off Old Padra Road, Baroda, Gujarat - 390 020
5	**Corporate address**	Lakshmi Chambers, 192, St. Mary's Road, Alwarpet, Chennai - 600 018
6	**E-mail**	hoecshare@hoec.com
7	**Telephone**	044-6622 9000
8	**Website**	www.hoec.com
9	**Financial year for which reporting is being done**	April 01, 2022 to March 31, 2023
10	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited National Stock Exchange of India Limited
11	**Paid-up Capital**	₹ 13,225.93 lakhs
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	G. Janakiraman Head - HSE & CSR 044-6622 9000 gjanakiraman@hoec.com
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Standalone basis

II. Products / services

14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Mining and Quarrying	Extraction of Crude petroleum and Natural gas	100

15. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of total contributed Turnover
1	Off-shore extraction of petroleum	11101	-
2	On-shore extraction of petroleum	11102	10%
3	Off-shore extraction of natural gas	11103	33%
4	On-shore extraction of natural gas	11104	57%

III. Operations

16. Number of locations where plants and / or operations / offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	9	3	12
International	-	-	-

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	4
International (No. of Countries)	-

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

The Company's products are sold to industrial buyers/customers only.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	89	84	94.38	5	5.62
2.	Other than Permanent (E)	186	186	100	0	0
3.	Total employees (D + E)	275	270	94.38	5	5.62
	WORKERS					
4.	Permanent (F)	NIL				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	NIL				
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)					
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	NIL				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.28%
Key ManagementPersonnel	3	1	33.33%

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	34%	11.6%	12.6%	26.7%	13.5%	6.5%	25%	8%
Permanent Workers	NIL								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Responsibility initiatives of the listed entity? (Yes/No)
1	Hindage Oilfield Services Limited	Subsidiary	100%	No
2	Geopetrol International Inc	Subsidiary	100%	No
3	Geopetrol Mauritius Limited	Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) 3,810,481,536.00

(iii) Net worth (in ₹) 9,296,639,848.00

VII. Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes Grievances can be heard through public hearing	-	-	-	-	-	-
Investors (other than shareholders)	Yes Through Email	-	-	-	-	-	-
Shareholders	Yes Through investor calls / emails	-	-	-	-	-	-
Employees and workers	Yes Email to HR Manager and through Whistle Blower Mechanism	-	-	-	-	-	-
Customers	Yes Through Emails and Whistle Blower mechanism	-	-	-	-	-	-
Value Chain Partners	Yes Through Emails and Whistle Blower mechanism	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Hazardous waste generated during the production in the form of effluents	Environmental Risk	Nature of the effluent which may pollute the environment	i. The effluent are treated to minimise the impact as per Central Pollution Control Board guidelines.	It may pose negative implications if the hazardous waste, is not treated and handled properly.
				ii. Effluent sample are analysed through 3rd party authorised agency.	
				iii. Approval from pollution control board are obtained for handling the waste.	

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S.No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1. a.	**Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b.	**Has the policy been approved by the Board? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c.	**Web Link of the Policies, if available**	Policies of the Company are available at the following links: - *https://www.hoec.com/grow-with-us/policies/* - *https://www.hoec.com/growingresponsibly/csr/* - *https://www.hoec.com/hse-policies-reports-disclosures/* - *https://www.hoec.com/growing-responsibly/sustainability/* Policies on HR are available on the Company's intranet.								
2.	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	**Do the enlisted policies extend to your value chain partners? (Yes / No)**	No	No	No	No	No	No	No	No	No
4.	**Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	NA	NA	NA	NA	NA	NA	NA	NA	NA
6.	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	NA	NA	NA	NA	NA	NA	NA	NA	NA

S.No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to the Management Discussion Analysis Report for our management approach and commitments.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name : G. Janakiraman Designation : Head - HSE Telephone No. : 044-66229000 E-mail ID: gjanakiraman@hoec.com								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Corporate Social Responsibility Committee of the Board of Directors is responsible for implementation of BR policies and for decision making on sustainability related issues. The members of the 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

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any compliances	Committee									Annually								

S.No.		P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	No	No	No	No	No	No	No	No	No

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact programmes	%age of persons in respective category covered by awareness
Board of Directors	01	09	100
Key Managerial Personnel	01	09	100
Employees other than BoD and KMPs	01	09	59
Workers	-	-	-

2. **Details of fines / penalties / punishment / award/ compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format.**

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine					
Settlement	NIL				
Compounding fee					

Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
-	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, our company has a well-defined policy on Anti-Bribery and Anti-Corruption. It is our primary responsibility to conduct all of our business in an honest and ethical manner and take a zero-tolerance approach to bribery and corruption. The policy is available on our website at *https://www.hoec.com/wp-content/uploads/2023/03/anti-bribery-and-anti-corruption-policy.pdf*

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial year)	FY 2021-22 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of Complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

₹ in Lakhs

	FY 2022-23 (Current Financial year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   No

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   All forms of waste, hazardous or otherwise, that are generated by the company's operating assets are recorded based on type, quantity, method of storage and disposal location. Each container used for the disposal of hazardous and solid wastes on-site is labelled appropriately. All onsite wastes are stored in appropriate separate containers based on the type of waste. HOEC has also laid special emphasis on the 'Reduce, Reuse and Recycle' policy as part of its operations. An annual Return for the generated waste is filed and submitted by June 30th to the relevant State Pollution Control Board for the preceding period from April to March. An annual Environmental Statement is also submitted to the relevant State Pollution Control Board.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

   If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Extended Producer Responsibility (EPR) is not applicable to the entity's activities.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. **a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)2
Permanent employees											
Male	84	84	100	84	100	-	-	-	-	-	-
Female	5	5	100	5	100	5	100	-	-	-	-
Total	89	89	100	89	100	5	100	-	-	-	-
Other than Permanent employees											
Male	186	186	100	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	186	186	100	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	% of employees covered by											
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)2
Permanent employees											
Male	NA										
Female											
Total											
Other than Permanent employees											
Male	NA										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	285	-	Y	285	-	Y
Gratuity	255	-	Y	255	-	Y
ESI	-	-	-	-	-	-
Others - please specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Offices are accessible to disabled personnel with functional elevators and ramps for wheelchairs.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. The entity has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.

The policy is available on our website, at *https://www.hoec.com/growing-responsibly/sustainability/*

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	-
Other than Permanent Workers	-
Permanent Employees	The complaints are received through the Asset Manager or HR at corporate office and resolved in consultation with the aggrieved / reporting manager & Management as necessary
Other than Permanent Employees	The complaints are received through the Asset Manager or HR at corporate office and resolved in consultation with the aggrieved / reporting manager & Management as necessary

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (c)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NIL					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. **Details of training given to employees and workers:**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (c)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	210	150	71.4	60	28.5	187	120	64.1	67	35.8
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	210	150	71.4	60	28.5	187	120	64.1	67	35.8
Workers										
Male	-NA-									
Female										
Total										

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	84	78	93	-	-	-
Female	5	5	100	-	-	-
Total	89	83	93	-	-	-
Workers						
Male	NA					
Female						
Total						

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, health and safety management system has been implemented. The safety management system of the company defines a series of policies and procedures organization uses to reduce accidents and illnesses in the workplace at all the operational Block. The system includes a systematic approach to managing safety, including organizational structures, accountabilities, policies, and procedures.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Risk Assessment process is used to identify, evaluate and reduce the likelihood of any hazard related to design and operation of facilities and to ensure that appropriate measures, to minimise the consequences of such hazards, are implemented.

c. **Whether you have processes for employees / workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

   Yes

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

   Yes

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.01	0.00
	Workers	-	-
Total recordable work-related injuries	Employees	0.00	0.01
	Workers	-	-
No. of fatalities	Employees	0	0
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Risk assessment studies are conducted for critical activities and safe operation procedures are developed for controlling identified hazards.
- HOEC has a robust Emergency Response Plan (ERP) for production operations.
- 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, Life saving appliances are provided to site personnel.
- Performing comprehensive internal site audits on HSE compliance during major operational activities, such as drilling, development and production.

13. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	85%
Working Conditions	85%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Additional lightings provided to illuminate the process area, the frequency of pest control practices increased, defective and worn-out parts of critical equipment are replaced, periodical preventive maintenance carried out to prevent incident related to process equipment etc.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

As per the Company, the stakeholders are the people who are affected by its work, who have influence or power over it, or have an interest in its successful or unsuccessful conclusion. Accordingly, the Company has identified its key stakeholder groups as

- Joint venture partners
- Local community
- Employees
- Shareholders
- Central and State Government
- Regulatory authorities

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
JV partners	Yes	Emails & Meetings	Need basis	Business matter
Local community	Yes	Community Meetings	Need basis	For expression of interest / opinion
Employees	Yes	Meetings & Emails	Quarterly	Organisation update
Shareholders	Yes	Meetings (Concall)	Quarterly	Business update
Central and State Government	Yes	Meetings & Emails	Need basis	Regulatory requirements
Regulatory authorities	Yes	Meetings & Emails	Need basis	Regulatory requirements

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	89	53	59	0	0	0
Other than permanent	0	0	0	0	0	0
Total Employees	89	53	59	0	0	0
Workers						
Permanent	NA					
Other than permanent						
Total Workers						

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	89	-	-	89	100	94	-	-	94	100
Male	84	-	-	84	100	87	-	-	87	100
Female	5	-	-	5	100	7	-	-	7	100
Other than Permanent	186	-	-	186	100	186	-	-	186	100
Male	186	-	-	186	100	186	-	-	186	100
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	NA									
Male										
Female										
Other than Permanent										
Male										
Female										

2. **Details of remuneration / salary / wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	-	-	-	-
Key Managerial Personnel	2	13,386,960	1	464,832
Permanent Employees other than BoD and KMP	82	883,164	4	920,352
Workers	-	-	-	-

4. **Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Any complaint is addressed by the HR, Asset Manager after discussing with the aggrieved as necessary.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil			Nil		
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   Processes recommended by the Internal Complaints Committee are followed to prevent any adverse consequences.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   No.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others - please specify	-

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    Not applicable.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. **Details of total energy consumption (in GJ) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	31878.38	9592.92
Total fuel consumption (B)	49505.38	76610.24
Energy consumption through other sources (C)	3099.35	3667.46
Total energy consumption (A+B+C)	84483.11	89870.62
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	2.22	6.89

No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not applicable.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1387	1264
(iii) Third party water	0	0
(iv) Seawater / desalinated water	3042.3	3650
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4429.3	4914
Total volume of water consumption (in kilolitres)	4429.3	4914
Water intensity per rupee of turnover (Water consumed / turnover)	0.00	0.00001

No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   There is no mechanism for zero liquid discharge in the entity.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
NOx	mg/Nm^3	10,740.5	9,964.9
SOx	mg/Nm^3	13	14.7
Particulate matter (PM) (PM 2.5 / PM 10)	mg/Nm^3	54.5 / 83.1	47.4/ 79.7
Persistent organic pollutants (POP)	N/A	Nil	Nil
Volatile organic compounds (VOC)	µg/m3	BDL- Below Detectable Limit	BDL- Below Detectable Limit
Hazardous Air Pollutants (HAP)	µg/m3	Nil	Nil
Others - please specify		Nil	Nil

No independent assessment / evaluation / assurance has been carried out by an external agency.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Please specify unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent per year	648	2956.5
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent per year	Fuel gas: 4.3 million Metric Tonnes Flared Gas: 2.26 million Metric Tonnes	Fuel gas: NIL Flared Gas: NIL
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.0000002 MT CO2 / Year Fuel gas: 0.0000000011 million Metric Tonnes Flared Gas: 0.0000000006 million Metric Tonnes	0.0000023 MT CO2 / Year

No independent assessment / evaluation / assurance has been carried out by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

HOEC is committed to preserving the nature and environment of its operating area. The company has initiated efforts towards NET ZERO and GHG emission reduction area. Under this Policy, the following commitments were made:

(a) Accounting for Green House Gases every Financial Year and declaring the same;

(b) Working towards reducing Green House Gases on a year-on-year basis;

(c) Delivering Dirok Gas with low GHG emissions to consumers; and

(d) Achieving Net Zero Emission and sustaining the same.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.51	0.52
E-waste (B)	0.03	0.02
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	5.78	6.39
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)	**6.32**	**6.93**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1.59	1.21
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**1.59**	**1.21**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Land filling	4.19	2.23
(iii) Other disposal operations	0	0
Total	**4.19**	**2.23**

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

- All items of hazardous waste are be recycled or disposed off-site by hazardous waste contractor.
- All hazardous wastes will be shipped off-site for treatment, disposal and recycling to a legally permitted facility using a qualified hazardous waste contractor and licensed hazardous wasted transporter.
- Authorization obtained from pollution control board for generation, storage and disposal of hazardous waste.
- Containers holding hazardous wastes must be labelled to identify accurately the contents as "hazardous waste", the date since the waste was accumulated and the type of hazard the material presents. The container must be compatible with the type of wastes it contains, and the container must be of a type that is suitable for transporting the wastes.
- Personnel working with and / or around hazardous materials and hazardous wastes are made aware of the hazards to which they are exposed, and the precaution required to protect themselves. This will be accomplished in accordance with the Provision of Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016.

10. **If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Dirok site of Assam Block	Operation of wells and Gas Gathering and Gas processing	Yes, the conditions of environmental approval / clearance are being complied with.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Drilling of infill and development wells in Mehsana district of Cambay Block	EIA Notification 2006	December 01, 2020	EIA study conducted by independent agency	Yes	https://parivesh.nic.in/

12. **Is the entity compliant with the applicable environmental law/ regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).**

The Company is compliant with all applicable environmental law/ regulations/ guidelines in India.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Association of Oil and Gas Operators	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	Nil	

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Nil						

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Public hearing is a process in the environmental clearance process in which stakeholders can interact directly about the concerns regarding an upcoming project. In this way people can express their objections and opinions and offer suggestions on a proposed undertaking in order to influence the decision-making process. Public participation may benefit both the proponent and affected community, whereas if ignored it may lead to conflicts and problems for project implementation, acceptability and sustainability.

   For project proponent, public hearing is a forum to inform the entire community of the outcome of the Environmental Assessment of proposed project, to verify the EIA findings in relation to ground reality and confirm that stakeholders have been adequately consulted and have been part of the decision-making processes.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs / small producers	-	-
Sourced directly from within the district and neighbouring districts	-	-

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumers can raise their complaints or feedback to the Company's mail ID *contact@hoec.com*.

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100 %
Recycling and / or safe disposal	100 %

3. Number of consumer complaints in respect of the following:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy		Nil			Nil	
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. **Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   The cyber security and data protection policy of the Company is available on our website at *https://www.hoec.com/wp-content/uploads/2023/03/cyber-security-and-data-protection-policy.pdf*

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable.

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 the 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, strict 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 an 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 the 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 plans, operating plans, 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 cyber security
- 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
- Policy on Sustainability
- Anti-Corruption Guideline

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, 2023, 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-directors1/*

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, 2023 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 the 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/independent-directors1/*

During the year, a meeting of the Independent Directors was held on February 13, 2023. 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 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, 2023

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	Nil	3	Nil	1	50,45,879
Mr. Ramasamy Jeevanandam	02.02.2015	Executive Director & Chief Financial Officer	Nil	3	Nil	1	49,92,124

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 Sutlej 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, Eleven (11) Board meetings were held and the intervening gap between the meetings did not exceed one hundred and twenty days. 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 attended	No. of Meetings attend	Attendance at last AGM 28-Sep-22
	14 Apr 2022	18 Apr 2022	14 May 2022	30 May 2022	12 Aug 2022	23 Aug 2022	30 Aug 2022	09 Nov 2022	15 Nov 2022	24 Nov 2022	13 Feb 2023			
	1	2	3	4	5	6	7	8	9	10	11			Yes/No
Mr. Vivek Rae	*Yes	*Yes	*Yes	*Yes	No	Yes	*Yes	*Yes	*Yes	*Yes	*Yes	11	10	Yes
Ms. Sharmila Amin	*Yes	*Yes	No	*Yes	Yes	Yes	*Yes	*Yes	*Yes	*Yes	*Yes	11	10	Yes
Mr. P. K. Borthakur	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	*Yes	11	11	No
Mr. Ashok Goel	*Yes	No	*Yes	*Yes	*Yes	Yes	*Yes	*Yes	*Yes	No	*Yes	11	9	Yes
Mr. Rohit Dhoot	*Yes	*Yes	*Yes	*Yes	*Yes	Yes	*Yes	*Yes	*Yes	*Yes	*Yes	11	11	Yes
Mr. P. Elango	*Yes	*Yes	*Yes	Yes	Yes	Yes	*Yes	Yes	Yes	Yes	Yes	11	11	Yes
Mr. R. Jeevanandam	*Yes	*Yes	*Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	11	11	Yes
Total strength	7	7	7	7	7	7	7	7	7	7	7			
Director's present	7	6	6	7	6	7	7	7	7	6	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/policies/* 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 from the end of every quarter and until 48 hours of declaration of quarterly 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, 2023, 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, 2022.

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. 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.
- To review and monitor the compliances with regard to the company's code on Insider Trading.

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/wp-content/uploads/2022/08/whistle-blower.pdf* 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, 2023, the Nomination and Remuneration Committee comprised Ms. Sharmila Amin as Chairperson, Mr. Vivek Rae, Mr. Pronip Kumar Borthakur and Mr. Ashok Kumar Goel as Members.

During the year under review, two (2) 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, 2022.

