GUPTA RUSTAGI & AGGARWAL
CHARTERED ACCOUNTANTS
FF-2 & FF-3, Surya Arcade, U-110, Shakarpur,
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRIZE PETROLEUM COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of PRIZE PETROLEUM COMPANY LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standarad) Rules, 2015. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Companies Act 2013, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143(11) of the Act.

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Gupta Rustagi & Aggarwal
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We conducted our audit on standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the Standalone financial statements:

a) Note no. 32(IV)(22) regarding diminution in the value of Investment of Rs. 24,40,39,000 in the wholly owned subsidiary Prize Petroleum International Pte. Ltd., Singapore and its provision thereof.

Our opinion is not modified in respect of these matters.

Other Matters

1. **Incoming auditor to audit comparative information for adjustments to transition to Ind AS**

Gupta Rustogi & Aggarwal Chartered Accountants FF-2 & 3 Surya Arcade U-110 Shakarpur Main Vikas Marg Delhi-110092

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The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date's opening balance sheet as at 1st April 2015 included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 17th May 2016 and 7th May 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the difference in the accounting principles adopted by the Company on transition to the notified Ind AS, which have been audited by us.

2. We did not audit the financial statements of two unincorporated Joint Ventures (ONGC Onshore Marginal Field (Hirapur Field) and NELP-VI Block SR-OWN-2004/1- South Rewa, included in the financial statements of the Company proportionate to respective participating interest (PI). The total assets of Rs. 13,55,13,459/- and net assets of Rs. 13,83,93,906/- as at 31st March, 2017, total revenues of Rs.1,02,19,021/- and net loss of Rs. 28,80,443/-, pertaining to company's share in these joint ventures, for the year ended on that date, are considered in the standalone financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the standalone financial statements of the Company to the extent it relates to the amounts and disclosures included in respect of these unincorporated Joint Ventures is based solely on the report of such auditors.

3. We did not audit the financial statements of two Joint Ventures (Sanganpur and cluster-7) included in the standalone financial statements of the Company proportionate to respective participating interest (PI). The total assets of Rs. 5,70,55,574/- and net assets of Rs. 5,70,84,031/- as at 31st March, 2017, total revenues of Rs. 8,79,944/- and net loss of Rs. 28,458/-, pertaining to company's share in these joint ventures, for the year ended on that date are considered in the standalone financial statements. The unaudited financial information have been provided to us by the management, and our opinion on the standalone financial statements of the Company to the extent it relates to the amounts and disclosures included in respect of these unincorporated Joint Ventures is based solely on such unaudited financial information furnished to us.

Report on other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraph 3 and 4 of the Order, for the unincorporated Joint Venture accounts we have relied on the opinion of the auditors of the respective Joint Ventures.
2. As required by the section 143(5) of the Act, we give in **"Annexure B"** a statement on the directions/sub-direction issued by the Comptroller and Auditor General of India.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
e) On the basis of the written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure-C"**.
g) 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, in our opinion and to the best of our information and according to the explanation given to us.
h) The Company does not have any pending litigations which would impact its financial position.

   i) The Company has disclosed the impact of pending litigation on its financial position in its financial statements, if any.
   ii) The Company has long-term contracts as at 31st March, 2017 for which there were no material foreseeable losses.
   iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2017.
   iv) The Company has provided the requisite disclosure in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the Company.

For **GUPTA RUSTAGI & AGGARWAL**
Chartered Accountants
Firm's Regn. No. 008084N

Ramesh Chand Rustagi
Partner
Membership No. 086880

Place: New Delhi
Date : 9th May, 2017

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Delhi-110092
Chartered Accountants

Annexure "A" to the Independent Auditors' Report on the Standalone Financial Statements of PRIZE PETROLEUM COMPANY LIMITED

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31,2017:

1) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) There is no immovable properties held in the name of the Company, hence this clause is not applicable.

2) (a) The management has conducted the physical verification of inventory during the year.

(b) No material discrepancies have been noticed in physical verification of the inventory.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and securities.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act.

7) a) According to information and explanations given to us and on the basis of records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of Provident Fund, Income-Tax, Service Tax, Cess and any other statutory dues as applicable, with the appropriate authorities.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

Gupta Rustogi Aggarwal FF-2 & 3 Surya Arcade U-110 Shakarpur, Main Vikas Marg Delhi-110092 Chartered Accountants

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8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institution. The Company has not issued any debentures.

9) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

10) According to the audit procedure performed and the information and explanations given by the management, we report that no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) In our opinion and according to the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12) The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion and according to the information and explanations given, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.

14) During the year Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

16) In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For **GUPTA RUSTAGI & AGGARWAL**
Chartered Accountants
Firm's Regn. No. 008084N

Gupta Rustagi & Aggarwal FF-2 & 3 Supra Arcade U-110 Shakarpur Main Vikas Marg Delhi 110092 Chartered Accountants

Ramesh Chand Rustagi
Partner
Membership No. 086880

Place: New Delhi
Date : 9th May, 2017

Annexure-"B"

to the Independent Auditor's Report on the Standalone Financial Statements of PRIZE PETROLEUM COMPANY LIMITED.

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31,2017:

Based on the verification of records of the Company and based on confirmation and explanations given to us, we give below a report on the directions issued by the Comptroller and Auditor-General of India in terms of Section 143(5) of the Act.

S. N.	Areas to be examined - Directions	Observations
1.	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds fare not available.	The Company does not have any freehold or leasehold land.
2.	Whether there are any cased of waiver/write off of debts/loans/interest etc. if yes, the reasons there for and the amount involved.	According to the information and explanation given to us, there are no cases of waiver/write off of debts/loans/interest etc.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities	Proper records are maintained for inventories lying with third parties According to the information and explanation given to us, the Company has not received any assets as gift /grant(s) from the Govt. or other authorities.
	Sub-Directions	
1.	Independent verification may be made of information /inputs furnished to Actuary, viz. number of employees, average salary, retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits, viz. gratuity, leave encashment, post retirement medical benefits etc.	Majority of employees of the company are deputed from the parent company (Hindustan Petroleum Corporation Ltd.) and governed as per the parent company's policy for employee benefits. Only two employees are on the roll of the Company for which Actuarial Valuation was carried out by Independent Valuer. We have reviewed the valuation report, which contains all the required details.

For **GUPTA RUSTAGI & AGGARWAL**
Chartered Accountants
Firm's Regn. No. 008084N

Ramesh Chand Rustagi
Partner
Membership No. 086880

Place: New Delhi
Date : 9th May, 2017

Annexure-"C"

To the Independent Auditor's Report on the Standalone Financial Statements of PRIZE PETROLEUM COMPANY LIMITED.

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013("THE ACT")

We have audited the internal financial controls over financial reporting of **PRIZE PETROLEUM COMPANY LIMITED** ("the Company") as of March 31, 2017 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 based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and the Standard on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GUPTA RUSTAGI & AGGARWAL**
Chartered Accountants
Firm's Regn. No. 008084N

Gupta Rustagi & Aggarwal
FF-2 & 3
Surya Arcade
U-110 Shakarpur,
Main Vikas Marg
Delhi-110092
Chartered Accountants

Ramesh Chand Rustagi
Partner
Membership No. 086880

Place: New Delhi
Date : 9th May, 2017

Prize Petroleum Company Limited
(A Wholly owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

Balance Sheet as at 31st March 2017

PARTICULARS	Notes	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
I Assets				
1 Non-current assets				
(a) Property, plant and equipment	1 & 1A	15,64,74,071	15,81,03,123	15,99,46,973
(b) Intangible assets	2 & 2A	-	-	6,528
(c) Intangible assets under development	3 & 3A	1,35,52,000	1,35,52,000	1,35,52,000
(d) Financial assets				
(i) Investments	4	-	-	6,21,800
(ii) Long-term loans and advances	5	2,01,114	1,94,221	1,76,140
(ii) Others	6	54,488	54,488	99,869
(e) Deferred tax assets (net)	7	-	-	1,38,50,130
(f) Other non-current assets	8	3,37,693	92,068	20,33,418
2 Current assets				
(a) Inventories	9	71,12,365	71,21,149	71,25,698
(b) Financial assets				
i) Trade receivables	10	85,53,848	30,26,525	1,15,83,482
ii) Cash and cash equivalents	11	98,47,06,715	1,16,43,11,575	38,12,42,919
iii) Loans	12	3,99,33,602	3,20,21,479	3,02,62,503
iv) Others		-	-	-
(c) Current tax assets (net)	13	4,82,25,579	3,12,46,213	2,65,30,988
(d) Other current assets	14	5,43,927	4,93,400	12,10,085
Total Assets		**1,25,96,95,402**	**1,41,02,16,241**	**64,82,42,533**
II Equity and liabilities				
1 Equity				
(a) Equity share capital	15	2,45,00,00,000	2,45,00,00,000	1,20,00,00,000
(b) Other equity	16	(1,19,76,11,344)	(1,04,80,93,972)	(55,93,44,653)
2 Non-current liabilities				
(a) Financial liabilities				
i) Borrowings		-	-	-
ii) Other financial liabilities	17	-	-	6,500
(a) Provisions	18	21,12,550	18,58,111	15,56,041
(b) Deferred tax liabilities (net)		-	-	
3 Current liabilities				
(a) Financial liabilities				
i) Borrowings		-	-	-
ii) Trade payables	19	36,31,446	48,92,043	46,27,670
iii) Other financial liabilities		-	-	-
(b) Other current liabilities	20	11,14,741	13,26,059	11,76,034
(c) Provisions	21	4,48,009	2,34,000	2,20,941
Total Equity and Liabilities		**1,25,96,95,402**	**1,41,02,16,241**	**64,82,42,533**
See accompanying notes to the financial statements forming integral part of the financial statements	32			

This is the Balance Sheet referred in our report
As per our Report of even date

for **GUPTA RUSTAGI & AGGARWAL**
Chartered Accountants
Firm Regd. No.: 008084N

RAMESH CHAND RUSTAGI
Partner
M.No.:086880

Place: NEW DELHI
Date: May 9, 2017

Vikram Gulati
Chief Executive Officer

M. Ananth Krishnan
Chief Financial Officer

Asheesh Garg
Company Secretary

Vinod S. Shenoy
Director

J. Ramaswamy
Director

Gupta Rustagi & Aggarwal
FF-2 & 3
Surya Arcade
Vikas Marg
Delhi-110092
Chartered Accountants

Prize Petroleum Company Limited
(A Wholly owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

Statement of changes in equity

(All amounts in Indian Rupees)

A. Equity Share Capital

Balance at 1 April 2016	Issued during the period	Balance at 31 March 2017
2,45,00,00,000	-	2,45,00,00,000

Balance at 1 April 2015	Issued during the period	Balance at 31 March 2016
1,20,00,00,000	1,25,00,00,000	2,45,00,00,000

B. Other Equity

	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus				Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of OCI	Money received against share warrants	Total
			Capital reserve	Securities premium reserve	Other reserves	Retained earnings								
Balance at 1 April 2016						(1,04,80,93,972)					-			(1,04,80,93,972)
Changes in accounting policy or prior period errors						-								-
Restated balance as at 1 April 2016	-	-	-	-	-	(1,04,80,93,972)	-	-	-	-	-	-	-	(1,04,80,93,972)
Total comprehensive income for the year						(14,95,17,372)					-			(14,95,17,372)
Dividends														-
Transfer to retained earnings														-
Any other change			-											-
Balance at 31 March 2017	-	-	-	-	-	(1,19,76,11,344)	-	-	-	-	-	-	-	(1,19,76,11,344)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus				Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of OCI	Money received against share warrants	Total
			Capital reserve	Securities premium reserve	Other reserves	Retained earnings								
Balance at 1 April 2015						(55,93,44,651)					-			(55,93,44,651)
Changes in accounting policy or prior period errors						-								-
Restated balance as at 1 April 2015	-	-	-	-	-	(55,93,44,651)	-	-	-	-	-	-	-	(55,93,44,651)
Total comprehensive income for the year						(48,87,49,321)					-			(48,87,49,321)
Dividends														-
Transfer to retained earnings			-											-
Any other change														-
Balance at 31 March 2016	-	-	-	-	-	(1,04,80,93,972)	-	-	-	-	-	-	-	(1,04,80,93,972)

Prize Petroleum Company Limited
(A Wholly owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

Statement of Profit and Loss for the year ended 31 March 2017

	PARTICULARS	Notes	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
1	Revenue from operations	22	9,82,06,310	9,00,92,317
	Other income	23	7,90,48,242	3,39,09,143
	Total income		**17,72,54,552**	**12,40,01,460**
2	**Expenses**			
	a) Production, Transportation and other expenses	24	72,04,674	72,78,989
	b) Geological and Geophysical expenses	25	15,34,272	16,36,443
	c) Employee benefits expense	26	3,97,06,693	3,41,74,273
	d) General and Administrative expenses	27	3,26,05,086	3,93,70,240
	e) Finance costs	28	56,156	51,519
	f) Depreciation and amortisation expense	29	16,29,052	17,88,822
	g) Other expenses	30	24,40,39,000	51,46,51,250
	Total expenses		**32,67,74,933**	**59,89,51,536**
3	Profit/(loss) before tax		(14,95,20,381)	(47,49,50,076)
4	Tax expense:			
	- Current tax		-	-
	- Deferred tax	31	-	1,38,50,130
5	Profit (Loss) for the period from Continuting Operations		(14,95,20,381)	(48,88,00,206)
6	Profit (Loss) from Discontinued Operations		-	-
7	Tax Expense of Discontinued Operations		-	-
8	Profit (Loss) from Discontinued Operations (after tax)		-	-
9	Profit (Loss) for the period		**(14,95,20,381)**	**(48,88,00,206)**
10	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss		3,009	50,885
	(ii) Income tax on above		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax on above		-	-
	Total other comprehensive income		3,009	50,885
	Total comprehensive income for the period		**(14,95,17,372)**	**(48,87,49,321)**
11	Earnings per equity share (Rs.)			
	Basic		(0.61)	(3.06)
	Diluted		(0.61)	(3.06)