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, 2023, 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. 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 CS
Company Secretary & Compliance Officer,
Hindustan Oil Exploration Company Limited,
'Lakshmi Chambers', 192, St. Mary's Road,
Alwarpet, Chennai-600 018, Tamil Nadu
Tel: +91 (044) 66229000 ; E-mail: *hoecshare@hoec.com*

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, 2023
Received from Investors	5	5	-
Received from NSDL / CDSL	-	-	-
Referred by SEBI	-	-	-
Referred by Stock Exchange(s)	1	1	-
RBI / Govt. Authorities	-	-	-
Total	**6**	**6**	**-**

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, 2023, 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, four 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/wp-content/uploads/2021/02/csr-policy-version-1-dated-8th-feb-2021.pdf*

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 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	2	4	4	2
Date of meetings	18-Apr-22 30-May-22 12-Aug-22 26-Sep-22 09-Nov-22 13-Feb-23	12-Aug-22 13-Feb-23	30-May-22 12-Aug-22 09-Nov-22 13-Feb-23	30-May-22 12-Aug-22 09-Nov-22 13-Feb-23	10-Sep-22 06-Mar-23

(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	-	1	-	3	-
Ms. Sharmila Amin	6	2	-	4	-
Mr. P. K. Borthakur	6	2	4	4	2
Mr. Ashok Goel	-	2	-	-	-
Mr. Rohit Dhoot	6	-	-	-	-
Mr. P. Elango	-	-	4	4	1
Mr. R. Jeevanandam	-	-	4	-	2

Note: 1. All Committee meetings in FY2022-23 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 13, 2023 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, 2023

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 ₹)
	Salary	Contribution to Provident Fund & Superannuation	Other allowances/ perquisites (Refer Note 1 below)	Total (A)	Bonus / Variable Pay	Total (B)	Remuneration (Refer Note 2 below)
Mr. P. Elango	62,77,500	753,300	76,67,256	1,46,98,056	-	-	1,46,98,056
Mr. R. Jeevanandam	60,26,400	723,168	73,60,560	1,41,10,128	-	-	1,41,10,128

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, 2023 is as follows:

Name of Director	Sitting Fees (in ₹)	Commission (in ₹)
Mr. Vivek Rae	3,75,000	6,00,000
Ms. Sharmila Amin	5,75,000	6,00,000
Mr. Pronip Kumar Borthakur	7,50,000	6,00,000
Mr. Ashok Kumar Goel	-	-
Mr. Rohit Rajgopal Dhoot	-	-

Service contracts, notice period, severance fees of Executive Directors

Particulars	Pandarinathan 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	• 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 expeses, in actuals. • Car with driver, fuel and maintenance.	• 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 expeses, 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
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.
2021-22		28.09.2022	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 September 30, 2020:

- Re-appointment of Ms. Sharmila Amin as an Independent Director
- Re-appointment of Mr. Pronip Kumar Borthakur as an Independent Director

ii) At the Annual General Meeting held on September 28, 2021: NIL

iii) At the Annual General Meeting held on September 28, 2022:

- To consider fixing of borrowing limits for the Company
- To consider and approve for Creation of charges
- To approve to raise Capital

c) Resolution passed through postal ballot:

There were no resolutions passed through postal ballot during the year 2022-23.

The business proposed to be transacted in the 39th AGM, requiring passing of resolution through Postal Ballot, are transacted at the general meeting with the facility to vote by electronic means.

No Extra-Ordinary General Meetings of the members held during the financial year 2022-23.

5. MATERIAL SUBSIDIARY

Geopetrol International Inc. (wholly owned subsidiary) contributes 18.81% of the consolidated income and 6.47% of the consolidated net worth of the Company as on March 31, 2023. Further, Hindage Oilfield Services Limited (wholly owned subsidiary) contributes 13.01% of the consolidated income and 0.45% of the consolidated net worth of the Company as on March 31, 2023.

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 subsidiaries 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/earnings-call05/*

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/grow-with-us/stock-exchange-disclosures-2/*

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) a web-based application designed by NSE for Corporates. The Shareholding pattern, Corporate Governance Report and other announcements are also filed electronically on NEAPS.

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 39th AGM

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

c) Dividend Payment Date: Board has not recommended dividend for the FY 2022-23

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*

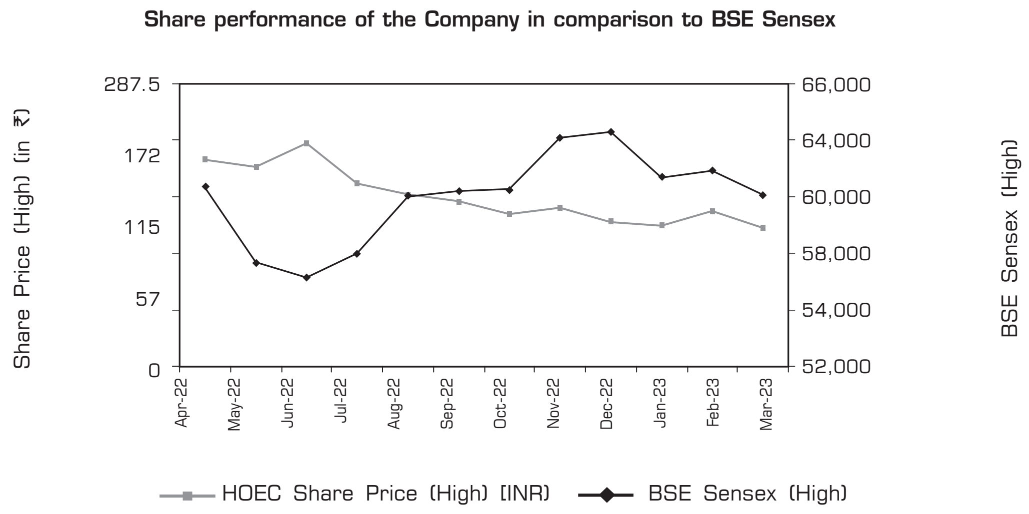
Service Branch: B-102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota,
Vadodara - 390020, Gujarat
Tel: 0265-2356573, 2356794 ; Fax: 0265-2356791
E-mail id: *vadodara@linkintime.co.in*

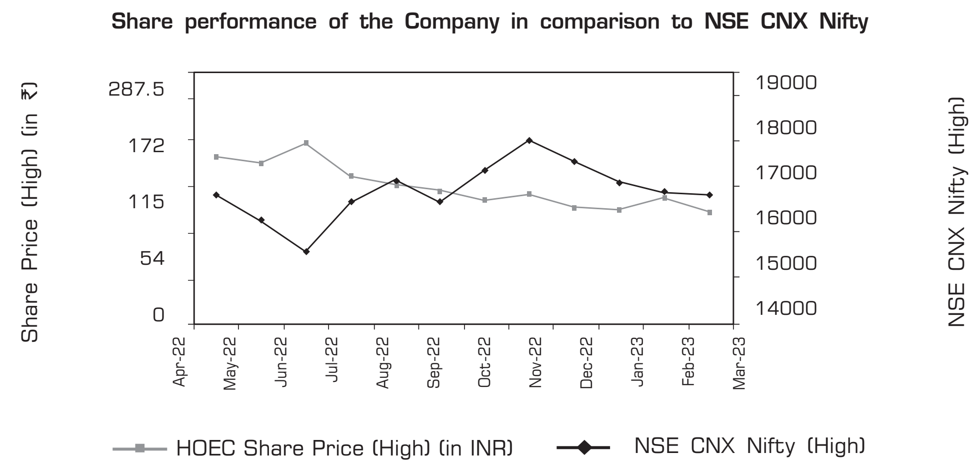
h) Stock market data:

The monthly high and low prices, as well as the volume of shares traded at BSE and NSE for FY 2022-23 are provided as follows:

2022-23 Month	BSE				NSE			
	HOEC Share price (in ₹)			Number of shares traded	HOEC Share price (in ₹)			Number of shares traded
	High	Low	Close		High	Low	Close	
Apr-22	209.8	170.7	202.25	24,35,538	209.9	170.5	202.65	2,19,52,834
May-22	202.7	146.75	177.8	22,57,068	202.15	146.25	177.85	1,37,64,101
Jun-22	226.45	166.45	186.9	45,06,719	226.6	166.25	186.9	4,85,58,974
Jul-22	185.85	162	174.6	13,76,554	185.35	161.9	174.5	1,09,76,532
Aug-22	175	158	163.45	8,72,865	175.05	155.1	163.6	92,46,150
Sep-22	168	125.7	133.2	14,96,148	168	126.05	133.05	1,18,28,943
Oct-22	155	133.65	138	11,46,525	155	133.6	138.35	1,11,56,770
Nov-22	161.4	136.7	143.6	12,10,009	162.5	136.75	143.5	1,14,94,769
Dec-22	146.95	127	137.4	7,67,701	146.7	127	137.35	65,33,441
Jan-23	143.15	129.05	130.15	6,41,940	143.3	129	130.1	45,84,516
Feb-23	158.2	127.25	138.35	9,94,666	158.35	127.85	138.3	1,21,74,423
Mar-23	141.1	115.9	120.1	8,48,001	141.3	115.75	120.2	76,55,649

i) Share Price Chart (BSE)





j) De-materialisation of shares and liquidity

The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2023 is as given below:

Particulars	Physical Segment	Demat Segment		Total
		NSDL	CDSL	
No. of Shares	8,77,829	10,01,90,306	3,11,75,154	13,22,43,289
Percentage	0.67	75.72	23.56	99.95

k) Distribution of Shareholding as on March 31, 2023

Distribution of Shares	Number of Shareholders	Percentage of total shareholders	Shares	Percentage of Total Share Capital
1-500	67,980	85.92	81,18,744	6.14
501-1000	5,159	6.52	40,56,150	3.07
1001-2000	2,745	3.47	41,03,975	3.10
2001-3000	1,008	1.27	25,53,357	1.93
3001-4000	484	0.61	17,25,265	1.30
4001-5000	408	0.52	19,28,194	1.46
5001-10000	671	0.85	49,57,350	3.75
10001 & above	668	0.84	10,48,00,254	79.25
Total	**79,123**	**100**	**13,22,43,289**	**100**

l) Shareholding Pattern as on March 31, 2023

Category of Shareholders	No. of Shares held	% of Total Shares
Central Government / State Government(s)	31,958	0.02
Mutual Funds	36,31,808	2.75
Foreign Portfolio Investors	7,90,773	0.60
Financial Institutions / Banks	2,160	0.00
Indian Public - individuals	5,05,97,712	38.26
NBFCs registered with RBI	26,575	0.02
Bodies Corporate	4,01,65,245	30.37
IEPF	7,43,170	0.55
Non-Resident Indian (NRI)	19,63,670	1.48
HUF	25,03,855	1.89
Foreign Company	5,745	0.00
Foreign Inst. Investor	24,931	0.02
Directors & KMP	3,15,37,188	23.85
Office Bearers	36,665	0.03
Alternate Investment Funds	80,000	0.06
Others	1,01,834	0.10
Total	**13,22,43,289**	**100**

m) Statement showing shareholding of more than 1% of the Capital as on March 31, 2023

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	84,63,850	6.40
3.	Lci Estates Llp	81,00,000	6.12
4.	Dhoot Industrial Finance Ltd	61,98,431	4.69
5.	P Elango	50,45,879	3.81
6.	Poddar Pigments Limited	50,00,000	3.78
7.	Ramasamy Jeevanandam	49,92,124	3.77
8.	Vijai Shree Private Limited	46,16,270	3.49
9.	Rohit Rajgopal Dhoot (2)	30,34,107	2.29
10.	Hitesh Satishchandra Doshi	25,48,981	1.93
11.	Gks Logistics Private Limited	23,00,000	1.74
12.	Kotak Small Cap Fund	15,65,238	1.18
13.	Kusum Poddar	14,50,000	1.10

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 30 days from the date of receipt, in demat mode and the 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, 2023, 13,13,65,460 equity shares representing 99.28% of total equity shares are dematerialized.

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 wih 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-information05/*

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) Credit Rating

Rating Agency	Facilities	Amount (₹ Crores)	Rating / Outlook
India Ratings & Research Private Limited	Bank Loan	500.00	IND A/Stable/ IND A1

r) 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, 2023 are summarized as follows:

i) PY-1 Offshore Production facility
SUN Platform, Offshore Cauvery Basin
Block PY-1, Tamil Nadu, India.

ii) PY-1 Gas Processing Plant
Pillaiperumalnallur, Thirukadaiyur, Nagapattinam Dist.
Tamil Nadu - 609 311, India.

iii) Palej Production Facility (PPF)
Block-CB-ON-7, Near Palej, Village Makan,
Vadodara Dist., Gujarat - 392 220, India.

iv) North Balol Gas Collection Station (GCS)
Block North Balol, Near Village Palaj, Mehsana Dist.,
Gujarat - 384 410, India.

v) Asjol Early Production System (EPS)
Block Asjol, Village Katosan, Mehsana Dist.,
Gujarat - 384 430, India.

vi) Dirok Gas Gathering Station (GGS)
HOEC Gas Gathering Station, Near Tongline,
Dirok Tea Estate, P. O. Margherita,
Tinsukia Dist., Assam - 786181, India.

vii) Hollong Modular Gas Processig Plant (H-MGPP)
Augbandha Village, Near Dehing TE, Margherita,
P. O. Makum Pathar,
Tinsukia Dist., Assam - 786187, India

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

s) **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. 46 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.

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 been 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 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, 2023
Audit fee	33.67
Tax audit fee	2.36
Total	**36.03**

o) Participation and voting at 39th AGM

Pursuant to the circulars issued by the Ministry of Corporate Affairs and SEBI, the 39th 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 39th AGM.

For and on behalf of the Board of Directors

Vivek Rae
Chairman
DIN: 01866765

P. Elango
Managing Director
DIN: 06475821

Date : 25-05-2023
Place : Chennai

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 documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **HINDUSTAN OIL EXPLORATION COMPANY LIMITED (CIN: L11100GJ1996PLC029880) ("the Company")**, for the financial year ended on March 31, 2023, 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, explanations and 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 in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended March 31, 2023.

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
C P No.: 5987; FCS No.: 5853
PR : 1116/2021
UDIN: F005853E000373638

Date : 25-05-2023
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, 2023.

For and on behalf of the Board

P. Elango
Managing Director
DIN: 06475821

Date : 25-05-2023
Place: Chennai

MD & CFO CERTIFICATE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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, 2023 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.

	P. Elango	**R.Jeevanandam**
	Managing Director	**Executive Director & CFO**
Date : 25-05-2023	DIN: 06475821	DIN: 07046442
Place : Chennai		

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)
Tandalja Road, Off Old Padra Road,
Vadodara, Gujarat 390 020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hindustan Oil Exploration Company Limited** having **CIN : L11100GJ1996PLC029880** and having registered office at Tandalja 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, 2023 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 BORTHAKUR	06417854	15/06/2016
4	ASHOK KUMAR 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 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

S.Sandeep
Managing Partner
C P No.: 5987; FCS No.: 5853
PR : 1116/2021
UDIN: F005853E000373517

Date : 25-05-2023
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, 2023, 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 and 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 March 31, 2023, 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 (SAs) specified under Section 143(10) of the Act. 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 their 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	**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** Oil and Gas assets included in Property, Plant and equipment (PP&E) and Capital Work in progress of the Company aggregate ₹ 80,800 lakhs and Loans and advances given to its subsidiary companies which have Oil and Gas assets aggregate ₹ 22,437 lakhs.	**Principal audit procedures performed:** 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: a) We tested the effectiveness of internal controls over the Company's process in estimating the oil and gas reserves, the completeness and accuracy

<table>
<tr><th>S.No</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td></td><td>Recoverability of such Oil and Gas assets has been identified as a key audit matter due to:
• 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.
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.</td><td>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.
b) We obtained the impairment workings prepared by the Company and performed the following procedures:
(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) 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) 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.</td></tr>
<tr><td>2</td><td>Measurement of provision for decommissioning, dismantling, removal and restoration ("DDRR")
The provision outstanding for DDRR of the Company amounts to ₹ 13,615 Lakhs. The estimation of DDRR provision, involves significant degree of judgement and uncertainty in estimation.
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.</td><td>Principal audit procedures performed:
Our procedures relating to testing the measurement of the provision for DDRR included the following, among others:
(i) 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) Obtained the calculation of the DDRR provision prepared by the Company and performed the following procedures:
• Obtained and evaluated the report received by the Company 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.</td></tr>
</table>

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 Board's Report, Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report, but does not include the financial statements and our auditor's report thereon. The Board's Report, Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report are expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and will 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, Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability 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.

Responsibilities of Management and those Charged with Governance 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 through out 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 with reference to standalone financial statements 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) Management had performed year end physical verification of inventory of crude oil at offshore location. However, we were not able to physically observe the verification of the inventory that was carried out by the Management due to practical and safety considerations. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidance provided in SA 501 "Audit evidence - Specific consideration for selected items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements. Our report on the financial statements is not modified in respect of this matter.

c) 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 ₹ 672 Lakhs as at March 31, 2023 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act

    f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements.

    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. Refer Note 47 to the 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 note 61 to the standalone financial statements, 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 note 62 to the standalone financial statements, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) 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.

VI. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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)

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN:23213649BGVBYN8302)

Place : Hyderabad
Date : May 25, 2023
MM/JM/2023/24

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 with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Hindustan Oil Exploration Company Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 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 with reference to standalone financial statements 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 with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements 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: 23213649BGVBYN8302)

Place : Hyderabad
Date : May 25, 2023
MM/JM/2023/24

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) 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 Asset.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 included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings 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 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 March 31, 2023 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, trade receivables, trade payables, sales and other 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 not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability partnerships or any other parties during the year.The details of such loans provided during the previous year and outstanding as at March 31, 2023 are given below:

Particulars	Loan Balance outstanding as at March 31, 2023
- Subsidiaries	₹ 22,437 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 except the following:

Name of the entity	Nature	Interest Accrued as at March 31, 2023 (₹ Lakhs)	Remarks, if any
Geopetrol International Inc. (Wholly Owned Subsidiary of the Company)	Interest on Loan	1,487	Terms of payment of interest is not stipulated in the agreement and hence we are unable to comment on the regularity of the payment of interest The Interest accrued is unpaid as at March 31, 2023.
Hindage Oilfield Services Limited (Wholly Owned Subsidiary of the Company)	Interest on Loan	1,170	Interest is payable on a monthly basis.The interest accrued is unpaid as at March 31, 2023.

d) In respect of loans granted by the Company, an amount of ₹ 882 lakhs pertaining to interest with respect to one subsidiary is overdue for more than 90 days as at March 31, 2023. In respect of loan granted to another subsidiary where the payment terms of interest is not stipulated an amount of ₹ 1,487 lakhs is overdue, as explained to us, the Management has taken reasonable steps for recovery of the interest.

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 the subsidiary 'Geopetrol International Inc. amounting to ₹ 10,894 lakhs (49% 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 3(iii)(f) is not applicable.

(iv) 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 providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of clause 3(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) In respect of statutory dues:

(a) Undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Goods and Service Tax, Value Added Tax, Custom duty, cess and other material statutory dues applicable to the Company have been generally regularly deposited by it with the appropriate authorities though there have been few delays in respect of remittances of Goods and Service Tax, Value Added Tax and Tax deducted at Source. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Goods and Service Tax, Value Added Tax, Custom duty, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of dues of Service Tax which have not been deposited as on March 31, 2023 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 Demanded (₹ in lakhs)	Amount Unpaid (₹ in lakhs)
Finance Act, 1994	Service Tax	CESTAT, Chennai	April 2006 to November 2007	14.74	14.74
			October 2007 to March 2011*	146.46	146.46
			April 2020 to March 2015	24,283.25	24,283.25

(*) Net of ₹ 7.70 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 3(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 3(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 3(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 draft of the internal audit reports where issued after the balance sheet date covering the period April 01, 2022 to March 31, 2023 for the period under audit.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(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 3(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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) and (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:23213649BGVBYN8302)

Place : Hyderabad
Date : May 25, 2023
MM/JM/2023/24

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non-current assets			
Property, plant & equipment			
a) Oil and gas assets	4	78,139.20	27,585.52
b) Others	4	338.27	337.49
Capital work-in-progress	5	2,660.62	51,135.73
Investment property	6	292.24	307.16
Intangible assets - Exploration	7	985.55	970.52
Intangible assets - Others	7	-	-
Financial assets			
Loan to subsidiaries	8	-	5,687.50
Investments in subsidiaries	9	5,945.83	5,945.83
Deposits under site restoration fund	10	7,458.06	6,948.01
Other bank balances	11	108.97	-
Other financial assets	12	-	-
Income tax assets (net)	13	137.18	64.20
Deferred tax asset (net)	14	-	-
Other non-current assets	15	7.78	20.90
Total non-current assets		**96,073.70**	**99,002.86**
2 Current assets			
Inventories	16	7,825.22	570.94
Financial assets			
Investments	17	11,470.90	33.56
Trade receivables	18	4,287.86	1,360.14
Cash and cash equivalents	19	2,396.08	1,293.84
Other bank balances	20	3,350.70	3,249.74
Loan to subsidiaries	21	22,436.60	17,356.94
Other financial assets	22	9,014.03	4,562.54
Other current assets	23	246.52	103.81
Total current assets		**61,027.91**	**28,531.51**
TOTAL ASSETS		**1,57,101.61**	**127,534.37**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	24	13,225.93	13,225.93
Other equity	25	79,740.47	63,370.57
Total equity		**92,966.40**	**76,596.50**
Liabilities			
1 Non-current liabilities			
Financial liabilities			
Borrowings	26	7,335.33	16,061.45
Other financial liabilities	27	1,075.97	865.76
Provisions	28	13,635.94	11,510.39
Total non-current liabilities		**22,047.24**	**28,437.60**
2 Current liabilities			
Financial liabilities			
Borrowings	29	21,025.82	9,547.98
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small Enterprises	30	9,537.65	1,723.21
Other financial liabilities	31	4,733.33	10,145.50
Provisions	32	30.38	20.24
Other current liabilities	33	6,760.79	1,063.34
Total current liabilities		**42,087.97**	**22,500.27**
Total liabilities		**64,135.21**	**50,937.87**
TOTAL EQUITY & LIABILITIES		**1,57,101.61**	**127,534.37**

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 25, 2023

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 25, 2023

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 25, 2023

Deepika C S
Company Secretary

Place : Chennai
Date : May 25, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	34	41,110.30	13,271.66
Less: Profit petroleum / revenue share to GOI		(3,005.48)	(221.19)
Other income	35	2,790.85	1,680.41
Total income		**40,895.67**	**14,730.88**
EXPENSES			
Share of expenses from producing oil and gas blocks	36 (a)	16,951.92	2,225.18
Royalty, cess and national calamity contingent duty	36 (b)	5,672.14	2,294.87
(Increase) / decrease in stock of crude oil and condensate	37	(5,869.98)	230.11
Employee benefits expense	38	64.81	63.28
Finance costs			
- Banks and financial institutions	39	2,423.15	141.26
- Unwinding of discount on decommissioning liability	39	762.19	604.64
Depreciation, depletion and amortization expense	4,6,7	2,765.09	1,484.88
Other expenses	40	1,759.62	667.62
Total expenses		**24,528.94**	**7,711.84**
Profit before exceptional items and tax		**16,366.73**	**7,019.04**
Exceptional items	41	-	(3,436.53)
Profit before tax		**16,366.73**	**3,582.51**
Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total tax expense		-	-
Profit for the year		**16,366.73**	**3,582.51**
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		3.17	(4.06)
Other comprehensive income (net of tax)		**3.17**	**(4.06)**
Total comprehensive income for the year		**16,369.90**	**3,578.45**
Earnings per equity share of ₹ 10 attributable to equity holders.	42		
Basic		12.37	2.71
Diluted		12.37	2.71

See accompanying notes forming part of the Standalone financial statements

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Deepika C S
Company Secretary
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STANDALONE STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

a) Equity Share Capital

Particulars	As at the period ended			
	March 31, 2023		March 31, 2022	
	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, 2023

Particulars	Reserves and surplus			Total ₹ in lacs
	Securities premium	Capital reserve	Retained earnings	
Balance as at April 1, 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**	**(1,11,579.35)**	**63,370.57**
Profit for the year	-	-	16,366.73	16,366.73
Other comprehensive income (net of tax)	-	-	3.17	3.17
Total comprehensive income for the year	**-**	**-**	**16,369.90**	**16,369.90**
Balance as at March 31, 2023	**78,865.42**	**96,084.50**	**(95,209.45)**	**79,740.47**

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 25, 2023

For and on behalf of the Board of Directors

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Date : May 25, 2023

Deepika C S
Company Secretary
Place : Chennai
Date : May 25, 2023

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	**16,366.73**	**3,582.51**
Adjustments for:		
Depreciation, depletion and amortization expense	2,765.09	1,484.88
Unwinding of discount on decommissioning liability	762.19	604.64
Provision for compensated absences	(5.54)	-
Exceptional items	-	3,436.53
Net foreign exchange differences	620.76	(305.82)
Interest expenses	2,423.15	141.26
Interest income	(2,602.57)	(806.71)
Net gain on sale of investments	(44.68)	-
Net gain on sale or fair valuation of investments	(94.92)	(8.06)
Rental income	(31.52)	(30.02)
Dividend income	(0.22)	-
Operating profit before working capital changes	**20,158.47**	**8,099.21**
Working capital adjustments for:		
Trade receivables	(2,927.72)	1,442.02
Inventories	(7,352.03)	372.86
Other financial and non-financial assets	(3,022.60)	(729.20)
Trade payables, other financial and non-financial liabilities	11,573.05	1,480.67
Cash generated from operations	**18,429.17**	**10,665.56**
Direct taxes (payment) / received (net of refunds)	(72.98)	375.15
Net cash generated from operating activities	**18,356.19**	**11,040.71**
Cash flow from Investing activities		
Property, plant and equipment (net of capital advances & payables)	(6,587.41)	(17,491.83)
Intangible assets	(15.03)	(66.74)
Loan to subsidiaries	-	(6,740.00)
Rent received	31.52	30.02
Net gain on sale of investments	44.68	-
Net gain on sale or fair valuation of investments	94.92	8.06
Interest received	629.55	83.26
Dividend received	0.22	-
Bank deposit- Under site restoration fund	(25.41)	(388.74)
Bank deposit - Lien for bank guarantees/facilities	(209.94)	(1,660.13)
Net cash flows (used in) investing activities	**(6,036.90)**	**(26,226.10)**
Cash flow from financing activities		
Term loan received	-	26,960.56
Term loan repaid	(9,547.98)	(16,976.13)
Short term loan (Net of repayment)	12,000.00	625.00
Interest paid	(2,231.73)	(141.26)
Net cash flows from financing activities	**220.29**	**10,468.17**
Net increase / (decrease) in cash and cash equivalents	**12,539.58**	**(4,717.22)**
Cash and cash equivalents at the beginning of the year	**1,327.40**	**6,044.62**
Cash and cash equivalents at the end of the year	**13,866.98**	**1,327.40**
Balances with banks		
- In deposit accounts	5.12	4.87
- In current accounts	2,390.96	1,288.97
Current Investments	11,470.90	33.56
Total cash and cash equivalents	**13,866.98**	**1,327.40**

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 25, 2023

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
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Director & CFO
DIN No 07046442
Place : Chennai
Date : May 25, 2023

Deepika C S
Company Secretary

Place : Chennai
Date : May 25, 2023

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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') / Revenue Sharing Contracts ('RSC') entered by the Company with Government of India along with other entities. The details of Company's participating interests and of the other entities are as follows:

Sl. No.	Unincorporated Joint Ventures	Participants	Share (%)	
			As at March 31, 2023	As at March 31, 2022
1	MB/OSDSF/	Hindustan Oil Exploration Company Limited (O)	60	60
	B80/2016	Adhboot Estates Private Limited	40	40
2	PY-1	Hindustan Oil Exploration Company Limited (O)	100	100
3	CY-OS-90/1	Hardy Exploration & Production (India) Inc. (O)	18	18
	(PY-3)	Oil and Natural Gas Corporation Limited	40	40
		Hindustan Oil Exploration Company Limited	21	21
		Tata Petrodyne Limited	21	21
4	AAP-ON-94/1	Hindustan Oil Exploration Company Limited (O)	26.882	26.882
	(Assam)	Indian Oil Corporation Limited	29.032	29.032
		Oil India Limited	44.086	44.086
5	AA-ONHP-2017/19	Hindustan Oil Exploration Company Limited (O)	100	100
6	AA/ONDSF/	Hindustan Oil Exploration Company Limited (O)	40	40
	KHEREM/2016	Oil India Limited	40	40
		Prize Petroleum Company Limited	20	20
7	AA/ONDSF/	Hindustan Oil Exploration Company Limited	10	10
	Umatara/2018	Indian Oil Corporation Limited (O)	90	90
8	Asjol	Hindustan Oil Exploration Company Limited (O)	50	50
		Gujarat State Petroleum Corporation Limited	50	50
9	North Balol	Hindustan Oil Exploration Company Limited (O)	25	25
		Gujarat State Petroleum Corporation Limited	45	45
		Gujarat Natural Resources Limited (GNRL)	30	30
10	CB-ON/7	Hindustan Oil Exploration Company Limited (O)	35	35
	(Palej)	Gujarat State Petroleum Corporation Limited	35	35
		Oil and Natural Gas Corporation Limited	30	30

(O) Operator

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.

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, 2023 for the Company has been prepared in accordance with Ind AS.

For all periods up to and including the year ended March 31, 2023, the Company had prepared its financial statements under historical cost convention on accrual basis in accordance with the generally accepted accounting principles and the accounting standards notified under 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 AS1 '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 entities 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.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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 towards satisfaction of a performance obligation is measured at transaction price allocated to that performance obligation.

(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.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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.

Capital work in progress are items of property, plant and equipment which are not ready for their intended use and are carried at cost, comprising direct cost and related incidental expense. Capital work in progress includes items of drilling materials which are held for use in extraction or production of oil and gas, and are expected to be used for more than one 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".

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 Property, plant and equipment .

(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, 2023

(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

Intangible assets - Exploration

Exploration expenditure includes cost of exploration activities such as:

- Acquisition cost- cost associated with acquisition of licenses and rights to explore, including related professional fees.
- General exploration cost- cost of surveys and studies, rights of access to properties to conduct those studies (e.g cost incurred for environment clearance etc), salaries and other expenses of geologists, geophysical personnel conducting those studies.
- Cost of exploration drilling and equipping exploration and appraisal wells.

Intangible assets - others

Intangible assets with a finite useful life acquired separately are measured on initial recognition, at costs. Intangible assets are carried at costless 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 other than closing stock of crude oil and condensate 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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.

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 in 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 fair value. Recognized financial assets are subsequently measured in their entirety at the fair value. In case of investments in wholly owned subsidiary, the investments are considered at cost subject to impairment if any. However, trade receivables that do not contain a significant financing component are measure at transaction price.

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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.

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 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.

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.

xxii) Borrowing costs

Borrowing costs include interest and amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. Interest Income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period which they incurred.

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

3.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 3.2), 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.

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 Standards issued/amended but not yet effective:

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

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

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

4. Property, plant & equipment

Summary

Carrying amount of:	As at March 31, 2023	As at March 31, 2022
a) Oil and gas assets	**78,139.20**	**27,585.52**
b) Others		
- Freehold land	227.52	227.52
- Buildings	96.11	100.92
- Furniture & fixtures	2.54	3.41
- Vehicles	0.64	0.64
- Office equipment	2.51	3.13
- Computers	8.95	1.87
Total	**338.27**	**337.49**

Particulars	Oil and gas assets	Others						Total
		Freehold land	Buildings	Furnitures & fixures	Vehicles	Office equipment	Computers	
Cost								
Balance as at April 1, 2021	**2,59,515.07**	**227.52**	**138.69**	**65.57**	**12.86**	**101.68**	**109.33**	**655.65**
Additions	143.80	-	-	-	-	0.69	1.22	1.91
Transfer from Investment property	-	-	282.39	-	-	-	-	282.39
Balance as at March 31, 2022	**2,59,658.87**	**227.52**	**421.08**	**65.57**	**12.86**	**102.37**	**110.55**	**939.95**
Additions	53,294.72	-	-	-	-	-	9.91	9.91
Balance as at March 31, 2023	**3,12,953.59**	**227.52**	**421.08**	**65.57**	**12.86**	**102.37**	**120.46**	**949.86**
Accumulated depletion, depreciation and impairment								
Balance as at April 1, 2021	**2,30,656.30**	**-**	**104.43**	**61.02**	**12.22**	**98.35**	**97.18**	**373.20**
Transfer from Investment property	-	-	210.67	-	-	-	-	210.67
Depletion / Depreciation for the year	1,417.05	-	5.06	1.14	-	0.89	11.50	18.59
Balance as at March 31, 2022	**2,32,073.35**	**-**	**320.16**	**62.16**	**12.22**	**99.24**	**108.68**	**602.46**
Depletion / Depreciation for the year	2,741.04	-	4.81	0.87	-	0.62	2.83	9.13
Balance as at March 31, 2023	**2,34,814.39**	**-**	**324.97**	**63.03**	**12.22**	**99.86**	**111.51**	**611.59**
Carrying value as at March 31, 2023	**78,139.20**	**227.52**	**96.11**	**2.54**	**0.64**	**2.51**	**8.95**	**338.27**
Carrying value as at March 31, 2022	**27,585.52**	**227.52**	**100.92**	**3.41**	**0.64**	**3.13**	**1.87**	**337.49**

4.1 For the details relating to change on movable and immovable property refer Note 26.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2021	**28,516.35**	**2,385.94**	**30,902.29**
Additions	23,728.10	-	23,728.10
Balance as at March 31, 2022	**52,244.45**	**2,385.94**	**54,630.39**
Additions	3,251.84	-	3,251.84
Transferred to Oil and gas assets	(51,726.95)	-	(51,726.95)
Balance as at March 31, 2023	**3,769.34**	**2,385.94**	**6,155.28**
Accumulated impairment			
Balance as at April 1, 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**
Additions			
Balance as at March 31, 2023	**1,108.72**	**2,385.94**	**3,494.66**
Carrying value as at March 31, 2023	**2,660.62**	-	**2,660.62**
Carrying value as at March 31, 2022	**51,135.73**	-	**51,135.73**

5.1 The charge for movable and immovable property refer Note 26

5.2 Drilling materials has reclassified in line with company accounting policies.

(a) Capital work-in-progress ageing schedule

Particulars	As at March 31, 2023				
	Amount in CWIP for a period of				
Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	389.89	8.32	2.46	2,259.95	2,660.62
Projects temporarily suspended	–	–	–	–	–

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	2,314.65	51,135.73
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, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

6. Investment property

Particulars	Building
Cost	
Balance as at April 1, 2021	**904.63**
Transferred to buildings (Refer Note 6.1)	(282.39)
Balance as at March 31, 2022	**622.24**
Additions	-
Balance as at March 31, 2023	**622.24**
Accumulated depreciation	
Balance as at April 1, 2021	**510.08**
Transfer to buildings	(210.67)
Depreciation for the year	15.67
Balance as at March 31, 2022	**315.08**
Depreciation for the year	14.92
Balance as at March 31, 2023	**330.00**
Carrying value as at March 31, 2023	**292.24**
Carrying value as at March 31, 2022	**307.16**

6.1 During the previous year ended March 31,2022 one of the property at Mumbai had been put to use for own project. Hence it had been reclassified from Investment property to Buildings.

6.2 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 31,2023 and March 31, 2022.

Particulars	Level 3 : March 31, 2023	Level 3 : March 31, 2022
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, 2023 and value has not significantly changed compared to earlier years.

The buildings of the company are hypothecated as charge for the purpose of term loan facilities from Axis Bank Ltd (Refer Note 26)

The property rental income earned by the company from its investment property, all of which is leased out under operating leases, amounted to ₹ 31.52 lacs (2021-22: ₹ 30.02 lacs).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

7. Intangible assets

Particulars	Exploration	(Others) Software	Total
Cost			
Balance as at April 1, 2021	**903.78**	**526.67**	**1,430.45**
Additions	66.74	-	66.74
Balance as at March 31, 2022	**970.52**	**526.67**	**1,497.19**
Additions	15.03		15.03
Balance as at March 31, 2023	**985.55**	**526.67**	**1,512.22**
Accumulated amortization and impairment			
Balance as at April 1, 2021	**-**	**493.10**	**493.10**
Amortization for the year	-	33.57	33.57
Balance as at March 31, 2022	**-**	**526.67**	**526.67**
Amortization for the year	-	-	-
Balance as at March 31, 2023	**-**	**526.67**	**526.67**
Carryingvalue as at March 31, 2023	**985.55**	**-**	**985.55**
Carryingvalue as at March 31, 2022	**970.52**	**-**	**970.52**

Intangible assets - Exploration aging schedule:

Particulars	As at March 31, 2023				
	Amount for a period of				
Intangible assets - Exploration	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.03	66.74	-	903.78	985.55
Projects temporarily suspended	-	-	-	-	-

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

7.1 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, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

8. Loan to subsidiary

Particulars	As at March 31, 2023	As at March 31, 2022
Loan to Wholly owned subsidiary HOSL (Refer Note.46)	–	5,687.50
Total	**—**	**5,687.50**

9. Investments in subsidiaries

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted equity shares of subsidiaries (at cost)		
50,002 (PY- March 31,2022; 50,002) equity shares of ₹ 100 each fully paid-up in Hindage Oilfield Services Limited	50.00	50.00
100,00,000 (PY-March 31,2022; 100,00,000) 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, 2023	As at March 31, 2022
Site restoration deposit with bank with maturity period in excess of 12 months	7,458.06	6,948.01
Total	**7,458.06**	**6,948.01**

The above amount has been deposited with bank and can be withdrawn 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'.

11. Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Deposits with maturity >12 months	108.97	-
Total	**108.97**	-

11.1 Fixed deposits with bank are under lien for issue of bank guarantees and term loan facilities availed from the bank.

12. Other financial assets (non - current)

Particulars	As at March 31, 2023	As at March 31, 2022
Other advances	13.55	13.55
Less: Provision for doubtful advances	(13.55)	(13.55)
Total	-	-

13. Income tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net)	137.18	64.20
Total	**137.18**	**64.20**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

14. Deferred tax asset (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Exploration expenses	2,658.81	2,658.81
Development expenses	660.17	660.17
Depreciation, depletion, amortization and impairment of assets	(3,107.48)	(1,228.12)
Unabsorbed business losses and depreciation	18,605.39	21,158.31
Deferred tax assets	**18,816.89**	**23,249.17**
Less: Amounts not recognised (refer note below)	(18,816.89)	(23,249.17)
Deferred tax assets (net)	-	-

14.1 Deferred tax asset has not been recognized as it is not predictable that future profit will arise against which the deductible temporary difference and unabsorbed business losses and depreciation can be utilised. 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.

15. Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	44.78	57.90
Pre-deposit - Service tax [refer note 47 (b)]	7.71	7.71
	52.49	**65.61**
Less: Provision for doubtful advances	(44.71)	(44.71)
	7.78	**20.90**

16. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Finished goods		
- Crude oil	7,300.45	43.60
- Condensate	151.80	112.70
Production stores and spares	327.97	414.64
Total	**7,825.22**	**570.94**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

17. Investments

Particulars		As at March 31, 2023		As at March 31, 2022	
		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	29.66	1,272	33.51
Reliance Communication Limited Equity Shares @ ₹ 5 each		318	-	318	0.01
Reliance Infrastructure Limited Equity Shares @ ₹ 10 each		23	0.03	23	0.03
Reliance Capital Limited Equity Shares @ ₹ 10 each		15	-	15	-
Reliance Home Finance Limited Equity Shares @ ₹ 10 each		15	-	15	-
Reliance Power Limited Equity Shares @ ₹ 10 each		79	0.01	79	0.01
	(i)		**29.70**		**33.56**
ii) Mutual Funds					
Units of Liquid/Liquid plus/Short Term/Medium Term schemes					
TATA Overnight Fund Regular Plan - Growth		60,336	710.47	-	-
TATA Liquid Fund- Regular Plan - Growth		56,988	2,005.05	-	-
SBI Liquid Fund Regular Growth		1,20,737	4,221.08	-	-
Bhandan Overnight Fund Regular Plan - Growth		85,008	1,011.56	-	-
Nippon India Overnight Fund- Growth Plan (ONGPG)		1,660,520	1,990.34	-	-
Nippon India Liquid Fund - Growth Plan - Growth option - (LFIGG)		18,371	1,001.80	-	-
HDFC Liquid Fund - Growth		11,426	500.90	-	-
	(ii)		**11,441.20**		**-**
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)		**11,470.90**		**33.56**

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount (cost) of quoted Investments	0.49	0.49
Market value of quoted investments	**29.70**	**33.56**
Aggregate amount (cost) of mutual fund investments	11,392.65	-
Fair value of mutual fund investments	**11,441.20**	**-**
Aggregate value of unquoted equity instruments	10.00	10.00
Total investments	**11,480.90**	**43.56**
Impairment of investments	(10.00)	(10.00)
Net total investments	**11,470.90**	**33.56**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in Indian Rupees in lacs, unless otherwise stated)

18. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good (unless otherwise stated)		
Trade receivables	4,287.86	1,360.14
Less: Allowance for expected credit loss	-	-
Total	**4,287.86**	**1,360.14**

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- 45 days. No interest is charged on trade receivables for the first 45 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 45 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).

Ageing of receivables as on March 31,2023 and March 31, 2022

Particulars	As at March 31, 2023					
	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	4,287.86	-	-	-	-	4,287.86
(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	-	-	-	-	-	-

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, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

19. 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 which can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
Current accounts	2,390.96	1,288.97
Bank deposits- maturity < 3 months	5.12	4.87
Total	**2,396.08**	**1,293.84**

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.

20. Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Deposits- maturity > 3 months < 12 months	3,350.70	3,249.74
Total	**3,350.70**	**3,249.74**

Fixed deposits with bank are under lien for issue of bank guarantees and term loan facilities availed from the bank.

21. Loan to subsidiaries (current)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan to wholly owned subsidiaries		
Loan to GPII (refer note 46)	10,893.74	10,044.44
Loan to HOSL (refer note 46)	11,542.86	7,312.50
Total	**22,436.60**	**17,356.94**

22. Other Financial assets (current)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	79.67	75.34
Receivable from joint venture partners (net)	6,277.78	3,873.74
Interest accrued on loan to wholly owned subsidiaries (refer note 46)	2,656.58	613.46
Total	**9,014.03**	**4,562.54**

23. Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good		
Advances recoverable (refer note 23.1 below)	123.94	34.34
Prepaid expenses	122.58	69.47
Total	**246.52**	**103.81**

23.1 Advance recoverable includes Nil (March 31, 2022 ₹ 22.45 lacs)given to wholly owned subsidiary (refer note 46).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

24. Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
50,00,00,000 (March 31, 2022; 50,00,00,000) equity shares of ₹ 10 each	50,000.00	50,000.00
Issued		
132,313,363 (March 31, 2022;132,313,363) equity shares of ₹ 10 each	13,231.34	13,231.34
Subscribed and Fully Paid up		
132,243,289 (March 31, 2022;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 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, 2023		As at March 31, 2022	
	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) 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.

(c) Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	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	84,63,850	6.40	86,83,148	6.57
LCI Estates LLP	81,00,000	6.12	81,00,000	6.13

25. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	96,084.50	96,084.50
Securities premium account	78,865.42	78,865.42
Retained earnings		
Opening balance	**(1,11,579.35)**	**(1,15,157.80)**
Profit for the year	16,366.73	3,582.51
Other comprehensive income (net of tax)	3.17	(4.06)
Closing balance	**(95,209.45)**	**(1,11,579.35)**
Total other equity	**79,740.47**	**63,370.57**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

26. Non-current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term Loan from Axis Bank Limited	7,335.33	9,752.82
Term Loan from HDFC Bank Limited	-	6,308.63
Total	**7,335.33**	**16,061.45**

Particulars	Original Tenor	Interest Rate	Outstanding tenor as at March 31, 2023	Repayment Terms	Security details	As at March 31, 2023	As at March 31, 2022
Secured term Loan from Axis Bank Ltd	20 Quarterly Instalments	10.75%	16 Quarterly Instalments	Quarterly Instalments	Refer note 1	9,835.33	12,731.61
Secured term Loan from HDFC Bank Ltd	27 Monthly Instalments	11%	11 Monthly Instalments	Monthly instalments	Refer note 2	6,525.82	12,252.82
Sub Total						**16,361.15**	**24,984.43**
Less: Current Maturities of non-current borrowings (refer note 29)						9,025.82	8,922.98
Non-Current Borrowings						**7,335.33**	**16,061.45**

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 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 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 March 31,2023 and March 31,2022

27. Other financial liabilities (non-current)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit	13.50	13.50
Fair value of foreign exchange derivative liabilities	1,062.47	852.26
Total	**1,075.97**	**865.76**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

28. Provisions (non-current)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for decommissioning	13,614.52	11,473.29
Provision for compensated absences	21.42	37.10
Total	**13,635.94**	**11,510.39**

28.1 Movement of Provision for decommissioning

Particulars	2022-23	2021-22
Balance at beginning of the year	11,473.29	10,868.65
Additions (Refer note 28.3)	1,379.04	-
Unwinding of discount	762.19	604.64
Balance at end of the year	**13,614.52**	**11,473.29**

28.2 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.

28.3 Decommissioning liability for B80 field was estimated as on March 31, 2023 by an independent engineering consultant and estimated liability is 1,379.04 lacs after adjusting for inflation and discounting thereon.

29. Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturity of long-term borrowings (refer schedule 26)	9,025.82	8,922.98
Borrowings (Refer note 29.2)	12,000.00	625.00
Total	**21,025.82**	**9,547.98**

29.1 The Company has not been declared a willful defaulter by any bank or financial Institution or other any lender.

The Company has used the borrowings from banks for capital expenditure and working capital purposes.

29.2 During the year short term loan of ₹ 10,000 lacs received from Axis Bank Ltd at the rate of interest rate 9.50% p.a with repayment terms scheduled at ₹ 2,500 lacs at the end of 5th, 6th, 7th and 8th months from the date of disbursement November 17, 2022 and outstanding loan of ₹ 2,000 lacs received from IIFL Wealth Prime Ltd against security at the interest rate of IIFL PLR +75bps with tenure of 12 months up to May 29, 2023.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

30. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro enterprises and small enterprises (refer note (i)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,537.65	1,723.21
Total	**9,537.65**	**1,723.21**

30(i) Trade Payables ageing schedule

	As at March 31, 2023				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-
(ii) Undisputed dues - Others	9,078.52	459.13			9,537.65
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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	1,723.21	-	-	-	1,723.21
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

31. Other financial liabilities (current)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable to joint venture partners (net)*	2,608.42	2,240.50
Payable towards property, plant and equipment	1,493.56	4,988.58
Interest payable	65.33	114.13
Fair value of foreign exchange derivative liabilities	566.02	13.09
Other payable (refer note 41 (1))	-	2,789.20
Total	**4,733.33**	**10,145.50**

* As at March 31, 2022 includes CB-OS/1 settlement [refer note 41(2)]

32. Provisions (current)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences	30.38	20.24
Total	**30.38**	**20.24**

33. Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	2,439.07	892.07
Gratuity fund payable to LIC	9.86	21.56
Profit petroleum/ revenue Share payable to GOI	4,311.86	149.71
Total	**6,760.79**	**1,063.34**

34. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic sales		
Sale of crude oil / condensate	4,148.40	5,196.64
Sale of Natural gas	36,961.90	8,075.02
Total	**41,110.30**	**13,271.66**
Less: Profit petroleum / revenue share to Government of India	(3,005.48)	(221.19)
Net sales	**38,104.82**	**13,050.47**

34.1 Details of sales

Product	UOM	For the year ended March 31, 2023		For the year ended March 31, 2022	
		Quantity	Value	Quantity	Value
Crude oil / condensate	Barrels	67,725	3,898.25	91,836	4,994.88
Natural gas	Million SCF	4,383	34,206.57	3,878	8,055.59
Total			**38,104.82**		**13,050.47**

34.2 More than 90% of the revenue is realized from three major customers to the Company.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

35. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on bank deposits	144.91	109.39
Interest on site restoration deposits with banks	484.65	342.51
Interest income on loan to wholly owned subsidiary (refer note 46)	1,973.01	354.81
Interest on Income tax refund	16.94	525.19
Rental income	31.52	30.02
Net gain on sale of investments	94.92	-
Net gain on fair valuation of investments	44.68	8.06
Net gain on foreign exchange	-	310.43
Dividend income	0.22	-
Total	**2,790.85**	**1,680.41**

36. Share of expenses from producing oil and gas blocks

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Share of expenses-producing oil and gas		
Plant hire charges	10,609.44	-
Manpower costs	1,118.30	632.68
Repairs and maintenance	273.29	1,089.68
Other statutory charges	65.88	37.53
Insurance	331.49	138.03
Other production expenses	814.94	102.81
Consumables	53.94	6.97
Transportation and logistics	3,684.64	217.48
	16,951.92	**2,225.18**
b) Royalty, cess & National Calamity Contingent Duty	5,672.14	2,294.87
Total	**22,624.06**	**4,520.06**

37. (Increase)/decrease in stock of crude oil and condensate

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year	(7,452.25)	156.31
Inventories at the beginning of the year	156.31	377.30
(Increase) / decrease in inventories	**(7,295.94)**	**220.99**
Less: Profit petroleum / revenue share to Government of India	1,425.96	9.12
Net (Increase) / decrease in inventories	**(5,869.98)**	**230.11**

38. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	51.79	49.03
Contribution to provident fund and other funds	4.25	2.65
Staff welfare expenses	8.77	11.60
Total	**64.81**	**63.28**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

39. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Banks and financial institutions	2,423.15	141.26
Unwinding of discount on decommissioning liability	762.19	604.64
Total	**3,185.34**	**745.90**

40. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Office and guest house rent	4.17	3.95
Power	1.08	1.08
Rates and taxes	111.86	8.68
Repairs and maintenance - others	5.30	7.34
Travelling and conveyance	4.10	1.19
Communication expenses	4.30	2.26
Membership and subscription	29.20	18.15
Legal and professional fees	166.07	314.12
Insurance	1.71	3.07
Directors' sitting fees	20.06	17.87
Directors' commission (refer note 46)	18.00	18.00
Printing and stationery	1.06	0.90
Bank charges	9.74	24.76
Expenditure for corporate social responsibility (refer note 49)	155.15	201.83
Net loss on foreign exchange	892.59	-
OIL Digboi filed expenses	289.52	-
Miscellaneous expenses	9.68	9.37
	1,723.59	**632.57**
Payment to Auditor:		
Statutory audit fee	33.67	32.69
Tax audit fee	2.36	2.36
	36.03	**35.05**
Total other expenses	**1,759.62**	**667.62**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

41. Exceptional items

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
PY-1 Royalty (refer note 1 below)	-	(2,789.18)
CB-OS/1 settlement (refer note 2 below)	-	(647.35)
Income (net)	**-**	**(3,436.53)**

Note: 1. During the previous year Production Sharing Contract ("PSC") of PY1 block was extended up to June 4, 2022 by Government of India ("GOI") to continue the production from the field. The disputed royalty payment was provided of ₹ 2,789.18 Lacs which was paid in the current year. The PSC 10 years extension of the block effective from October 5, 2020 was obtained in the current year.

2. During the previous year ended March 31, 2022, 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.

42. Earnings per share (EPS)

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year as per statement of profit & loss	**16,366.73**	**3,582.51**
	No.	No.
Weighted average number of equity shares used in calculating basic EPS	13,22,43,289	13,22,43,289
Par value per share	₹ 10	₹ 10
Earnings per equity share in ₹ computed on the basis of profit for the year -Basic	**12.37**	**2.71**
Weighted average number of equity shares used in calculating diluted EPS	13,22,43,289	13,22,43,289
Earnings per equity share in ₹ computed on the basis of profit for the year - Diluted	**12.37**	**2.71**

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, 2023	For the year ended March 31, 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	13,22,43,289	13,22,43,289
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	**13,22,43,289**	**13,22,43,289**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in Indian Rupees in lacs, unless otherwise stated)

43. 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 ₹ 20.76 lacs (PY March 31, 2022: ₹ 23.98 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 year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost:		
Current service cost	26.48	22.42
Past Service cost	-	-
Loss/(gain) on curtailments and settlement	-	-
Net interest cost	0.57	(0.99)
Total	**27.05**	**21.43**

Other Comprehensive Income for the current year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Components of actuarial gain / losses on obligations:		
Due to Change in financial assumptions	(3.87)	(3.12)
Due to change in demographic assumptions	8.81	
Due to experience adjustments	(8.99)	5.83
Return on plan assets excluding amounts included in interest income	0.89	1.35
Amounts recognized in Other Comprehensive Income	**(3.17)**	**4.06**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023	As at March 31, 2022
Opening Defined Benefit Obligation	156.23	138.52
Current service cost	26.48	22.42
Interest cost	9.86	8.28
Actuarial (gain)/loss due to change in financial assumptions	(3.87)	(3.12)
Actuarial (gain)/loss due to change in demographic assumptions	8.81	-
Actuarial (gain)/loss due to experience adjustments	(8.99)	5.83
Benefits paid	(13.65)	(15.70)
Closing defined benefit obligation	**174.87**	**156.23**

Changes in fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening value of plan assets	134.68	142.45
Interest Income	9.29	9.28
Return on plan assets excluding amounts included in interest income	(0.89)	(1.35)
Contributions by employer	35.58	-
Benefits paid	(13.65)	(15.70)
Closing value of plan assets	**165.01**	**134.68**

Net liability recognized in the balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of the defined benefit obligation	174.87	156.23
Fair value of plan assets	(165.01)	(134.68)
Plan Liability / (asset)	**9.86**	**21.55**

The principal assumptions used in determining gratuity and for the Company's plans are shown below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.40% p.a	6.85% p.a
Future salary increase	5.00% p.a	5.00% p.a
Rate of return on plan assets	7.40% p.a	6.85% p.a
Withdrawal rates	9.94% at all ages	6% at younger ages reducing to 2% at older ages

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 ₹ 9.86 lacs towards its gratuity plan for the next year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Maturity profile of defined benefit obligation as at March 31, 2023:

Year 1 %	Year 2 %	Year 3 %	Year 4 %	Year 5 %	Year 6 to 10 %
28.4	7.7	4.7	5.4	5.0	22.9

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

Sensitivity analysis

Significant actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Discount Rate		
Increase by 0.5%	(171.54)	(151.30)
Decrease by 0.5%	178.38	161.52
Salary growth rate		
Increase by 0.5%	(177.99)	(160.56)
Decrease by 0.5%	171.75	152.25

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, 2023	For the year ended March 31, 2022
Discount rate	7.40% p.a	6.85% p.a
Future salary increase	5.00% p.a	5.00% p.a
Withdrawal Rates	9.94% at all ages	6% at younger ages reducing to 2% at older ages

Significant actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Discount Rate		
Increase by 0.5%	(51.09)	(55.98)
Decrease by 0.5%	52.54	58.80
Salary growth rate		
Increase by 0.5%	(52.56)	(58.82)
Decrease by 0.5%	51.07	55.95

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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 2023 is as follows:

Developed and Undeveloped:

	Unit of Measurement	As at April 1, 2022	Addition / (Deletion)	Production	As at March 31, 2023
Proved reserves (1P)					
- Oil	MMBBL	10.46	-	0.18	10.28
- Gas	BCF	86.75	1.88	4.59	84.04
Proved and probable (2P)					
- Oil	MMBBL	16.34	-	0.18	16.16
- Gas	BCF	134.93	3.07	4.59	133.41

Developed:

	Unit of Measurement	As at April 1, 2022	Addition	Production	As at March 31, 2023
Proved reserves (1P)					
- Oil	MMBBL	10.46	-	0.18	10.28
- Gas	BCF	86.75	1.88	4.59	84.04

Note 1: The above reserve estimates excludes the reserves of PY-3 as there is no viable plan for recommencement as on date.