See accompanying notes to the financial statements forming integral part of the financial statements — 32

This is the Balance Sheet referred in our report
As per our Report of even date
for **GUPTA RUSTAGI & AGGARWAL**
Chartered Accountants
Firm Regd. No.: 008084N

RAMESH CHAND RUSTAGI
Partner

Asheesh Garg
Company Secretary

Vikram Gulati
Chief Executive Officer

M. Ananth Krishnan
Chief Financial Officer

Vinod S. Shenoy
Director

J. Ramaswamy
Director

Place: NEW DELHI
Date: May 9, 2017

PRIZE PETROLEUM COMPANY LIMITED

(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

			Year Ending 31st March 2017		Year Ending 31st March 2016
(A)	**Cash flow from Operating activities:-**				
	Profit before tax		(14,95,20,381)		(47,49,50,076)
	Adjustment for:-				
	- Depreciation / Depletion / Impairment	16,29,052		17,88,822	
	- Other Comprehensive Income (Items not to be reclassified in Profit or Loss	3,009		50,885	
	- Impact of Accounting policy changed to Ind AS	-		(78,481)	
	- Provision for Diminution in Value of Investment	24,40,39,000		51,46,51,250	
	- Unwinding or provision for abandonment cost	56,156		51,519	
	- Interest received	(7,90,46,069)	16,66,81,148	(3,37,72,657)	48,26,91,338
	Operating profit before working capital changes		1,71,60,767		**77,41,262**
	Adjustment For (Increase) / Decrease				
	- Trade Receivables	(55,27,323)		85,56,957	
	- Loans & Advances	(82,15,170)		9,26,361	
	- Inventories	8,788		4,549	
	- Trade Payables & Other Current liabilities	(10,03,467)	(1,47,37,172)	8,01,508	1,02,89,375
	Cash generated from operation		24,23,595		1,80,30,637
	- Direct Taxes paid (Net of Refund)		(1,69,79,366)		(47,15,225)
	Cash Flow before prior period		(1,45,55,771)		1,33,15,412
	- Prior Period Item		-		-
	Net Cash Flow from operating activities ' A '		(1,45,55,771)		1,33,15,412
(B)	**Cash Flow from investing activities :**				
	- Purchase of fixed assets (Net)		-		(35,945)
	- Sale of Assets		-		97,500
	- Addition to Pre-Producing Properties / Misc Expenditure		-		-
	- Interest received		7,90,46,069		3,37,72,657
	- Investment in Prize Petroleum International Pte. Ltd., Singapore		(24,40,39,000)		(51,40,29,450)
	Net cash flow from investing activities ' B '		(16,49,92,931)		(48,01,95,238)
(C)	**Cash flow from financing activities :**				
	- Increase in Share Capital		-		1,25,00,00,000
	- Decrease in loan		-		-
	- Unwinding or provision for abandonment cost		(56,156)		(51,519)
	Net Cash flow from financing activities ' C '		(56,156)		1,24,99,48,481
	Net increase in cash and cash equivalents (A+B+C)		(17,96,04,860)		**78,30,68,655**
	Cash and Cash equivalent at the beginning of the period		1,16,43,11,575		38,12,42,919
	Cash and Cash equivalent at the end of the period		98,47,06,715		1,16,43,11,575

Notes :

a	Cash & Cash equivalents *(Note 9)*		
i)	*Cash & Cheques in hand*	2,565	35,065
ii)	*Current accounts & term Deposit in Scheduled Banks*	98,47,04,150	1,16,42,76,510
		98,47,06,715	**1,16,43,11,575**

Figures in brackets represent cash outflows.

As per our Report of Even Date

Vikram Gulati
Chief Executive Officer

M. Ananth Krishnan
Chief Financial Officer

Asheesh Garg
Company Secretary

for **GUPTA RUSTAGI & AGGARWAL**
Chartered Accountants
Registration No. 003304N

Vinod S. Shenoy
Director

J. Ramaswamy
Director

RAMESH CHAND RUSTAGI
Partner
M.No.:086880

Place: NEW DELHI
Date: May 9, 2017

Prize Petroleum Company Limited
(A Wholly owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

1 Property, plant and equipment

Particulars	Gross block as on 1 April 2016	Additions during the period	Adjustments	Deductions during the period	Gross block as on 31st March 2017	Depreciation upto 1 April 2016	Adjustments	Depreciation / Depletion during the year	Deletion or impairment	Depreciation upto 31st March 2017	Net block as on 31st March 2017	Net block as on 31st March 2016
Office equipments	3,83,329	-	-	-	3,83,329	89,014	-	86,689	-	1,75,703	2,07,626	2,94,315
Computer Hardware	56,555	-	-	-	56,555	20,921	-	11,686	-	32,607	23,948	35,634
Furniture & Fixtures					-							
-Procured under the Scheme	1,38,836	-	-	-	1,38,836	15,420	-	15,420	-	30,840	1,07,996	1,23,416
- Others	83,419	-	-	-	83,419	28,312	-	28,166	-	56,478	26,941	55,107
Vehicles					-							
-Procured under the Scheme	-	-	-	-	-	-	-	-	-	-	-	-
- Others	38,454	-	-	-	38,454	-	-	-	-	-	38,454	38,454
Hydrocarbon Rights & Concessions (Sanganpur Field)	1,37,43,774	-	-	-	1,37,43,774	7,464	-	-	-	7,464	1,37,36,310	1,37,36,310
Share of Fixed Assets in Joint Ventures												
- ONGC Onshore Marginal Fields (PI 50%)												
Wells Cost	8,77,80,231	-	-	-	8,77,80,231	13,23,339	-	12,50,175	-	25,73,514	8,52,06,717	8,64,56,892
Computers	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	52,246	-	-	-	52,246	19,062	-	18,108	-	37,170	15,076	33,184
Plant & Machinery	47,19,445	-	-	-	47,19,445	2,11,322	-	2,11,891	-	4,23,213	42,96,232	45,08,123
- Project Sanganpur (PI 50%)												
Wells Cost	5,26,77,332	-	-	-	5,26,77,332	28,609	-	-	-	28,609	5,26,48,723	5,26,48,723
Plant & Machinery	84,568	-	-	-	84,568	2,413	-	2,413	-	4,826	79,742	82,155
Office Equipments	2,922	-	-	-	2,922	-	-	-	-	-	2,922	2,922
Furniture & Fixtures	1,814	-	-	-	1,814	-	-	-	-	-	1,814	1,814
Buildings	89,911	-	-	-	89,911	4,343	-	4,343	-	8,686	81,225	85,568
- Project SR-ONN (PI 10%)												
Computer	228	-	-	-	228	181	-	-	-	181	47	47
Digital Camera	490	-	-	-	490	161	-	161	-	322	168	329
Mobile Phone	-	-	-	-	-	-	-	-	-	-	-	-
Global Positioning System	130	-	-	-	130	-	-	-	-	-	130	130
Total	**15,98,53,684**	**-**	**-**	**-**	**15,98,53,684**	**17,50,561**	**-**	**16,29,052**	**-**	**33,79,613**	**15,64,74,071**	**15,81,03,123**