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, 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
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

Note 1: The above reserve estimates excludes the reserves of PY-3 as there is no viable plan for recommencement as on date.

Note 2: Unit of measurement is considered in barrels for oil and cubic feet for gas

45. 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

46. Related Party Disclosures

a) Related Parties as of March 31, 2023:

i) Wholly owned subsidiaries:

a) Hindage Oilfield Services Limited.,("HOSL")

b) Geopetrol International Inc ("GPII")

c) Geopetrol Mauritius Limited ("GML)- step down subsidiary

ii) 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.Deepika C S (effective from August 12,2022)
- Ms. G.Josephin Daisy (Resigned effective June 30, 2022)

iii) Other related parties - Related to Non-Executive, Non-Independent Director.

- SSA Finserv Pvt. Ltd

b) Nature and volume of transactions during the year and outstanding balances as at March 31, 2023 and March 31, 2022 with the above parties:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on loan to GPII	803.01	354.81
Interest income on loan to HOSL	1,170.00	-
Key managerial personnel remuneration-		
1. Mr. P. Elango - Managing Director	146.98	122.24
2. Mr. R. Jeevanandam - Director & CFO	141.10	117.68
3. Ms. G. Josephin Daisy - Company Secretary	3.31	10.40
4 Ms. Deepika - Company Secretary	3.12	-
Sitting fee - Independent Directors	17.00	15.75
Commission - Independent Directors*	18.00	18.00
Advances - Wholly owned subsidiary company **		
Advance paid to HOSL	2,067.28	22.45
Advance receivable adjusted against payable to HOSL	2,089.73	-
Loan to HOSL***	-	13,000.00
Loan receivable adjusted against payable to HOSL	1,457.14	-
Loan from SSA Finserv Pvt. Ltd	1,000.00	-
Loan repaid to SSA Finserv Pvt. Ltd.	1,000.00	-

* which is within 1% of the net profit of the Company.

** Represents advance made for business purposes.

*** During the previous year, advances paid to HOSL as at March 31, 2022 amounting to ₹ 13,000.00 lacs converted as a term loan as at March 31, 2022.

Note; The above excludes transactions between the UJVs (for which the company is the operator) and the subsidiaries of the Company, in the normal course of business. As indicated in Note 2 (ii), the Company accounts for its share of UJV expenses based on the Company's participating interest.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Loan and advances to wholly owned subsidiary

Particulars	Outstanding as at March 31, 2023	Maximum amount outstanding during the year	Outstanding as at March 31, 2022	% of total loan as at March 31, 2023	% of total loan as at March 31, 2022
Loan to GPII	3,626.34	10,044.44	10,044.44	24%	44%
Loan to HOSL	11,542.86	13,000.00	13,000.00	76%	56%
Interest accrued on loan to GPII (including gain on foreign exchange)	1,486.58	1,486.58	613.46	-	-
Interest accrued on loan to HOSL	1,170.00	1,170.00	-	-	-
Advance recoverable from HOSL	-	2,089.73	22.45	-	-

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, 2023	Maximum amount outstanding during the year	Outstanding as at March 31, 2022
Loan from IIFL	2000.00	2500.00	-

47. Commitments and Contingencies

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Contingent Liabilities		
(a) Claims not acknowledged as debts CY-OS-90/1 (refer note a)	3,112.00	3,112.00
(b) Service tax liability (refer note b)	168.92	168.92
(c) Service tax liability (refer note c)	24,283.35	24,283.35
(d) Goods and Service tax liability (refer note d)	218.99	218.99
(e) Goods and Service tax liability (refer note e)	888.03	888.03
(ii) Commitments		
Estimated value of contracts remaining to be executed on capital account and not provided for	24.36	24.36

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's appeal before Kuala Lumpur High Court was dismissed on February 11, 2022. HOEC filed appeal before The Court of Appeal at Kuala Lumpur. The appeal was dismissed from appellant review by an order of the Court of Appeal dated 04 April 2023. The Company has filed an appeal before the Federal Court of Malaysia on May 04, 2023.

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 had filed an appeal to the order dated August 10, 2021 before the Supreme Court of India, which was disposed of on January 5, 2023. HOEC filed fresh interim application before Gujarat HC for not proceeding with Enforcement Proceedings until reconciliation as required under award is completed.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

b) During the year ended March 2020, 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 Honorable High Court of Madras has remanded back to the Commissionerate for fresh adjudication based on the merits of the case on April 8, 2022, 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. The department issued the letter dated July 4, 2022, kept it in abeyance.

d) 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. The department issued the letter dated July 4, 2022, kept it in abeyance and transferred to call book.

e) During the year a show cause notice has been received for the period July 2017 to March 2021 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.

f) During the year order received by HOEC from GST Commissionerate as Company rendering manpower and business support service to UJV for the period July 2017 to March 2021 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 a writ petition.

48. Effects of Changes in Foreign Exchange Rates

a) Expenditure in foreign currency (on accrual basis)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating expenditure	8,956.59	750.57

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	2.30	0.76

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

49. 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 lacs). Amount spent during the year on:

Particulars	2022-23	2021-22
Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 (on annual basis) (A)	155.15	201.83
Amount expenditure incurred during the year (B)	155.15	2.03
In cash		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above:	-	2.03
Promoting preventive health care	-	-
Promoting education	-	-
Conservation of natural resources and other allied areas	-	-
Shortfall at the end of the year (C)	-	199.80
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

50. 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 26, 29 and 17,19 after deducting cash and bank balances) and equity of the Company (comprising issued capital, reserves and surplus, retained earnings as disclosed in notes 24 and 25). The Company monitors capital using a gearing ratio which is net debt divided by total capital plus net debt.

Gearing Ratio:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	28,361.15	25,609.43
Less: Cash and cash equivalent	(13,866.98)	(1,327.40)
Net Debt	**14,494.17**	**24,282.03**
Equity	92,966.40	76,596.50
Capital and Net Debt	**107,460.57**	**100,878.53**
Gearing Ratio	**13.48%**	**24.07%**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023			As at March 31, 2022		
	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	-	7,458.06	7,458.06	-	6,948.01	6,948.01
Investments	11,470.90	-	11,470.90	33.56	-	33.56
Trade receivables	-	4,287.86	4,287.86	-	1,360.14	1,360.14
Cash and cash equivalents	-	2,396.08	2,396.08	-	1,293.84	1,293.84
Other bank balances	-	3,459.68	3,459.68	-	3,249.74	3,249.74
Loan to subsidiary	-	22,436.60	22,436.60	-	23,044.44	23,044.44
Other financial assets	-	9,014.03	9,014.03	-	4,562.54	4,562.54
Total Financial Assets	**11,470.90**	**54,998.14**	**66,469.04**	**33.56**	**46,404.54**	**46,438.10**
Financial Liabilities						
Borrowings	-	28,361.15	28,361.15	-	26,609.43	26,609.43
Interest Accrued	-	65.33	65.33	-	114.13	114.13
Trade Payables	-	9,537.65	9,537.65	-	1,723.21	1,723.21
Deposits	-	13.50	13.50	-	13.50	13.50
Other financial liabilities	1,628.49	4,101.98	5,730.47	865.35	10,018.28	10,883.63
Total Financial Liabilities	**1,628.49**	**42,079.61**	**43,708.10**	**865.35**	**38,478.55**	**39,343.90**

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, 2023

Particulars	Fair Value Measurements using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value (refer note 17)				
- Quoted equity instruments	29.70	29.70	-	-
- Mutual fund investments	11,441.20	11,441.20	-	-
Liabilities measured at fair value (refer note 27 and 31)				
- Derivatives	1,628.49	1,628.49	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

As at March 31, 2022

Particulars	Fair Value Measurements using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value (refer note 17)				
- Quoted equity instruments	33.56	33.56	-	-
- Mutual fund investments	-	-	-	-
Liabilities measured at fair value (refer note 27 and 31)				
- Derivatives	865.35	865.35	-	-

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.

(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 2023 and 31 March 2022. The Company's borrowing are secured, the details of which are more fully described in Note 26.

51. Derivative contract swap

Bank Name	Nature of Agreement	Rate/Currency	Outstanding Amount	Amount ₹ lacs
Axis Bank	Derivative	7.95% on USD	USD 12,291,052	9,835.33
Axis Bank	Derivative	6.95% on EURO	EURO 11,779,257	10,000.00
HDFC Bank	Derivative	6.97% on USD	USD 8,906,884	6525.82

52. 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 Audit Committee and the Board of Directors. 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Details of Unhedged Foreign Currency Exposure

The details of unhedged Foreign Currency Exposure of the Company, are as under:

Particulars	As at March 31, 2023		As at March 31, 2022	
Receivables				
Loan to wholly owned subsidiary	$ 1,32,50,000	₹ 10,893.74 lacs	$ 1,32,50,000	₹ 10,044.44 lacs
Interest accrued on loan to wholly owned subsidiary	$ 1,808,122	₹ 1,486.58 lacs	$ 809,242	₹ 613.46 lacs
Payables				
Loan from banks INR to USD / EURO swaps	$ 33,987,578	₹ 28,229.38 lacs	$ 35,375,087	₹ 25,609.43 lacs

Foreign Currency Sensitivity

The Company having outstanding derivates as at 31 March 2023 and 31 March 2022 (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

Particulars	Changes in currency exchange rate	Effect on profit before tax	
		For the year ended 31 March 2023	For the year ended 31 March 2022
US Dollars	+5%	777.88	809.31
	-5%	(777.88)	(809.31)

(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, 2023	As at March 31, 2022
Variable Rate Borrowings	–	–
Fixed Rate Borrowings	28,361.15	25,609.43
Total	**28,361.15**	**25,609.43**

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

(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 it 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:

	As at March 31, 2023				
Particulars	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**	**Carrying Value**
Borrowings	21,025.82	7,335.33	-	28,361.15	28,361.15
Trade Payables	9,537.65	-	-	9,537.65	9,537.65
Other Financial liabilities	4,733.33	1,075.97	-	5,809.30	5,809.30
Total	**35,296.80**	**8,411.30**	**-**	**43,708.10**	**43,708.10**

	As at March 31, 2022				
Particulars	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**	**Carrying Value**
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**

53. Events after the reporting period

There is no material events after the reporting period.

54. Previous Year Figures

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

55. Ratio analysis:

Particulars	As at FY 2022-23	As at FY 2021-22	Variation	Remarks for variation more than 25%
(a) Current Ratio (in times)	1.45	1.27	12%	
(b) Debt-Equity Ratio (in times)	0.31	0.33	(6%)	
(c) Debt Service Coverage Ratio (in times)	1.79	2.08	(16%)	
(d) Return on Equity Ratio (in %)	17.60	4.68	73%	Due to B80 Revenue
(e) Inventory turnover ratio(in times)	10.02	48.91	(388)%	Due to increase in crude stock in B80 block
(f) Trade Receivables turnover ratio (in times)	13.49	6.27	54%	current year increase in sales
(g) Trade payables turnover ratio (in times)	4.34	3.58	18%	Due to B80 Revenue
(h) Net capital turnover ratio (in times)	3.05	0.92	70%	current year increase in borrowings
(i) Net profit ratio (in %)	42.95	27.45	36%	Due to B80 Revenue
(j) Return on Capital employed (in %)	16.12	7.01	57%	Due to increase inrevenue from Assam block
(k) Return on investment (in %)	3.14	2.67	15%	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Explanations to items included in computing the above ratios:

1. Current Ratio: Current Asset over Current Liabilities
2. Debt-Equity Ratio: Debt (Borrowings) over total shareholders equity (including Reserves & Surplus)
3. Debt Service Coverage Ratio: EBIT + Interest+ Depreciation over(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 shareholders 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)

56. The charge creation for HDFC bank loan, pending with banker for their internal clearance.

57. The Company has not been declared a willful defaulter by any bank or financial institution or other lender.

58. No proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.

59. Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.

60. The Company has not traded / invested in Crypto currency or virtual currency.

61. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

62. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

63. 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).

64. 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.

65. 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.

66. 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.

67. 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.

68. Approval of financial statements

The financial statements were approved for issue by the board of directors on May 25, 2023.

For and on behalf of the Board of Directors

P. Elango	**R. Jeevanandam**	**Deepika C S**
Managing Director	Director & CFO	Company Secretary
DIN No 06475821	DIN No 07046442	

Place : Chennai
Date : May 25, 2023

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 profit in associate, which comprise the Consolidated Balance Sheet as at March 31, 2023, 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, 2023, 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 (SAs) specified under Section 143 (10) of the Act. 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 their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 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	**Impairment of Upstream Oil and Gas assets included in PP&E and Capital Work in Progress** Oil and Gas assets included in Property, Plant and equipment (PP&E) and Capital Work in progress of the Group aggregate ₹ 83,115 lakhs Recoverability of such Oil and Gas assets has been identified as a key audit matter due to: • 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	**Principal audit procedures performed:** Our procedures relating to Impairment of Upstream Oil and Gas PP&E and Capital Work in Progress included the following, among others: 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. We had discussions with the component auditors in regard to the impairment evaluation of Upstream Oil

S.No	Key Audit Matter	Auditor's Response
	• 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. 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.	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: 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 Group personnel, including internal reserve experts, to identify factors, if any, which should be considered in the analysis. iii. 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. 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.	**Measurement of provision for decommissioning, dismantling, removal and restoration ("DDRR")** The provision outstanding for DDRR of the Group amounts to ₹ 13,975 lakhs. The estimation of DDRR provision, involves significant degree of judgement and uncertainty in estimation. 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.	**Principal audit procedures performed:** Our procedures relating to Measurement of provision for decommissioning, dismantling, removal and restoration included the following, among others: a) 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. We had discussions with the component auditors in regard to the Measurement of provision for decommissioning, dismantling, removal and restoration. 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: i. Obtained and evaluated the report received by the Group from an external specialist for reasonableness. ii. Tested the completeness of the provision by comparing the list of operating blocks with the obligation to create a provision for DDRR. iii. 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 Board's Report, Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report, but does not include the financial statements and our auditor's report thereon. The Board's Report, Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and will 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 Report and Business Responsibility and Sustainability 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.

Responsibilities of Management and Those Charged with Governance 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 respective Board of Directors 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 with reference to consolidated financial statements 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 are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated 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 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

(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) Management had performed year end physical verification of inventory of crude oil at offshore locations. However, we were not able to physically observe the verification of the inventory that was carried out by the Management due to practical and safety considerations. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidance provided in SA 501 "Audit evidence - Specific consideration for selected items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements. Our report on the financial statements is not modified in respect of this matter.

(c) We did not audit the financial statements of seven unincorporated joint ventures included in the consolidated financial statements of the Group, whose financial statements reflect total assets of ₹ 672 Lakhs as at March 31, 2023 and total revenues of ₹ Nil for the year ended on that date, as considered in the consolidated 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.

(d) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 40,504 Lakhs as at March 31, 2023 and total revenues of ₹ 10,514 Lakhs for the year ended March 31, 2023, total net profit after tax and total comprehensive income of ₹ 2,347 Lakhs, which includes Group's share of net profit of ₹ 11 lakhs in respect of an associate for the year ended March 31, 2023, 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 ₹ 2,233 Lakhs and liabilities of ₹ 1,628 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.

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 reports 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, subsidiary and its associate 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 Ind AS 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, 2023 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements.

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 and based on the auditor's report of subsidiary Company incorporated in India, the remuneration paid by the Parent Company and its subsidiary Company to their respective 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. Refer Note 47 to the consolidated financial statements.

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 companies incorporated in India.

iv) (a) The respective management of the Parent Company and its subsidiary Company incorporated in India, whose financial statements are audited under the Act, has represented that, to the best of its knowledge and belief, as disclosed in the note 62 to the consolidated financial statements, 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 respective management of the Parent Company and its subsidiary Company incorporated in India, whose financial statements are audited under the Act, has represented that, to the best of its knowledge and belief, as disclosed in the note 63 to the consolidated financial statements, 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 performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary Company which are companies incorporated in India whose financial statements have been audited under the Act, 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 Parent Company and its subsidiary Company which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent/ Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 23213649BGVBYO8690)

Place : Hyderabad
Date : May 25, 2023
MM/JM/2023/25

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 with reference to consolidated financial statements 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, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **HINDUSTAN OIL EXPLORATION COMPANY LIMITED** (hereinafter referred to as "Parent") and its subsidiary Company, 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 company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary Company, which are companies incorporated in India, 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 by us, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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:23213649BGVBYO8690)

Place : Hyderabad
Date : May 25, 2023
MM/JM/2023/25

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non-current assets			
Property, plant & equipment			
a) Oil and gas assets	4	79,961.28	29,654.75
b) Others	4	43,405.54	20,113.48
Capital work-in-progress	5	3,153.74	78,200.68
Investment property	6	292.23	307.15
Intangible assets - Exploration	7	985.55	970.52
Intangible assets - Others	7	-	-
Financial assets			
Investment in associate	8	1,848.93	1,837.82
Deposits under site restoration fund	9	7,774.91	7,256.32
Other Bank balances	10	108.97	-
Other financial assets	11	5.93	5.93
Income tax assets (net)	12	605.64	376.45
Deferred tax asset (net)	13	-	-
Other non-current assets	14	7.78	20.90
Total non- current assets		**1,38,150.50**	**1,38,744.00**
2 Current assets			
Inventories	15	8,093.76	765.31
Financial assets			
Investments	16	11,470.90	34.19
Trade receivables	17	11,694.09	1,619.96
Cash and cash equivalents	18	2,987.87	2,912.22
Other bank balances	19	4,818.91	3,625.14
Other financial assets	20	6,364.43	3,955.64
Other current assets	21	1,448.08	1,067.79
Total current assets		**46,878.04**	**13,980.25**
TOTAL ASSETS		**1,85,028.54**	**1,52,724.25**
EQUITY & LIABILITIES			
Equity			
Equity share capital	22	13,225.93	13,225.93
Other equity	23	81,494.32	62,086.33
Total equity		**94,720.25**	**75,312.26**
Liabilities			
1 Non-current liabilities			
Financial liabilities			
Borrowings	24	9,335.33	20,461.45
Other financial liabilities	25	10,790.42	10,085.67
Provisions	26	15,468.05	13,262.13
Deferred tax liability	27	95.92	97.89
Total non-current liabilities		**35,689.72**	**43,907.14**
2 Current Liabilities			
Financial liabilities			
Borrowings	28	27,084.47	15,272.89
Trade payables	29		
Total outstanding dues of Micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,651.41	3,792.02
Other financial liabilities	30	8,053.84	13,326.60
Provisions	31	30.38	20.24
Other current liabilities	32	7,798.47	1,093.09
Total current liabilities		**54,618.57**	**33,504.85**
Total Liabilities		**90,308.29**	**77,411.99**
TOTAL EQUITY & LIABILITIES		**1,85,028.54**	**1,52,724.25**

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 25, 2023

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 25, 2023

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 25, 2023

Deepika C S
Company Secretary
Place : Chennai
Date : May 25, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	33	59,220.27	16,140.00
Less: Profit petroleum / revenue share to GOI		(3,328.74)	(567.48)
Other income	34	879.55	1,146.39
Total income		**56,771.08**	**16,718.91**
EXPENSES			
Share of expenses from producing oil and gas blocks	35(a)	17,649.40	2,822.89
Royalty, cess and National calamity contingent duty	35(b)	6,779.69	3,234.56
Vessel operating expenses	35(c)	2,646.95	266.75
(Increase) / decrease in stock of crude oil and condensate	36	(5,949.00)	379.10
Employee benefits expense	37	93.47	93.28
Finance costs			
- Banks and financial institutions	38	3,016.35	301.04
- Unwinding of discount on decommissioning liability	39	771.73	620.58
Depreciation, depletion and amortization expense	4,6,7	7,370.08	2,621.46
Other expenses	40	3,452.35	884.54
Total expenses		**35,831.02**	**11,224.20**
Profit before share of profit of associate, exceptional items and tax		**20,940.06**	**5,494.71**
Share of profit of associate	8	11.11	(89.71)
Profit before exceptional items and tax		**20,951.17**	**5,405.00**
Exceptional items	41	(1,221.99)	(3,436.53)
Profit before tax		**19,729.18**	**1,968.47**
(1) Current tax		326.31	-
(2) Adjustment of tax relating to earlier periods		0.02	4.33
(3) Deferred tax		(1.97)	(35.23)
Total tax expense		**324.36**	**(30.90)**
Profit for the year		**19,404.82**	**1,999.37**
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		3.17	(4.06)
Other comprehensive income (net of tax)		**3.17**	**(4.06)**
Total comprehensive income for the year		**19,407.99**	**1,995.31**
Earnings per equity share of ₹ 10 attributable to equity holders.	42		
Basic		14.67	1.51
Diluted		14.67	1.51

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 25, 2023

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 25, 2023

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 25, 2023

Deepika C S
Company Secretary

Place : Chennai
Date : May 25, 2023

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

a) Equity Share Capital

Particulars	As at the period ended			
	March 31, 2023		March 31, 2022	
	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, 2023

Particulars	Reserves and surplus				Total ₹ in lacs
	Securities premium	Capital reserve	General reserve	Retained earnings	
Balance as at April 1, 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 (net of tax)	-	-	-	(4.06)	(4.06)
Total comprehensive income for the year	**-**	**-**	**-**	**1,995.31**	**1,995.31**
Balance as at March 31, 2022	**78,865.42**	**96,129.35**	**38.00**	**(1,12,946.43)**	**62,086.33**
Profit for the year	-	-	-	19,404.82	19,404.82
Other comprehensive income (net of tax)	-	-	-	3.17	3.17
Total comprehensive income for the year	**-**	**-**	**-**	**19,407.99**	**19,407.99**
Balance as at March 31, 2023	**78,865.42**	**96,129.35**	**38.00**	**(93,538.44)**	**81,494.32**

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 25, 2023

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 25, 2023

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 25, 2023

Deepika C S
Company Secretary

Place : Chennai
Date : May 25, 2023

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from Operating activities		
Profit after tax	**19,404.82**	**1,999.37**
Adjustments for:		
Depletion, depreciation and amortisation expense	7,370.08	2,621.46
Unwinding of discount on Decommissioning liability	771.73	620.58
Provision for compensated absences	(5.57)	-
Net foreign exchange differences	1,808.88	58.49
Exceptional Items	1,221.99	3,436.53
Tax expense	324.37	(30.91)
Interest income	(2,613.17)	(823.79)
Interest expenses	3,016.35	301.04
Net gain on sale of investments	(44.68)	-
Net gain on fair valuation of investments	(94.92)	(10.95)
Rental income	(31.52)	(30.02)
Share of profit of associate	(11.11)	89.71
Dividend received	0.22	-
Operating profit before working capital changes	**31,117.03**	**8,231.51**
Working capital adjustments for:		
(Increase) / Decrease in trade receivables	(10,074.13)	1,487.19
(Increase) / Decrease in Inventories	(7,433.74)	511.13
Other financial and non-financial assets	(3,238.14)	(1,089.27)
Trade payables, other financial and non-financial liabilities	12,118.64	1,601.76
Cash generatedfrom operations	**22,489.66**	**10,742.32**
Direct taxes (payment)/received (net of refunds)	(555.52)	355.33
Net cash generated from operating activities	**21,934.14**	**11,097.65**
Cash flow from Investing activities		
Property, plant and equipment (net of capital advances & payables)	(7,167.19)	(26,532.88)
Intangible assets	(15.03)	(66.74)
Rent received	31.52	30.02
Dividend received	0.22	-
Net gain on sale of investments	44.68	-
Net gain on fair valuation of investments	94.92	10.95
Interest received (net of repayment)	640.15	100.32
Bank deposit- Under site restoration fund	(25.41)	(403.09)
Bank deposit - Lien for bank guarantees/facilities	(227.78)	(1,162.61)
Other bank balances -Escrow account	(1,074.96)	-
Net cash flows used in investing activities	**(7,698.88)**	**(28,024.03)**
Cash flow from financing activities		
Term loan received	-	28,988.28
Term loan repaid	(12,397.98)	(18,666.13)
Short term loan (Net of repayment)	12,500.00	625.00
Interest paid	(2,824.92)	(301.04)
Net cash flows from financing activities	**(2,722.90)**	**10,646.11**
Net increase / (decrease) in cash and cash equivalents	**11,512.36**	**(6,280.27)**
Cash and cash equivalents at the beginning of the year	**2,946.41**	**9,226.68**
Cash and cash equivalents at the end of the year	**14,458.77**	**2,946.41**
Cash in hand	0.18	0.15
Balances with banks		
- In deposit accounts	5.12	4.87
- In current accounts	2,982.57	2,907.20
Current Investments	11,470.90	34.19
Total cash and cash equivalents	**14,458.77**	**2,946.41**

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 25, 2023

For and on behalf of the Board of Directors

P. Elango
Managing Director
DIN No 06475821
Place : Chennai
Date : May 25, 2023

R. Jeevanandam
Director & CFO
DIN No 07046442
Place : Chennai
Date : May 25, 2023

Deepika C S
Company Secretary

Place : Chennai
Date : May 25, 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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') / Revenue Sharing Contracts ('RSC') 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, 2023	As at March 31, 2022
1	MB/OSDSF/	Hindustan Oil Exploration Company Limited (O)	60	60
	B80/2016	Adhboot Estates Private Limited	40	40
2	PY-1	Hindustan Oil Exploration Company Limited (O)	100	100
3	CY-OS-90/1	Hardy Exploration & Production (India) Inc. (O)	18	18
	(PY-3)	Oil and Natural Gas Corporation Limited	40	40
		Hindustan Oil Exploration Company Limited	21	21
		Tata Petrodyne Limited	21	21
4	AAP-ON-94/1	Hindustan Oil Exploration Company Limited (O)	26.882	26.882
	(Assam)	Indian Oil Corporation Limited	29.032	29.032
		Oil India Limited	44.086	44.086
5	AA-ONHP-2017/19	Hindustan Oil Exploration Company Limited (O)	100	100
6	AA/ONDSF/	Hindustan Oil Exploration Company Limited (O)	40	40
	KHEREM/2016	Oil India Limited	40	40
		Prize Petroleum Company Limited	20	20
7	AA/ONDSF/	Hindustan Oil Exploration Company Limited	10	10
	Umatara/2018	Indian Oil Corporation Limited (O)	90	90
8	Asjol	Hindustan Oil Exploration Company Limited (O)	50	50
		Gujarat State Petroleum Corporation Limited	50	50
9	North Balol	Hindustan Oil Exploration Company Limited (O)	25	25
		Gujarat State Petroleum Corporation Limited	45	45
		Gujarat Natural Resources Limited (GNRL)	30	30
10	CB-ON/7	Hindustan Oil Exploration Company Limited (O)	35	35
	(Palej)	Gujarat State Petroleum Corporation Limited	35	35
		Oil and Natural Gas Corporation Limited	30	30

(O) Operator

* *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 Oil field 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, 2023

(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, 2023 Share %	As at March 31, 2022 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, 2023, 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 AS1 '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, 2023

(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 entities 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 towards satisfaction of a performance obligation is measured at transaction price allocated to that performance obligation.

(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.

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, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Capital work in progress are items of property, plant and equipment which are not ready for their intended use and are carried at cost, comprising direct cost and related incidental expense. Capital work in progress includes items of drilling materials which are held for use in extraction or production of oil and gas and are expected to be used for more than one period.

(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
- Vessel Offshore Production processing unit : 15 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 and vessel offshore production processing unit amortised on a straight-line basis over their estimated useful lives.

(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.

(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 Property, plant and equipment.

(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.

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

Intangible assets - Exploration

Exploration expenditure includes cost of exploration activities such as:

- Acquisition cost- cost associated with acquisition of licenses and rights to explore, including related professional fees.
- General exploration cost- cost of surveys and studies, rights of access to properties to conduct those studies (e.g cost incurred for environment clearance etc), salaries and other expenses of geologists, geophysical personnel conducting those studies.
- Cost of exploration drilling and equipping exploration and appraisal wells.

Intangible assets - others

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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.

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 other than closing stock of crude oil and condensate 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.

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 fair value. Recognized financial assets are subsequently measured in their entirety at the fair value. In case of investments in wholly owned subsidiary, the investments are considered at cost subject to impairment if any. However, trade receivables that do not contain a significant financing component are measure at transaction price.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

xix) Leases

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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 upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. Interest Income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period which they incurred.

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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 3.2, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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.

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 Amendments issued effective from April 1, 2022:

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

- Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.
- Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.
- Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

4 Property, plant & equipment

Summary

Carrying amount of:	As at March 31, 2023	As at March 31, 2022
a) Oil and gas assets	**79,961.28**	**29,654.75**
b) Others		
- Freehold land	239.28	239.28
- Buildings	99.81	104.81
- Fire safety facilities	33.67	41.11
- Plant & Machinery	426.47	514.50
- Vessel	16,498.62	19,193.50
- MOPU	26,085.52	-
- Furniture & fixtures	3.68	4.95
- Vehicles	6.54	9.21
- Office equipment	2.75	3.55
- Computers	9.20	2.57
Total (b)	**43,405.54**	**20,113.48**

Carrying amount of:	Oil and gas assets	Others											Total
		Freehold land	Buildings	Fire Safety facilities	Plant & machinery	Vessels	MOPU & fixures	Furnitures	Vehicles equipment	Office	Computers improvements	Lease hold	
Cost													
Balance as at April 1, 2021	2,73,641.69	239.28	167.39	129.10	1,894.37	-	-	103.83	68.04	215.39	245.54	22.32	3,085.26
Additions /(Deletions)	143.80	-	-	-	-	19,914.52	-	-	-	0.69	1.22	-	19,916.43
Transfer from Investment property	-	-	282.39	-	-	-	-	-	-	-	-	-	282.39
Balance as at March 31, 2022	2,73,785.49	239.28	449.78	129.10	1,894.37	19,914.52		103.83	68.04	216.08	246.76	22.32	23,284.08
Additions / (Deletions)	53,294.73	-	-	-	7.54	(28.93)	27,670.51	-	-	-	9.90	-	27,659.02
Balance as at March 31, 2023	327,080.22	239.28	449.78	129.10	1,901.91	19,885.59	27,670.51	103.83	68.04	216.08	256.66	22.32	50,943.10
Accumulated depletion, depreciation and impairment													
Balance as at April 1, 2021	2,42,427.26	-	129.05	78.90	1,266.01	-	-	97.22	54.94	211.27	231.48	22.32	2,091.19
Transfer from Investment property	-	-	210.67	-	-	-	-	-	-	-	-	-	210.67
Depletion / depreciation	1,703.48	-	5.25	9.09	113.86	721.02	-	1.66	3.89	1.26	12.71	-	868.74
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	3,170.60
Depletion / depreciation	2,988.20	-	5.00	7.44	95.57	2,665.95	1,584.99	1.27	2.67	0.80	3.27		4,366.96
Balance as at March 31, 2023	247,118.94	-	349.97	95.43	1,475.44	3,386.97	1,584.99	100.15	61.50	213.33	247.46	22.32	7,537.56
Carrying value as at March 31, 2023	79,961.28	239.28	99.81	33.67	426.47	16,498.62	26,085.52	3.68	6.54	2.75	9.20	-	43,405.54
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	-	20,113.48

Note: For the details relating to charge on movable and immovable Property(Refer Note 24)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2021	**28,564.76**	**2,385.94**	**14,328.54**	**11,674.81**	**56,954.05**
Additions	23,959.34	-	12,217.05	8,262.58	44,438.97
Transfer	-	-	-	(19,697.68)	(19,697.68)
Balance as at March 31, 2022	**52,524.10**	**2,385.94**	**26,545.59**	**239.71**	**81,695.34**
Additions	3,251.84	-	-	-	3,251.84
Transfer	(51,726.95)	-	(26,545.59)	-	(78,272.54)
Balance as at March 31,2023	**4,048.99**	**2,385.94**	**-**	**239.71**	**6,674.64**
Accumulated impairment					
Balance as at April 1, 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**
Additions	26.24	-	-	-	26.24
Balance as at March 31,2023	**1,134.96**	**2,385.94**	**-**	**-**	**3,520.90**
Carrying value as at March 31, 2023	**2,914.03**	**-**	**-**	**239.71**	**3,153.74**
Carrying value as at March 31, 2022	**51,415.38**	**-**	**26,545.59**	**239.71**	**78,200.68**

5.1 The charge for movable and immovable property refer Note 24.

5.2 Drilling materials has reclassified in line with company accounting policies.

(a) Capital work-in-progress ageing schedule

Particulars	As at March 31, 2023				
	Amount in CWIP for a period of				
Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	389.89	8.32	2.46	2,753.06	3,153.74
Projects temporarily suspended	-	-	-	-	-

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	33,843.25	14,783.48	24,622.91	4,951.04	78,200.68
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, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

6. Investment property

Particulars	Building
Cost	
Balance as at April 1, 2021	**904.63**
Transfer to Buildings (Refer note 6.1)	(282.39)
Balance as at March 31, 2022	**622.24**
Additions	-
Balance as at March 31, 2023	**622.24**
Accumulated Depreciation	
Balance as at April 1, 2021	**510.08**
Transfer to Buildings	(210.67)
Depreciation for the year	15.68
Balance as at March 31, 2022	**315.09**
Depreciation for the year	14.92
Balance as at March 31, 2023	**330.01**
Carrying value as at March 31, 2023	**292.23**
Carrying value as at March 31, 2022	**307.15**

6.1 During the previous year ended March 31, 2022 one property at Mumbai had been put to use for own project. Hence it has been reclassified from Investment property to Buildings.

6.2 Fair value of the Company's investment property

The following table gives details of the fair value of the Group's investment property as at March 31, 2023 and March 31, 2022.

Particulars	Level 3 : March 31, 2023	Level 3 : March 31, 2022
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 2023 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 24)

The property rental income earned by the Company from its investment property, all of which is leased out under operating leases, amounted to ₹ 31.52 lacs (March 31, 2022: ₹ 30.02 lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

7. Intangible assets

Particulars	Exploration	(Others) Software	Total
Cost			
Balance as at April 1, 2021	**903.78**	**647.37**	**1,551.15**
Additions	66.74	-	66.74
Balance as at March 31, 2022	**970.52**	**647.37**	**1,617.89**
Additions	15.03		15.03
Balance as at March 31, 2023	**985.55**	**647.37**	**1,632.92**
Accumulated amortization and impairment			
Balance as at April 1, 2021	**-**	**613.80**	**613.80**
Amortization for the year	-	33.57	33.57
Balance as at March 31, 2022	**-**	**647.37**	**647.37**
Amortization for the year	-	-	-
Balance as at March 31, 2023	**-**	**647.37**	**647.37**
Carryingvalue as at March 31, 2023	**985.55**	**-**	**985.55**
Carryingvalue as at March 31, 2022	**970.52**	**-**	**970.52**

Intangible assets - Exploration aging schedule:

Particulars	As at March 31, 2023				
	Amount for a period of				
Intangible assets - Exploration	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.03	66.74	-	903.78	985.55
Projects temporarily suspended	-	-	-	-	-

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

7.1 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, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

8 Investment in associate

Particulars	As at March 31, 2023	As at March 31, 2022
GML, wholly owned subsidiary of GPII invested 50% of equity share capital in Geoenpro Petroleum Limited (No of shares held - 5,60,000)	1,837.82	1,927.53
Share of profit from associates during the year	11.11	(89.71)
Total	**1,848.93**	**1,837.82**

9. Deposit under site restoration fund

Particulars	As at March 31, 2023	As at March 31, 2022
Site restoration deposit with bank with maturity period in excess of 12 months	7,774.91	7,256.32
Total	**7,774.91**	**7,256.32**

The above amount has been deposited with bank and can be withdrawn 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 bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Deposits with maturity >12 months	108.97	-
Total	**108.97**	**-**

10.1 Fixed deposits with bank are under lien for issue of bank guarantees and term loan facilities availed from the bank

11. Other financial assets (non - current)

Particulars	As at March 31, 2023	As at March 31, 2022
Other financial assets		
(i) Unsecured and considered good		
Security Deposits	5.93	5.93
(ii) Unsecured and considered doubtful		
Other advances	13.55	13.55
Less: Provision for doubtful advances	(13.55)	(13.55)
Total	**5.93**	**5.93**

12. Income tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net)	605.64	376.45
Total	**605.64**	**376.45**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

13. Deferred tax asset (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Exploration expenses	2,658.81	2,658.81
Development expenses	660.17	660.17
Depreciation, depletion, amortization and impairment of assets	(3,107.48)	(1,228.12)
Unabsorbed business losses and depreciation	18,605.39	21,158.31
Deferred tax assets	**18,816.89**	**23,249.17**
Less: Amounts not recognised (refer note below)	(18,816.89)	(23,249.17)
Deferred tax assets (net)	-	-

13.1 Deferred tax asset has not been recognized as it is not predictable that future profit will arise against which the deductible temporary difference and unabsorbed business losses and depreciation can be utilised. 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.

14. Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	44.78	57.90
Pre-deposit - Service tax [refer note 47 (b)]	7.71	7.71
	52.49	**65.61**
Less: Provision for doubtful advances	(44.71)	(44.71)
	7.78	**20.90**

15. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Finished goods		
- Crude Oil	7,454.38	118.51
- Condensate	151.80	112.71
Production stores and spares	487.58	534.09
Total	**8,093.76**	**765.31**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

16. Investments

Particulars		As at March 31, 2023		As at March 31, 2022	
		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	29.66	1,272	33.51
Reliance Communication Limited Equity Shares @ ₹ 5 each		318	-	318	0.01
Reliance Infrastructure Limited Equity Shares @ ₹ 10 each		23	0.03	23	0.03
Reliance Capital Limited Equity Shares @ ₹ 10 each		15	-	15	-
Reliance Home Finance Limited Equity Shares @ ₹ 10 each		15	-	15	-
Reliance Power Limited Equity Shares @ ₹ 10 each		79	0.01	79	0.01
	(A)		**29.70**		**33.56**
ii) Mutual Funds					
Units of Liquid / Liquid plus / Short Term / Medium Term schemes					
TATA Overnight Fund Regular Plan - Growth		60,336	710.47	-	-
TATA Liquid Fund- Regular Plan - Growth		56,988	2,005.05	-	-
SBI Liquid Fund Regular Growth		1,20,737	4,221.08	-	-
Bhandan Overnight Fund Regular Plan - Growth		85,008	1,011.56	-	-
Nippon India Overnight Fund- Growth Plan (ONGPG)		1,660,520	1,990.34	-	-
Nippon India Liquid Fund - Growth Plan - Growth option - (LFIGG)		18,371	1,001.80	-	-
HDFC Liquid Fund - Growth		11,426	500.91	-	-
TATA Treasury Advantage Fund - Growth		-	-	1,638.20	0.63
	(Bi)		**11,441.21**		**0.63**
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)
	(C)		-		-
Total	**(A) + (B) + (C)**		**11,470.90**		**34.19**

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount (cost) of Quoted Investments	0.49	0.49
Market value of quoted Investments	**29.70**	**33.56**
Aggregate amount (cost) of Mutual Fund Investments	11,392.65	0.62
Fair value of mutual fund investments	**11,441.20**	**0.62**
Aggregate Value of Unquoted equity instruments	10.00	10.00
Total investments	**11,480.90**	**44.19**
Impairment of investments	(10.00)	(10.00)
Net total investments	**11,470.90**	**34.19**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

17. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good	11,694.09	1,619.96
Less: Allowance for expected credit loss	-	-
Total	**11,694.09**	**1,619.96**

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- 45 days. No interest is charged on trade receivables for the first 45 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 45 days.

The Group 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).

Ageing of receivables as on March 31, 2023 and March 31, 2022

Particulars	As at March 31, 2023					
	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	11,694.09	-	-	-	-	11,694.09
(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	-	-	-	-	-	-

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	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

18. 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 which can be reconciled to the related items in the consolidated balance sheet as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	**0.18**	**0.15**
Balances with banks:		
Current accounts	2,982.57	2,907.21
Bank deposits- maturity < 3 months	5.12	4.86
Total	**2,987.87**	**2,912.22**

18.1 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.

19. Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with a maturity > 3 months; < 12 months	3,743.95	3,625.14
Other bank balances- Escrow	1,074.96	-
Total	**4,818.91**	**3,625.14**

19.1 Fixed deposits with bank are under lien for issue of bank guarantees and term loan facilities availed from the bank.

20. Other Financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit	79.86	75.54
Advances recoverable in cash or kind	5.51	5.07
Receivable from joint venture partners (net)	6,277.79	3,873.74
Interest accrued on deposits	1.27	1.29
Total	**6,364.43**	**3,955.64**

21. Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good		
Additional fund with LIC for gratuity	8.95	8.95
Advances recoverable	476.90	38.61
Income tax pre-deposit	5.02	5.02
Input tax (GST)	797.07	927.88
Prepaid expenses	131.53	80.98
Others	28.61	6.35
Total	**1,448.08**	**1,067.79**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

22. Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
50,00,00,000 (March 31, 2022; 50,00,00,000) equity shares of ₹ 10 each	50,000.00	50,000.00
Issued		
132,313,363 (March 31, 2022; 132,313,363) equity shares of ₹ 10 each	13,231.34	13,231.34
Subscribed and Fully Paid up		
132,243,289 (March 31, 2022; 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 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, 2023		As at March 31, 2022	
	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) 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.

(c) Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	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	84,63,850	6.40	86,83,148	6.57
LCI Estates LLP	81,00,000	6.12	81,00,000	6.13

23. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
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	**(1,12,946.44)**	**(1,14,941.75)**
Profit for the Year	19,404.82	1,999.37
Other comprehensive income (net of tax)	3.17	(4.06)
Closing balance	**(93,538.45)**	**(1,12,946.44)**
Total other equity	**81,494.32**	**62,086.33**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

24. Non-current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Loan from Axis Bank limited	9,335.33	14,152.82
Loan from HDFC Bank limited	-	6,308.63
Total	**9,335.33**	**20,461.45**

Particulars	Original Tenor	Interest Rate	Outstanding tenor as at March 31, 2023	Repayment Terms	Securities	As at March 31, 2023	As at March 31, 2022
Secured Loan Vehicle Loan from Sundaram finance Ltd	59 Monthly Instalments	8.98%	-	Principal and Interest monthly	Vehicle	-	1.49
Secured term loan Axis Bank limited	60 Months	9.15%	22 Months	Repayable in Monthly instalments	Refer note 1	4,400.00	6,750.00
Secured term Loan Axis bank Limited	20 Quarterly Instalments	10.75%	16 Quarterly Instalments	Quarterly Instalments	Refer note 2	9,835.33	12,731.61
Secured term Loan HDFC Bank Limited	27 Monthly Instalments	11%	11 Monthly Instalments	Monthly instalments	Refer note 3	6,525.82	12,252.82
Sub Total						**20,761.15**	**31,735.92**
Less: Current Maturities of non-current borrowings (refer note 28)						11,425.82	11,274.45
Non-Current Borrowings						**9,335.33**	**20,461.47**

Note: 1 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.

Note: 3 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 Group with banks with the books of accounts for the year ended March 31, 2023 and March 31, 2022.

25. Other financial liabilities (non-current)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit	13.50	13.50
Fair value of foreign exchange derivative liabilities	1,304.22	1,042.03
Capital creditors	9,472.70	9,030.14
Total	**10,790.42**	**10,085.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

26. Provisions (non-current)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for decommissioning	13,975.53	11,824.75
Provision for unfinished work programme	1,455.19	1,384.33
Provision for compensated absences	37.33	53.05
Total	**15,468.05**	**13,262.13**

26.1 Movement of Provision for decommissioning

Particulars	2022-23	2021-22
Balance at beginning of the year	**11,824.75**	**11,204.17**
Additions (Refer note 26.3)	1,379.06	-
Recognized on account of business combinations	-	-
Adjusted / reversal during the year	-	-
Unwinding of discount	771.72	620.58
Balance at end of the year	**13,975.53**	**11,824.75**

26.2 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.

26.3 Decommissioning liability for B80 field was estimated as on March 31, 2023 by an independent engineering consultant and estimated liability is 1,379.04 lacs after adjusting for inflation and discounting thereon.

27 Deferred tax liability

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation, depletion, amortization and impairment	95.92	97.89
Net deferred tax liability	**95.92**	**97.89**

28. Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturity of long-term borrowings	11,425.82	11,274.47
Others	15,658.65	3,998.42
Total	**27,084.47**	**15,272.89**

28.1 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

29. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro enterprises and small enterprises [refer note (i)]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,651.41	3,792.02
Total	**11,651.41**	**3,792.02**

29(i) Trade Payables ageing schedule as at March 31, 2023 and March 31, 2022

	As at March 31, 2023				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-
(ii) Undisputed dues - Others	11,179.36	459.13	-	12.92	11,651.41
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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	3,792.02	-	-	-	3,792.02
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

30. Other financial liabilities (current)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable to joint venture partners (net) (Refer note 30.1)	2,721.38	2,324.85
Payable towards Property, plant and equipment	4,161.52	4,988.60
Interest accrued	424.52	258.47
Fair value of foreign exchange derivative liabilities	566.02	13.08
Other payables	180.40	5,741.60
Total	**8,053.84**	**13,326.60**

30.1 This includes CB-OS/1 Settlement (Refer note 41 (2)).

31. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences	30.38	20.24
Total	**30.38**	**20.24**

32. Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	3,476.75	921.82
Gratuity fund payable to LIC	9.86	21.56
Profit petroleum / revenue share payable to GOI	4,311.86	149.71
Total	**7,798.47**	**1,093.09**

33. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic sales		
Sale of crude oil / condensate	7,295.51	8,064.98
Sale of natural gas	36,961.89	8,075.02
	44,257.40	**16,140.00**
Less: Profit petroleum to Government of India	(3,328.74)	(567.48)
	40,928.66	**15,572.52**
Vessel hire charges	14,962.87	-
	55,891.53	**15,572.52**

33.1 Details of sales

Product	UOM	For the year ended March 31, 2023		For the year ended March 31, 2022	
		Quantity	Value	Quantity	Value
Crude oil / condensate	Barrels	104,566	6,722.10	143,892	7,516.93
Natural gas	Million SCF	4,383	34,206.56	3,081	8,055.59
Total			**40,928.66**		**15,572.52**

33.2 More than 90% of the revenue is realized from three major customers to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

34. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on bank deposits	175.33	144.80
Interest on site restoration deposits with banks	484.65	342.50
Rental income	31.52	30.02
Net gain on sale of investments	94.92	2.27
Net gain on fair valuation of investments	44.68	8.68
Net Gain on foreign exchange	-	8.82
Dividend Income	0.22	-
Interest on income tax refund	16.95	525.20
Miscellaneous Income	31.28	84.10
Total	**879.55**	**1,146.39**

35. Share of expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Share of expenses-producing oil and gas		
Manpower costs	1,520.06	970.90
Plant hire charges	10,609.44	-
Repairs and maintenance	302.62	1,105.10
Other statutory charges	66.18	37.53
Insurance	339.63	150.60
Other production expenses	1,042.62	299.31
Consumables	79.61	37.39
Transportation and logistics	3,689.24	222.06
	17,649.40	**2,822.89**
b) Royalty, cess & National Calamity Contingent Duty	**6,779.69**	**3,234.56**
c) Facility operating expenses		
Manpower costs	984.54	215.76
Repairs &maintenance	654.21	0.96
Provisions and Stores	80.08	14.44
Vessel consumables	114.31	-
Vessel communication	24.41	5.80
Vessel Insurance	148.23	-
Vessel management Fee &other expenses	641.17	29.79
	2,646.95	**266.75**
Total	**27,076.04**	**6,324.20**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023	For the year ended March 31, 2022
Inventories at the end of the year	(7,606.18)	231.22
Inventories at the beginning of the year	231.22	601.21
(Increase) / decrease in inventories	**(7,374.96)**	**369.99**
Less: Profit petroleum to Government of India	1,425.96	9.11
Net (Increase) / decrease in inventories	**(5,949.00)**	**379.10**

37. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	62.31	75.60
Contribution to Provident fund and other funds	22.31	4.88
Staff welfare expenses	8.85	12.80
Total	**93.47**	**93.28**

38. Finance cost - others

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Banks and financial institutions	2,840.24	285.87
Other finance charges	176.11	15.17
Total	**3,016.35**	**301.04**

39. Finance cost - Unwinding of discount on decommissioning liability

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Unwinding of discount on decommissioning liability	771.73	620.58
Total	**771.73**	**620.58**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

40. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Office and guest house rent	41.05	40.83
Power	1.08	1.08
Rates and taxes	114.63	8.68
Repairs and maintenance - others	6.67	8.29
Travelling and conveyance	5.48	2.53
Communication expenses	4.49	2.58
Membership and subscription	29.20	18.15
Legal and professional fees	232.25	329.36
Insurance	2.12	3.55
Directors' sitting fees (refer note 45)	20.86	18.77
Director's commission (refer note 45)	18.00	18.00
Printing and stationary	1.08	1.00
Net loss on foreign exchange	2,259.55	62.70
Corporate expenses		0.03
Bank charges	17.59	27.85
Expenditure incurred for corporate social responsibility (refer note 48)	155.15	201.83
OIL Digboi filed expenses	289.52	-
VAT Differential	109.77	-
Miscellaneous expenses	93.97	89.63
	3,402.46	**834.86**
Payment to Auditor:		
Audit fee	47.54	47.32
Tax audit fee	2.36	2.36
	49.90	**49.68**
Total other expenses	**3,452.36**	**884.54**

41. Exceptional items

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
PY-1 royalty (refer note 1 below)	-	(2,789.18)
CB-OS/1 Settlement (refer note 2 below)	-	(647.35)
Profit oil differential amount (refer note 3 below)	(1,221.99)	-
Income - net	**(1,221.99)**	**(3,436.53)**

1. During the previous year Production Sharing Contract ("PSC") of PY1 block was extended up to June 4, 2022 by Government of India ("GOI") to continue the production from the field. The disputed royalty payment was provided of ₹ 2,789.18 Lacs which was paid in the current year. The PSC 10 years extension of the block effective from October 5, 2020 was obtained in the current year.
2. During the previous year, 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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

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, 2023	For the year ended March 31, 2022
Profit for the year as per statement of profit & loss	**₹ 19,406.99 lacs**	**₹ 1,999.37 lacs**
	No.	No.
Weighted average number of equity shares used in calculating basic EPS	13,22,43,289	13,22,43,289
Par value per share	₹ 10	₹ 10
Earnings per equity share in ₹ computed on the basis of profit for the year - Basic	**14.67**	**1.51**
Weighted average number of equity shares used in calculating - Diluted EPS	13,22,43,289	13,22,43,289
Earnings per equity share in ₹ computed on the basis of profit for the year - Diluted	**14.67**	**1.51**

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, 2023	For the year ended March 31, 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	13,22,43,289	13,22,43,289
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	**13,22,43,289**	**13,22,43,289**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

43 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	2022-23	2021-22
Capital	50.00	50.00
Reserves	430.32	(261.16)
Total Assets (excluding Investments)	18,461.57	20,784.07
Total Liabilities (excluding Capital and other equity)	17,981.25	20,995.23
Investments (refernote below)	-	0.62
Turnover	7,272.57	-
(Loss) / Profit before tax	691.50	(1,126.45)
Tax expenses	(0.02)	4.33
(Loss) / Profit after tax	691.48	(1,130.78)

Note: Details of Investments of Hindage Oilfield Services Limited

Particulars	2022-23	2021-22
Schemes of Mutual funds		
Tata Treasury Advantage Fund - Growth	-	0.62
Total	**-**	**0.62**

2) Geopetrol International Inc ("GPII")

Particulars	2022-23	2021-22
Capital	6,506.20	6,506.20
Reserves	713.14	(1,633.49)
Total Assets	40,504.36	34,031.99
Total Liabilities (excluding Capital and other equity)	33,285.02	29,159.28
Turnover	10,514.15	2,522.05
Profit before tax	2,670.97	(487.61)
Tax expenses	324.34	(35.23)
Profit after tax	2,346.63	(452.39)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023

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	98.15%	92,966.40	84%	16,366.73	100%	3.17	84%	16,369.90
Subsidiaries (wholly owned)								
Indian								
HOSL	0.45%	430.32	4%	691.48			4%	691.48
Foreign								
GPII	1.40%	1,323.53	12%	2,346.61			12%	2,346.61
		94,720.25		**19,404.82**		**3.17**		**19,407.99**

ii. 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								
HOSL	(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**

44. 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 ₹ 20.76 lacs (PY March 31, 2022: ₹ 23.98 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, 2023

(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 year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost:		
Current service cost	26.48	22.42
Past Service cost	-	-
Loss / (gain) on curtailments and settlement	-	-
Net interest cost	0.57	(0.99)
Total	**27.05**	**21.43**

Other Comprehensive Income for the current year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Components of actuarial gain / losses on obligations:		
Due to Change in financial assumptions	(3.87)	(3.12)
Due to change in demographic assumptions	8.81	
Due to experience adjustments	(8.99)	5.83
Return on plan assets excluding amounts included in interest income	0.89	1.35
Amounts recognized in Other Comprehensive Income	**(3.17)**	**4.06**

Changes in the present value of the defined benefit obligation ("DBO")

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Defined Benefit Obligation	156.23	138.52
Current service cost	26.48	22.42
Interest cost	9.86	8.28
Actuarial (gain)/loss due to change in financial assumptions	(3.87)	(3.12)
Actuarial (gain)/loss due to change in demographic assumptions	8.81	-
Actuarial (gain)/loss due to experience adjustments	(8.99)	5.83
Benefits paid	(13.65)	(15.70)
Closing defined benefit obligation	**174.87**	**156.23**

Changes in fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening value of plan assets	134.68	142.45
Interest Income	9.29	9.28
Return on plan assets excluding amounts included in interest income	(0.89)	(1.36)
Contributions by employer	35.58	-
Benefits paid	(13.65)	(15.70)
Closing value of plan assets	**165.01**	**134.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Net liability recognized in the balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of the defined benefit obligation	174.87	156.23
Fair value of plan assets	(165.01)	(134.67)
Plan Liability / (asset)	**9.86**	**21.56**

The principal assumptions used in determining gratuity and for the Company's plans are shown below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.40% p.a	6.85%
Future salary increase	5.00% p.a	5.00%
Rate of return on plan assets	7.40% p.a	6.85%
Withdrawal rates	9.94% at all ages	6% at younger ages reducing to 2% at older ages

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 ₹ 9.86 lacs towards its gratuity plan for the next year.