2 Intangible assets

Particulars	Gross block as on 1 April 2016	Additions during the period	Adjustments	Deductions during the period	Gross block as on 31st March 2017	Depreciation upto 1 April 2016	Adjustments	Depreciation / Depletion during the year	Deletion or impairment	Depreciation upto 31st March 2017	Net block as on 31st March 2017	Net block as on 31st March 2016
Computer software	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

3 Intangible assets under development

Particulars	Balance as on 1st April 2016	Adjustments	Expenditure during the year	Transfer to Tangible/Intangible Fixed assets	Transfer to Statement of Profit and Loss	Balance as on 31st March 2017
ONGC Onshore Marginal Fields (OMF)	1,35,52,000	-	-	-	-	1,35,52,000
Total	**1,35,52,000**	**-**	**-**	**-**	**-**	**1,35,52,000**

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Prize Petroleum Company Limited
(A Wholly owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

1A Property, plant and equipment

Particulars	Gross block as on 1 April 2015	Additions during the period	Adjustments	Deductions during the period	Gross block as on 31st March 2016	Depreciation upto 1 April 2015	Adjustments	Depreciation / Depletion during the year	Deletion or impairment	Depreciation upto 31st March 2016	Net block as on 31st March 2016	Net block as on 31st March 2015
Office equipments	3,83,329	-	-	-	3,83,329	-	-	89,014	-	89,014	2,94,315	3,83,329
Computer Hardware	44,235	12,320	-	-	56,555	-	-	20,921	-	20,921	35,634	44,235
Furniture & Fixtures					-					-	-	
-Procured under the Scheme	1,38,836	-	-	-	1,38,836	-	-	15,420	-	15,420	1,23,416	1,38,836
- Others	83,419	-	-	-	83,419	-	-	28,312	-	28,312	55,107	83,419
Vehicles					-					-	-	
-Procured under the Scheme	1,29,234	-	-	-	1,29,234	-	-	31,734	97,500	1,29,234	-	1,29,234
- Others	38,454	-	-	-	38,454	-	-	-	-	-	38,454	38,454
Hydrocarbon Rights & Concessions (Sanganpur Field)	1,37,43,774	-	-	-	1,37,43,774	-	-	7,464	-	7,464	1,37,36,310	1,37,43,774
Share of Fixed Assets in Joint Ventures												
- ONGC Onshore Marginal Fields (PI 50%)												
Wells Cost	8,77,80,231	-	-	-	8,77,80,231	-	-	13,23,339	-	13,23,339	8,64,56,892	8,77,80,231
Computers	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	52,246	-	-	-	52,246	-	-	19,062	-	19,062	33,184	52,246
Plant & Machinery	46,95,820	23,625	-	-	47,19,445	-	-	2,11,322	-	2,11,322	45,08,123	46,95,820
- Project Sanganpur (PI 50%)										-	-	
Wells Cost	5,26,77,332	-	-	-	5,26,77,332	-	-	28,609	-	28,609	5,26,48,723	5,26,77,332
Plant & Machinery	84,568	-	-	-	84,568	-	-	2,413	-	2,413	82,155	84,568
Office Equipments	2,922	-	-	-	2,922	-	-	-	-	-	2,922	2,922
Furniture & Fixtures	1,814	-	-	-	1,814	-	-	-	-	-	1,814	1,814
Buildings	89,911	-	-	-	89,911	-	-	4,343	-	4,343	85,568	89,911
- Project SR-ONN (PI 10%)												
Computer	228	-	-	-	228	-	-	181	-	181	47	228
Digital Camera	490	-	-	-	490	-	-	161	-	161	329	490
Mobile Phone	-	-	-	-	-	-	-	-	-	-	-	-
Global Positioning System	130	-	-	-	130	-	-	-	-	-	130	130
Total	**15,99,46,973**	**35,945**	**-**	**-**	**15,99,82,918**	**-**	**-**	**17,82,295**	**97,500**	**18,79,795**	**15,81,03,123**	**15,99,46,973**

2A Intangible assets

Particulars	Gross block as on 1 April 2015	Additions during the period	Adjustments	Deductions during the period	Gross block as on 31st March 2016	Depreciation upto 1 April 2015	Adjustments	Depreciation / Depletion during the year	Deletion or impairment	Depreciation upto 31st March 2016	Net block as on 31st March 2016	Net block as on 31st March 2015
Computer software	6,528	-	-	-	6,528	-	-	6,528	-	6,528	-	6,528
Total	**6,528**	**-**	**-**	**-**	**6,528**	**-**	**-**	**6,528**	**-**	**6,528**	**-**	**6,528**

3A Intangible assets under development

Particulars	Balance as on 1st April 2015	Adjustments	Expenditure during the year	Transfer to Tangible/Intangible Fixed assets	Transfer to Statement of Profit and Loss	Balance as on 31st March 2016
ONGC Onshore Marginal Fields (OMF)	1,35,52,000	-			-	1,35,52,000
Total	**1,35,52,000**	**-**			**-**	**1,35,52,000**

Rustogi Aggarwal 2 & 3 Arcade Shakarpur Vikas Marg 110092 Accountants

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Prize Petroleum Company Limited
(A Wholly owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

4 Non-current investments

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Investment in subsidiary - Prize Petroleum International Pte. Ltd. (unquoted)			
i) 10,000 Ordinary Shares of issue price of US$1 each fully paid up (Exchange rate of Rs.62.18 per US$)			
ii) 49,90,000 Ordinary Shares of issue price of US$1 each fully paid up (Exchange rate of Rs.63.56 per US$)			
iii) 30,00,000 Ordinary Shares of issue price of US$1 each fully paid up (Exchange rate of Rs.65.63 per US$)			
iv) 36,50,000 Ordinary Shares of issue price of US$1 each fully paid up (Exchange rate of Rs.66.86 per US$)	75,86,90,250	51,46,51,250	6,21,800
Less: Provision for Diminution in the Value of Investment	(75,86,90,250)	(51,46,51,250)	-
Total	-	-	6,21,800

5 Long-term loans and advances

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Security Deposit- MP state govt	15,000	15,000	15,000
Security Deposit- Rent	26,250	26,250	26,250
Security Deposit- Elec, gas, water	1,43,114	1,36,221	1,33,140
Telephone deposit	1,750	1,750	1,750
Other Deposits	15,000	15,000	-
Total	2,01,114	1,94,221	1,76,140

6 Other non-current financial assets

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Fixed Deposit in Bank	-	-	30,381
Other deposits	54,488	54,488	69,488
Total	54,488	54,488	99,869

7 Deferred Tax Asset (net)

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Deferred tax asset			
Opening Balance	-	1,38,50,130	1,33,40,130
Unabsorbed Depreciation	-	(6,05,93,000)	4,90,000
Deferred tax liability			
Depreciation Differential	-	4,68,51,000	20,000
Impact on DTA towards Ind AS transition	-	(1,08,130)	-
Total	-	-	1,38,50,130

8 Other non-current assets

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Service Tax Credit Receivable	3,26,050	92,068	20,33,418
Krishi Kalyan Cess Recoverable	11,643	-	-
Total	3,37,693	92,068	20,33,418

Rustogi Aggarwal FF-2 & 3 Surya Arcade U-110 Shakarpur, Main Vikas Marg Delhi-110092 Chartered Accountants

9 Inventories

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Casing & Tubing	54,18,525	54,18,525	54,18,525
Casing Accessories	27,000	27,000	27,000
Chemicals	-	-	2,660
Cementing Chemicals	2,405	5,499	5,499
Tanker Seal	-	637	2,527
Gear Oil	-	5,053	5,053
Pumps & Spares	2,05,629	2,05,629	2,05,629
Bridge Plug 5 1/2"	23,413	23,413	23,413
Retrievable Mechanical Packer	4,17,500	4,17,500	4,17,500
X-Mas Tree	90,000	90,000	90,000
Electrical Submersible Pump	22,000	22,000	22,000
Float Equipments	98,481	98,481	98,481
Liner Hanger	2,82,042	2,82,042	2,82,042
Wellheads	5,25,370	5,25,370	5,25,369
Total	71,12,365	71,21,149	71,25,698

10 Trade receivables

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Unsecured, considered good	85,53,848	30,26,525	1,15,83,482
Total	85,53,848	30,26,525	1,15,83,482

11 Cash and cash equivalents

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
a. Cash in hand	2,565	35,065	3,287
b. Balance with banks			
Current accounts	45,25,624	30,92,492	1,38,39,302
Fixed deposit accounts *(including accrued interest) (I)*	97,91,21,947	1,15,92,27,533	36,56,15,126
Less: Amount disclosed under other non-current assets - *Refer Note 6* (*)	-	-	(30,381)
c. Other bank balances			
Fixed deposits (kept as margin money)	10,56,579	19,56,485	18,15,585
(I) Includes interest accrued and reinvested in short term deposits Rs.298.91 Lakhs (FY 15-16: Rs. 222.67 Lakhs and FY 14-15: Rs. 30.33 Lakhs)			
(*) Bank deposits having more than 12 months maturity is Rs. NIL Lakhs (FY 15-16: Rs. NIL Lakhs and FY 14-15: Rs. 0.30 Lakhs)			
Total	98,47,06,715	1,16,43,11,575	38,12,42,919

12 Short-term loans and advances

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Receivables from Joint Venture Projects	3,18,16,476	2,79,62,453	1,45,82,320
Receivables from Subsidiary - Prize Petroleum International Pte. Ltd.	81,17,126	40,59,026	1,56,80,183
Total	3,99,33,602	3,20,21,479	3,02,62,503

13 Current tax assets (net)

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Tax Deducted at Source	4,82,25,579	3,12,46,213	2,65,30,988
Total	4,82,25,579	3,12,46,213	2,65,30,988

14 Other current assets

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Prepaid expenses	4,22,035	4,93,400	12,10,085
Advance to Employees/Other advances	1,21,892	-	-
Total	5,43,927	4,93,400	12,10,085

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Prize Petroleum Company Limited
(A Wholly owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

15 Equity share capital

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
A. Authorised :			
620000000 Equity Shares of Rs. 10 each	6,20,00,00,000	6,20,00,00,000	6,20,00,00,000
100000000 Preference Shares of Rs.10 each	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
	7,20,00,00,000	7,20,00,00,000	7,20,00,00,000
B i) Issued :			
120000000 Equity Shares of Rs.10 each	1,20,00,00,000	1,20,00,00,000	1,20,00,00,000
125000000 Equity Shares of Rs.10 each	1,25,00,00,000	1,25,00,00,000	-
	2,45,00,00,000	2,45,00,00,000	1,20,00,00,000
B ii) Subscribed and paid up :			
120000000 Equity Shares of Rs.10 each fully paid up	1,20,00,00,000	1,20,00,00,000	1,20,00,00,000
125000000 Equity Shares of Rs.10 each fully paid up	1,25,00,00,000	1,25,00,00,000	-
	2,45,00,00,000	2,45,00,00,000	1,20,00,00,000
C. Par Value per Share			
i) Equity Shares :	Rs. 10/-	Rs. 10/-	Rs. 10/-
ii) Preference Shares	Rs. 10/-	Rs. 10/-	Rs. 10/-
D. Reconciliation of No. of Shares Outstanding			
a) Equity Shares			
Opening Balance	24,50,00,000	12,00,00,000	12,00,00,000
Add : Issued/converted during the year	-	12,50,00,000	-
Less : Buy back during the year	-	-	-
Closing Balance	24,50,00,000	24,50,00,000	12,00,00,000
b) Preference Shares			
Opening Balance	-	-	-
Add : Issued during the year	-	-	-
Less : Buy back during the year/Converted during the year	-	-	-
Closing Balance	-	-	-
E. The rights, preferences and restrictions attaching to each classes of Shares. *(Refer Note 33(III)(8.2))*			
F. Shares held by holding Company - Hindustan Petroleum Corporation Ltd.			
Equity Shares of Rs.10 each fully paid up	24,50,00,000 Nos.	24,50,00,000 Nos.	12,00,00,000 Nos.
G. Shareholding pattern (in %)			
Equity Share : Hindustan Petroleum Corporation Ltd.	100%	100%	100%
H. Shares Reserved	NIL	NIL	NIL
I. Details of Shares issued for other than cash consideration and bought back in last 5 year	NIL	NIL	NIL
J. Terms of any securities convertible into Equity/ Preference	NIL	NIL	NIL
K. Calls unpaid	NIL	NIL	NIL

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16 Reserves and Surplus

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
i) Capital Reserve	-	-	-
ii) Capital Redemption Reserve	-	-	-
iii) Securities Premium Reserve;	-	-	-
iv) Debenture Redemption Reserve	-	-	-
v) Revaluation Reserve	-	-	-
vi) Share Options Outstanding Account	-	-	-
vii) Surplus/(Deficit) in statement of Profit & Loss			
Retained earnings	(1,04,80,93,972)	(55,93,44,651)	(57,97,36,567)
Profit/(Loss) for the year	(14,95,17,372)	(48,87,49,321)	2,03,91,916
Depreciation Prior Period/Other Adjustment	-	-	-
Total	**(1,19,76,11,344)**	**(1,04,80,93,972)**	**(55,93,44,651)**

17 Non-Current Liabilites - Other financial liabilities

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Retention money	-	-	6,500
Total	**-**	**-**	**6,500**