Maturity profile of defined benefit obligation as at March 31, 2023:

Year 1 %	Year 2 %	Year 3 %	Year 4 %	Year 5 %	Year 6 to 10 %
28.4	7.7	4.7	5.4	5.0	22.9

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

Significant actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Discount Rate		
Increase by 0.5%	(171.54)	(151.30)
Decrease by 0.5%	178.38	161.52
Salary growth rate		
Increase by 0.5%	(177.99)	(160.56)
Decrease by 0.5%	171.75	152.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023	For the year ended March 31, 2022
Discount rate	7.40%	6.85%
Future salary increase	5.00%	5.00%
Withdrawal Rates	9.94% at all ages	6% at younger ages reducing to 2% at older ages

Significant actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Discount Rate		
Increase by 0.5%	(51.09)	(55.98)
Decrease by 0.5%	52.54	58.80
Salary growth rate		
Increase by 0.5%	(52.56)	(58.82)
Decrease by 0.5%	51.07	55.95

45. 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 2023 is as follows:

Developed and Undeveloped:

	Unit of Measurement	As at April 1, 2022	Addition / (Deletion)	Production	As at March 31, 2023
Proved reserves (1P)					
- Oil	MMBBL	12.52	-	0.22	12.30
- Gas	BCF	86.75	1.88	4.59	84.04
Proved and probable (2P)					
- Oil	MMBBL	18.39	0.01	0.22	18.18
- Gas	BCF	134.93	3.07	4.59	133.41

Developed:

	Unit of Measurement	As at April 1, 2022	Addition	Production	As at March 31, 2023
Proved reserves (1P)					
- Oil	MMBBL	10.81	-	0.22	10.59
- Gas	BCF	86.75	1.88	4.59	84.04

Note 1: The above reserve estimates excludes the reserves of PY-3 as there is no viable plan for recommencement as on date.

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, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Developed and Undeveloped:

	Unit of Measurement	As at April 1, 2021	Addition	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

Note 1: The above reserve estimates excludes the reserves of PY-3 as there is no viable plan for recommencement as on date.

Note 2: Unit of measurement is considered in barrels for oil and cubic feet for gas.

46. Related Party Disclosures

a) Related Parties as of March 31, 2023:

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. Deepika C S (effective from August 12, 2022)
- Ms. G.Josephin Daisy (Resigned effective June 30, 2022)

Other related parties - Related to Non-Executive, Non-Independent Director.

- SSA Finserv Pvt. Ltd

b) Nature and volume of transactions during the year and outstanding balances as at March 31, 2023 and March 31, 2022 with the above parties:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
EXPENDITURE		
Key managerial personnel remuneration -		
1. Mr. P. Elango - Managing Director	146.98	122.24
2. Mr. R. Jeevanandam - Director & CFO	141.10	117.68
3. Ms. G.Josephin Daisy - Company Secretary till June 30, 2022	3.31	10.40
4. Ms. Deepika - Company Secretary	3.12	-
Sitting fee - Independent Directors	17.00	15.75
Commission - Independent Directors*	18.00	18.00
Loan from SSA FinservPvt. Ltd	1,000.00	-
Loan repaid to SSA FinservPvt. Ltd	1,000.00	-

* which is within 1% of the net profit of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

47. Commitments and Contingencies

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Contingent Liabilities		
(a) Claims not acknowledged as debts CY-OS-90/1 (note - a)	3,112.00	3,112.00
(b) Service tax liability (note-b)	168.92	168.92
(c) Service tax liability (refer note c)	24,283.35	24,283.35
(d) Goods and Service tax liability (refer note d)	218.99	218.99
(e) Goods and Service tax liability (refer note e)	888.03	888.03
(f) Unfinished work program as debts AA ONN 2003/2 (refer note f)	1,243.14	1,243.14
(g) Profit petroleum as debts Kharsang (refer note 40 (3))	-	1,012.45
(ii) Commitments		
Estimated value of contracts remaining to be executed on capital account and not provided for	180.09	211.18

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's appeal before Kuala Lumpur High Court was dismissed on February 11, 2022. HOEC filed an appeal before The Court of Appeal at Kuala Lumpur. The appeal was dismissed from appellant review by an order of the Court of Appeal dated April 4, 2023. Company has filed an appeal before the Federal Court of Malaysia on May 04, 2023.

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 had filed an appeal to the order dated August 10, 2021 before the Supreme Court of India, which was disposed of on January 5, 2023. HOEC filed fresh interim application before Gujarat HC for not proceeding with Enforcement Proceedings until reconciliation as required under award is completed.

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 ended March 2020, 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 Honorable High Court of Madras has remanded back to the Commissionerate for fresh adjudication based on the merits of the case on April 8, 2022, 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

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. The department issued the letter dated July 4, 2022, kept it in abeyance.

Further, for the period April 2016 to June 2017 a show cause notice has been received towards service tax on royalty amounting to ₹ 23.42 lacs. The company filed the submission and seeking redressal before Ministry of Petroleum and Natural Gas, Government of India. The department issued the letter dated July 4, 2022, kept it in abeyance.

d) During the year a show cause notice has been received for the period July 2017 to March 2021 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 order received by HOEC from GST Commissionerate as company rendering manpower and business support service to UJV for the period July 2017 to March 2021 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 a writ petition.

f) In respect of Block AA ONN 2003/2, Geopetrol has estimated the liability of unfinished work program as ₹ 3,286.32 lacs (US$ 3.99 Million) in terms of the PSC. Out of which an amount of ₹ 1,831.13 lacs (US$ 2.22 million) was realized by GOI by invocation of bank guarantee provided by Geopetrol and for the balance ₹ 1,455.19 lacs (US$ 1.77 million) liability was created. However, DGH has made a claim of ₹ 4,634.58 lacs (US$ 5.63 million) which has no basis and is being disputed. Accordingly, no liability is created for the disputed amount of ₹ 1,348.25 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.

48. Effects of Changes in Foreign Exchange Rates

a) Expenditure in foreign currency (on accrual basis)

Particulars	2022-23	2021-22
Operating expenditure	8,957.78	750.57

b) Value of Imports calculated on CIF basis (on accrual basis)

Particulars	2022-23	2021-22
Components and spare parts	12.26	10.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

49. 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	2022-23	2021-22
Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 (on annual basis) (A)	155.15	201.83
Amount expenditure incurred during the year (B)	155.15	2.03
In cash		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above:	-	2.03
Promoting preventive health care	-	-
Promoting education	-	-
Conservation of natural resources and other allied areas	-	-
Shortfall at the end of the year ('C)	-	199.80
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)	N/A	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

50. 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.

51. 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 24, 28 and 16,18 after deducting cash and bank balances) and equity of the Company (comprising issued capital, reserves and surplus, retained earnings as disclosed in notes 22 and 23). 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, 2023	As at March 31, 2022
Borrowings	36,419.80	35,734.34
Less: Cash and cash equivalent	(14,458.77)	(2,946.41)
Net Debt	**21,961.03**	**32,787.93**
Equity	94,720.25	75,312.26
Capital and Net Debt	**116,681.28**	**108,100.19**
Gearing Ratio	**18.82%**	**30.33%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023			As at March 31, 2022		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Deposits under site restoration fund	-	7,774.91	7,774.91	-	7,256.32	7,256.32
Investments	11,470.90	-	11,470.90	34.19	-	34.19
Trade receivables	-	11,694.09	11,694.09	-	1,619.96	1,619.96
Cash and cash equivalents	-	2,987.87	2,987.87	-	2,912.22	2,912.22
Other bank balances	-	4,927.88	4,927.88	-	3,625.14	3,625.14
Other financial assets	-	6,370.36	6,370.36	-	3,961.57	3,961.57
Total Financial Assets	**11,470.90**	**33,755.11**	**45,226.01**	**34.19**	**19,375.21**	**19,409.40**
Financial Liabilities						
Borrowings	-	36,419.80	36,419.80	-	35,734.34	35,734.34
Interest Accrued	-	424.52	424.52	-	258.47	258.47
Trade Payables	-	11,651.41	11,651.41	-	3,792.03	3,792.03
Deposits	-	13.50	13.50	-	13.50	13.50
Other financial liabilities	1,870.24	16,536.00	18,406.24	1,055.11	22,085.19	23,140.30
Total Financial Liabilities	**1,870.24**	**65,045.23**	**66,915.47**	**1,055.11**	**61,883.53**	**62,938.64**

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, 2023

Particulars	Fair Value Measurements using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value (refer note 16)				
- Quoted equity instruments	29.70	29.70	-	-
- Mutual fund investments	11,441.20	11,441.20	-	-
- Derivatives	1,870.24	1,870.24	-	-

As at March 31, 2022

Particulars	Fair Value Measurements using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value (refer note 16)				
- Quoted equity instruments	33.56	33.56	-	-
- Mutual fund investments	0.62	0.62	-	-
- Derivatives	1,055.11	1,055.11	-	-

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, 2023

(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 March 31, 2023 and March 31, 2022. The Group's borrowings are secured, the details of which are more fully described in Note 24.

52 Derivative contract swap

Bank Name	Nature of Agreement	Rate/Currency	Outstanding Amount	Amount
Axis Bank	Derivative	7.95% on USD	USD 12,291,052	9,835.33
Axis Bank	Derivative	6.95% on EURO	EURO 11,779,257	10,000.00
HDFC Bank	Derivative	6.97% on USD	USD 8,906,884	6525.82
Axis Bank	Derivative	6.97% on USD	USD 2,209,210	1,574.72

53. 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 Audit Committee and the Board of Directors. 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, 2023		As at March 31, 2022	
Loan	$ 44,50,000.00	₹ 3,658.65 lacs	$ 44,50,000.00	₹ 3,373.42 lacs
Interest accrued on loan	$ 4,36,883.00	₹ 359.19 lacs	$ 190,409.26	₹ 144.34 lacs
Loan from banks INR to USD / Euro swaps	$ 3,61,96,788	₹ 30,045.86 lacs	$ 38,846,702.86	₹ 27,459.00 lacs

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

Foreign Currency Sensitivity

The Group does not have outstanding derivates as at 31 March 2023 and 31 March 2022 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 2023	For the year ended 31 March 2022
US Dollars	+5%	1,057.41	1,118.42
	-5%	(1,057.41)	(1,118.42)

(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, 2023	As at March 31, 2022
Variable Rate Borrowings	-	-
Fixed Rate Borrowings	36,419.80	35,754.34
Total	**36,419.80**	**35,754.34**

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 it 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, 2023				
Particulars	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**	**Carrying Value**
Borrowings	27,084.47	9,335.33	-	36,419.80	36,419.80
Trade Payables	11,651.42	-	-	11,651.42	11,651.42
Other Financial liabilities	18,830.76	13.50	-	18,844.26	18,844.26
Total	**57,566.65**	**9,348.83**	-	**66,915.48**	**66,915.48**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

	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**

54. Events after the reporting period

There is no material event after the reporting period.

55. Previous year figures

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

56. Following Ratios to be disclosed:

Particulars	As at FY 2022-23	As at FY 2021-22	Variation	Remarks for variation more than 25%
(a) Current Ratio (in times)	0.86	0.42	51%	
(b) Debt-Equity Ratio (in times)	0.38	0.47	(24%)	
(c) Debt Service Coverage Ratio (in times)	2.08	2.20	6%	
(d) Return on Equity Ratio (in %)	20.49	2.65	87%	Due to B80 Revenue
(e) Inventory turnover ratio ((in times)	14.26	37.42	(162%)	Due to increase in crude stock in B80 block
(f) Trade Receivables turnover ratio (in times)	8.40	6.59	22%	current year increase in sales
(g) Trade payable turnover ratio (in times)	3.62	2.01	44%	Due to B80 Revenue
(h) Net capital turnover ratio,(in times)	(4.10)	(2.11)	49%	current year increase in borrowings
(i) Net profit ratio, (in %)	34.72	12.84	63%	Due to B80 Revenue
(j) Return on capital employed (in %)	17.93	2.60	85%	Due to increase in revenue from Assam block
(k) Return on investment	3.32	2.70	19%	

Explanations to items included in computing the above ratios:

1. Current Ratio: Current Asset over Current Liabilities
2. Debt-Equity Ratio: Debt (Borrowings) over total shareholders equity (including Reserves & Surplus)
3. Debt Service Coverage Ratio: EBIT + Interest+ Depreciation over (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 shareholders 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, 2023

(All amounts are in Indian Rupees in lacs, unless otherwise stated)

57. The charge creation for HDFC bank loan, pending with banker for their internal clearance.

58. The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.

59. No proceedings have been initiated during the year or are pending against the Group as at March 31, 2023 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.

60. Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.

61. The Group has not traded / invested in Crypto currency or virtual currency.

62. 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

63. 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,

64. 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).

65. 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.

66. 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.

67. No schemes of arrangements have been applied or approved by the Competent Authority in terms of section 230 to237 of the Companies Act, 2013.

68. 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 Group) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Group as at the balance sheet date.

69. Approval of financial statements

The financial statements were approved for issue by the board of directors on May 25, 2023.

For and on behalf of the Board of Directors

P. Elango	**R. Jeevanandam**	**Deepika C S**
Managing Director	Director & CFO	Company Secretary
DIN No 06475821	DIN No 07046442	

Place : Chennai
Date : May 25, 2023

GLOSSARY

3D Seismic	-	Three Dimensional Seismic
2P/P+P Reserves	-	Proved and Probable Reserves 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. 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 equalor exceed the sum of estimated proven plus probable reserves.
ADR	-	American Depository Receipts
AGM	-	Annual General Meeting
AIFDP	-	Alternate Integrated Field Development Plan
AS	-	Accounting Standard
ASOP	-	Associate Stock Option Plan, 2015
ATRs	-	Action Taken Reports
bbl	-	barrel
bcf	-	billion cubic feet
BEE	-	Bureau of Energy Efficiency
boe	-	barrels of oil equivalent
bopd	-	barrels of oil per day
boepd	-	barrels of oil equivalent per day
BSE	-	Bombay Stock Exchange
CDSL	-	Central Depository Services (India) Limited
CEO	-	Chief Executive Officer
CFO	-	Chief Financial Officer
CFS	-	Consolidated Financial Statement
CGD	-	City Gas Distribution
CIN	-	Corporate Identification Number
CNG	-	Compressed Natural Gas
COO	-	Chief Operating Officer
CS	-	Company Secretary
CSR	-	Corporate Social Responsibility
DP	-	Depository Participant
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.
DGH	-	Directorate General of Hydrocarbons
DIN	-	Director Identification Number
DSF	-	Discovered Small Fields
EIL	-	ENI India Ltd.
EPS	-	Earnings Per Share
ERP	-	Emergency Response Plan
ESOS	-	Employee Stock Option Scheme
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
E&P	-	Exploration and Production
FI	-	Financial Institutions
GDR	-	Global Depository Reciepts
G&G	-	Geological & Geophysical
GHG	-	Green House Gas
GML	-	Geopetrol Mauritius Ltd.
GPII	-	Geopetrol International Inc.
HAZID	-	Hazard Identification (Risk Analysis)
HAZOP	-	Hazard and Operability Analysis
HELP	-	Hydrocarbon Exploration Licensing Policy
HOEC	-	Hindustan Oil Exploration Company Limited

HSECSR	-	Health, Safety, Environment & Corporate Social Responsibility
IEPF	-	Investor Education and Protection Fund
IND AS	-	Indian Accounting Standards
IOGP	-	International Association of Oil & Gas Producers
JSA	-	Job Safety Awareness
JV	-	Joint Venture
KPI	-	Key Performance Indicator
LNG	-	Liquefied Natural gas
LLP	-	Limited Liability Partnership
LPG	-	Liquified Petroleum Gas
LTI	-	Loss Time Incident
MC	-	Management Committee
MCA	-	Ministry of Corporate Affairs
M-GPP	-	Modular Gas Processing Plant
mmboe	-	million barrels of oil equivalent
mmbtu	-	million british thermal unit
mmscfd	-	million standard cubic feet per day
mmscm	-	million standard cubic meters
mmscmd	-	million standard cubic meters per day
mmbbl	-	million Barrels
mm	-	million
MoP&NG	-	Ministry of Petroleum & Natural Gas
MSMED	-	Micro Small & Medium Enterprises Development Act, 2006
NBP	-	National Balancing Point
NCLT	-	National Company Law Tribunal
NELP	-	New Exploration Licensing Policy
NSE	-	National Stock Exchange
NSDL	-	National Securities Depository Limited
OALP	-	Open Acreage Licensing Policy
OGP	-	Open Government Partnership
ONGC	-	Oil & Natural Gas Corporation Limited
OPEC		Organization of the Petroleum Exporting Countries
PI	-	Participating Interest
PoD	-	Plan of Development
PSC	-	Production Sharing Contract
Revenue	-	Sales + Other Income
RD	-	Regional Director
ROU	-	Right of Use
RSC	-	Revenue Sharing Contract
scmd	-	standard cubic meters per day
scm	-	standard cubic meters
SEBI	-	Securities and Exchange Board of India
SEBI LODR	-	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEM	-	Successful Efforts Method
SIMOPs	-	Simultaneous Operations
USD/US$	-	United States Dollar
UJV	-	Unincorporated Joint Venture
Working interest basis	-	Field Production x Participating Interest