18 Non-Current Liabilites - Provisions

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Provision for Gratuity *(#)*	7,64,314	6,56,851	6,04,967
Provision towards compensated absences *(#)*	6,68,119	5,77,299	3,78,632
Provision for Abandonment cost	6,80,117	6,23,961	5,72,442
(#) Refer Note 33 (III) (15)			
Total	**21,12,550**	**18,58,111**	**15,56,041**

19 Trade payables

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Trade payable - Micro Enterprises and Small Enterprises	-	-	-
Trade payable - Other than Micro Enterprises and Small Enterprises	35,85,847	48,78,975	45,76,059
Trade payables-Vendors	-		
Trade payables-Expenses payables	45,599	13,068	51,611
Total	**36,31,446**	**48,92,043**	**46,27,670**

20 Other current liabilities

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Statutory liabilities	11,14,741	13,26,059	11,76,034
Total	**11,14,741**	**13,26,059**	**11,76,034**

21 Provisions

Particulars	As at 31st March 2017 (INR)	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Provision for Gratuity	4,033	3,124	2,371
Provision towards compensated absences	4,43,976	2,30,876	2,18,570
Total	**4,48,009**	**2,34,000**	**2,20,941**

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Prize Petroleum Company Limited

(A Wholly owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

22 Revenue from operations

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Income from Hydrocarbons	1,10,86,310	1,08,92,317
Income from Management fee	8,71,20,000	7,92,00,000
Total	**9,82,06,310**	**9,00,92,317**

23 Other income

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Interest on fixed deposits	7,77,58,132	3,14,31,831
Others	12,90,110	24,77,312
Total	**7,90,48,242**	**3,39,09,143**

24 Production, transportation and other expenses

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Insurance	1,77,231	1,55,488
Electricity & Utilities	5,56,546	4,05,046
Consultancy Fees	1,10,360	1,01,400
Well Maintenance Charges	3,04,766	2,79,469
Security Charges	12,14,023	11,72,901
Processing & Handling of Crude Oil	12,86,274	12,77,640
Manpower Charges	21,10,274	24,85,606
Land Rent	3,37,557	3,81,680
Crude Oil Transportation	10,57,515	9,98,639
Royalty	18,535	7,664
Cess	31,593	13,456
Total	**72,04,674**	**72,78,989**

25 Geological and Geophysical expenses

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Geological and Geophysical Expenses (SR-ONN Block)	3,96,081	16,36,443
Pre Bidding Exp - Discovered Small Field	11,38,191	-
Total	**15,34,272**	**16,36,443**

26 Employee benefits expense

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Salaries and wages	3,59,49,622	3,06,16,264
Contribution towards Provident Fund and other funds	16,33,745	23,87,615
Other Welfare Expenses	21,23,326	11,70,394
Total	**3,97,06,693**	**3,41,74,273**

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27 General and administrative expenses

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Repairs & Maintenance	13,08,930	22,85,328
Auditor's Remuneration	2,28,072	2,19,340
Electricity & Utilities	14,28,251	12,81,097
Traveling & Conveyance	30,73,685	29,44,922
Legal Expenses	8,17,426	13,53,130
Consultancy Charges	17,21,084	59,93,642
Corporate Social Responsibility Expenses	-	4,50,000
Insurance	14,591	28,442
Rent	1,98,68,704	2,02,71,405
Advertisement & Business Relation Expenses	3,68,391	4,21,793
Telephone Charges	5,21,407	5,36,734
Bank Charges	2,37,918	3,65,035
Postage & Courier	88,450	62,083
Printing & Stationery	2,63,664	3,88,433
Meeting & Conference	-	88,971
Office maintenance	28,83,411	28,43,604
Training & Seminar Expenses	63,650	85,900
Membership & Subscription	54,837	63,028
HO Overheads	5,01,434	4,86,647
General Expenses	33,240	50,740
TOTAL	3,34,77,145	4,02,20,274
Allocated to Projects	(8,72,059)	(8,50,034)
Total	**3,26,05,086**	**3,93,70,240**

28 Finance costs

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Others - Unwinding of Provision for Aboondonment	56,156	51,519
Total	**56,156**	**51,519**

29 Depreciation and amortisation expense

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Depreciation	3,78,877	4,22,882
Depletion	12,50,175	13,59,412
Amortisation	-	6,528
Impairment	-	-
Total	**16,29,052**	**17,88,822**

30 Other expenses

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Provision for Diminution in value of Non-Current Investment	24,40,39,000	51,46,51,250
Total	**24,40,39,000**	**51,46,51,250**

31 Deferred Tax

Particulars	For the Year ended 31st March 2017 (INR)	For the Year ended 31st March 2016 (INR)
Deferred Tax	-	1,38,50,130
Total	**-**	**1,38,50,130**

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PRIZE PETROLEUM COMPANY LIMITED

(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Limited)

NOTE 32

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS

I. Company Background:

The Company is engaged in the exploration and production of crude oil and natural gas and related activities. The Company is Wholly Owned Subsidiary of Hindustan Petroleum Corporation Limited.

II. Authorisation of financial statements:

The Financial Statements were authorized for issue in accordance with a resolution of the directors on May 9, 2017.

III. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

1.1 The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 and Rules thereunder.

1.2 The Financial Statements have been prepared under historical cost convention basis except for certain assets and liabilities measured at fair value

1.3 The Company generally conforms to the internationally accepted "Successful Efforts Method" (SEM) of accounting read with the revised guidance note on "Accounting for Oil & Gas Producing Activities" issued by The Institute of Chartered Accountants of India (ICAI).

1.4 The company's presentation and functional currency is Indian Rupee.

2. Use of Estimates:

While preparing financial statements in conformity with Ind AS, management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. We would be continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as mentioned herein under:

- Assessment of functional currency;
- Financial instruments;
- Useful lives of property, plant and equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Assets and obligations relating to employee benefits;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies

3. **Revenue Recognition:**

3.1 Revenue from Crude Oil and Natural Gas is recognized on transfer of custody to the concerned. Revenue from Crude Oil and Gas produced from exploratory / developing wells in progress is deducted from expenditures on such wells.

3.2 Production is recognized as dry crude received at delivery point after adjusting bottom sediments and water contents.

3.3 Income from consultancy/ management income is being recognized when services are rendered and no significant uncertainty attached to realization.

3.4 Dividend income is recognized when the right to receive the dividend is established.

3.5 Income from sale of scarp is accounted for on realization.

3.6 Interest income is recognised using effective interest rate (EIR) method.

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4. **Geological and Geophysical Expenditures:**

Expenditures other than on tangible assets and equipment & facilities deployed in relation thereto on which usual depreciation allowance is admissible, are expensed in the year of incidence.

5. **General and Administrative Expenses:**

General and Administrative expenses are allocated to "Acquisition of Assets" in case of successful bids / efforts, based on the deployment of resources in pursuing those efforts and the balance are charged to Statement of Profit and Loss.

6. **Property, Plant and Equipment:**

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized.

Producing properties are created in respect of an area/field having proved developed oil and gas reserves, when the well in the area /field is ready to commence commercial production. Producing properties are reflected as Property, Plant and Equipment.

Cost of development wells, cost of related equipment, facilities, cost of hydrocarbon rights and concessions are capitalized and reflected as Property, Plant and Equipment.

Borrowing cost relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use.

7. **Pre-producing Properties:**

7.1 All acquisition costs, exploration costs involved in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells under Pre-producing Properties till the time these are either transferred to Producing Properties on completion of commencement of commercial production or expensed in the year when determined to be dry or of no further use, as the case may be.

7.2 All costs relating to development wells are initially capitalized as Development Wells under Pre-producing Properties and transferred to producing properties on commencement of commercial production.

7.3 In respect of the wells pending completion of commencement of commercial production, all the expenses incurred net of the billing raised on test production supplied are classified as Pre-producing Properties.

8. Producing Properties:

Producing properties are created in respect of fields/blocks having proved developed Oil and Gas reserves, when the well in the fields/blocks is ready to commence commercial production.

Cost of successful exploratory wells, development wells, related equipment, facilities, hydrocarbon rights, concessions and applicable acquisition costs are capitalized and reflected as producing properties.

9. Depreciation/ Amortization:

Property, Plant and Equipment

9.1 Depreciation on Property, Plant and Equipment owned by the Company is provided based on the useful life as specified in Schedule II to the Companies Act, 2013.

9.2 Individual items of Fixed Assets, the acquisition cost of which is up to Rs.5,000/- is depreciated in full in the year of acquisition.

9.3 The Company amortizes the expenses on office renovation over the unexpired lease tenor.

9.4 In Line with the provisions of Schedule II of the Companies Act 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components has been assessed based on the historical experience and internal technical inputs.

Intangible Assets

9.5 Cost of G&G Software licenses are being amortized over its useful life.

10. Depletion of Producing Properties:

10.1 Producing properties including acquisition cost are depleted using the "Unit of Production method" (UOP) based on the related Proved Developed Reserves.

10.2 Interest capitalized on producing properties including acquisition cost, as required under Ind AS-23 (Borrowing Costs), is also depleted using the Unit of Production Method.

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10.3 Proved and Developed Reserves of Oil and Gas are being technically assessed regularly and are finally reviewed and estimated at the end of each year in house by following International practices.

11. Earnings Per Share:

11.1 Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

11.2 For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

12. Segment Reporting:

The Company is primarily and solely engaged in exploration and production of crude oil and natural gas. Consultancy/Management fee incomes are isolated transactions for which no segment assets / liabilities or expenses attributable directly on reasonable basis. In view of this management considers the Company is in single segment i.e. Exploration and production of crude oil and natural gas.

13. Abandonment Cost:

13.1 The estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities of fields/blocks is provided at the present value of the expected costs to settle the obligation using estimated cash flows.

13.2 The unwinding of discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost.

13.3 The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.

13.4 The actual cost incurred on abandonment is adjusted against the liability and the ultimate gain or loss is recognized in the Statement of Profit and Loss, when the designated field/ block ceases to produce.

14. Joint Ventures:

14.1 In respect of PSCs and Service Contracts (SCs) executed by the Company under Joint Ventures with Govt. of India and/or other parties; the financial statements reflect the Company's assets and liabilities as also the income and expenditure of the Joint Venture operations (to the extent of available details) in proportion to the participating interest (PI) of the Company as per the terms of the PSCs/SCs, on a line by line basis, in alignment with Company's policy.

14.2 Adjustments are made in the year in which the audited accounts of respective Joint Ventures are received, if applicable.

14.3 Interests capitalized on loan funds utilized in Joint venture projects, as required under Ind AS-23 (Borrowing Costs), is included in the value of respective joint venture assets and are depreciated/ amortized on the same basis on which the original asset is depreciated/ amortized.

15. Retirement and Other Employees Benefits:

15.1 Employees benefit under defined benefits plans comprising of gratuity and leave encashment are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the projected unit credit method.

15.2 Contributions to Provident Fund are made with the Regional Provident Fund Commissioner.

15.3 Gratuity liability and leave salary to employees is not funded.

16. Foreign Currency Transactions:

Monetary items:

16.1 Transactions in foreign currencies are initially recorded at the exchange rates prevailing at the date of transaction qualifying for recognition

16.2 Monetary assets and liabilities denominated in foreign currencies are translated at exchange rate prevailing at the reporting date.

16.3 Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items:

16.4 Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

17. Impairment of Assets:

17.1 At each Balance Sheet date, an assessment of assets is made to ascertain whether there is any event and/or circumstances which indicate impairment.

17.2 An impairment loss is recognized whenever the carrying amount of assets of cash generating units (CGU) exceeds their recoverable amount.

18. Inventory:

18.1 Closing stock of Crude Oil in unfinished condition in storage tank is not valued.

18.2 Stores and spares are valued at weighted average cost or net realizable value, whichever is lower.

19. Taxes on Income:

19.1 Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting. Current Tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the statement of Profit or Loss (either in other comprehensive income or in equity). Current Tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

19.2 Deferred tax liability is recognized for all taxable temporary differences.

19.3 Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized, is not recognised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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19.4 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

19.5 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

19.6 Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

20. Contingent Liabilities / Assets and Provisions

20.1 Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

20.2 The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

20.3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

20.4 Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

20.5 Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote..

20.6 Contingent assets are neither recognized nor disclosed in the financial statements.

20.7 The Company has made provision for all known liabilities.

21. Financial instruments

21.1 Financial Asset

21.1.1 Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

21.1.2 Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

21.1.3 Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

21.1.4 Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

21.1.5 De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

   i. the Company has transferred substantially all the risks and rewards of the asset, or

   ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

21.1.6 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

21.2 Financial Liabilities

21.2.1 Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

21.2.2 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

21.2.3 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

21.2.4 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

IV. Notes forming part of financial statements

1. <u>Contingent Liabilities and commitment:</u>

1.1 The Company along with Consortium members, M/s Hindustan Petroleum Corporation Limited (HPCL) (PI-60%) and M/s M3nergy (PI-30%) was awarded a service contract in March, 2006 for development of ONGC's offshore marginal oilfields of Cluster-7. The service contract was signed in September, 2006 between ONGC and Consortium members. The Company is the Executing Contractor and its participating interest (PI) is 10%.

HPCL submitted a bank guarantee of Rs.59,44,00,000/- on behalf of the Consortium as per the provisions of the service contract. Company and M3nergy provided a back to-back bank guarantee of Rs.5,94,40,000/-and Rs.17,83,20,000/- respectively for their share to HPCL. After execution of service contract M3nergy did not co-operate and raised various issues as a result of which petroleum operations could not begin within 6 months from the date of award as stipulated in service contract.

ONGC terminated the service contract in January, 2009 and forfeited the bank guarantees submitted by the Consortium.

Company and HPCL initiated arbitration proceedings against M3nergy in May, 2009 and have filed a claim of Rs. 10,16,27,78,500/- (US$ 156.7 million at exchange rate of 1US$ = Rs. 64.855). The same is pending adjudication before Hon'ble Arbitral Tribunal.

M3nergy filed counter-claim in August, 2010 for Rs. 2,76,28,23,000/- (US$ 42.60 million at exchange rate of 1US$ = Rs. 64.855). Share of HPCL in the same is $6/7^{th}$ i.e. Rs.2,36,81,34,000 and share of Company is 1/7th i.e. Rs. 39,46,89,000/-(PY: Rs. 40,31,93,785/-).

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Partial Award was passed by the Tribunal in January, 2014 dismissing the Counter Claim of M3nergy. Tribunal held that M3nergy is responsible for the termination of service contract by ONGC and liable to pay damages to HPCL and PPCL. The said Partial Award has been challenged by M3energy before High Court of Bombay wherein Court refused the request of M3nergy to stay arbitration proceedings. The matter is pending for further arguments.

The final hearing set of hearing before the before the Hon'ble Arbitral Tribunal dealing with nature and extent of relief to be granted to the Company and HPCL as well as question of costs were held on November 4-5, 2016, as the oral argument could not be completed, by M3nergy filed their written submission on Apr 6, 2017. The rejoined to the same is now to be filed by Company and HPCL.

1.2 The Company is Operator in exploration block; SR-ONN-2004/1, awarded under NELP round -VI with 10% PI along with Consortium partner M/s Jaiprakash Limited. The Consortium has completed all minimum work program except drilling of one (1) well for which environmental clearance (EC) was not granted from Ministry of Environment and Forests due to drilling location falling within the radius of 10km from a wildlife sanctuary. Further as per recent Policy Framework Guidelines issued by MoP&NG dated 10th November, 2014, consortium has requested DGH to allow to exit from the block without paying any Liquidity Damages (LD) towards non-drilling of 3rd well. The proposal is under review with DGH.

1.3 The Company is Executive Contractor in Service Contract signed with ONGC for development of Hirapur Marginal Field along with Associate Contractor M/s Valdel Oil & Gas Private Limited. The company has submitted the development plan to ONGC for their review.

In view of the legal opinion taken by the management, Service tax has not been charged while billing to ONGC in continuation of previous years practice.

1.4 Company was awarded an Exploration block AA ONN 2010/1 in Tripura under NELP IX in consortium with ABG Energy Ltd (ABG). The Product Sharing Contract (PSC) was signed with Government of India (GOI) by the consortium on August 30, 2012. Company has 20% PI (Participating Interest) and ABG 80% PI. As per the Joint Bidding agreement, ABG will carry Company during the exploration phase i.e. Company's share of 20% expenditure during exploration phase shall be borne by ABG. In case of any discovery, 10% of Company's share paid by ABG will be recovered by them out of profit petroleum and 10% will be paid by them anyway. As per discussions before signing of PSC and written confirmation, ABG was to submit back up guarantee to Company to enable Company to submit bank guarantee to GOI for their share of 20%. The value of bank guarantee to be submitted by ABG to Company is USD 1.801 Million. ABG did not submit bank guarantee of their 80% share by due date to GOI. Also since back up guarantee was not submitted by ABG to Company, Company also could not submit the bank guarantee for their 20% share to GOI.

In view of non-submission, GOI terminated this PSC dated August 30, 2012 vide letter dated 15th Oct 2013 and has imposed liquidated damages of USD 9,142,500 vide letter dated 6th Feb 2015 as per Article 5.6 of PSC. Company has kept ABG on notice that it is their responsibility to pay the entire quantum of liquidated damages, including the share of Company, If Company is compelled to pay its share of liquidated damages by the GOI, and if such payment is made, then company will have to claim this money from ABG.

Notice invoking arbitration has also been sent to ABG energy Ltd. Company is now in the process for filing the application before the high court for the appointment of arbitrator and for the interim measure of protection.

2. In compliance of Indian Accounting Standard 112 on "Disclosure of Interest in Other Entities", a brief description of Production Sharing Contracts (PSCs) and Service Contracts (SCs) under joint venture contracts entered into by the Company are given below:

Name of the Block	**Country**	**Participating Interest as on 31st March, 2017**
South Rewa – PSC	India	10%
Sanganpur – PSC	India	50%
Hirapur – SC	India	50%

2.1 **ONGC Onshore Marginal Fields**

The Company was awarded Service Contracts dated 28th April, 2004, for development of ONGC's Hirapur, Khambel and West Bechraji onshore marginal oil fields.

The Company executed Agreements for development of Hirapur, Khambel and West Bechraji onshore marginal fields with Valdel Oil and Gas Private Limited (VALDEL) with equal share in the Service Contracts. The Service Contracts in respect of Khambel and West Bechraji had been terminated in February, 2009 by ONGC and the Service Contract with respect to Hirapur field is operating currently.

The Company's share of assets and liabilities as at 31st March 2017 and the Income and expenditure for the year in respect of above joint venture is as follows:

Figures in Rupees

	Particulars	FY 2016-17	FY 2015-16	FY 2014-15
A	Property, Plant & Equipment (Gross)	9,98,55,655	9,98,55,655	9,98,32,030
B	Intangible asset under development	1,35,52,000	1,35,52,000	1,35,52,000
C	Other Net Non-Current Assets	(2,22,834)	(1,96,890)	(1,76,345)
D	Net Current Assets (*)	1,39,34,601	1,24,96,046	1,03,30,954
E	Income	1,02,19,022	1,04,77,064	97,76,712
F	Expenditure	1,27,03,223	1,24,26,687	1,21,32,284

(*) Includes receivable from joint venture amounting to Rs. 82,16,030 (for FY 15-16 – Rs. 78,48,157/- and for FY 14-15 - Rs. 59,65,571/-).

2.2 **Sanganpur Field**

The Company acquired 50% participating interest in Sanganpur field from M/s Hydrocarbon Development Company Pvt. Ltd. (HDCPL) effective 1st September, 2004. Accumulated amount prior to acquisition of Sanganpur field amounting Rs.1,18,17,034/- have been included in Sanganpur field Assets. The Company has accounted its proportionate share in the Sanganpur field based on estimated un-Audited accounts as at 31st March, 2017.

Bombay High Court vide order dated 14th Nov, 2014 in Company Petition 550 of 2013 has passed order for appointment of liquidator for assets and business of Company M/s HDCPL. This petition was filed by ETA Star Golding limited for non-payment of its invoices by M/s HDCPL. Said order of Bombay High Court was challenged before its Division Bench and is still pending before the Court. Presently the Operation in Sanganpur field is continued by HDCPL as before. Product dispatch is also continuing.

The Company's share of assets and liabilities as at 31st March 2017 and the Income, expenditure for the year in respect of above joint venture is as follows:

Figures in Rupees

	Particulars	FY 2016-17	FY 2015-16	FY 2014-15
A	Property, Plant & Equipment (Gross)	5,62,66,993	5,62,66,993	5,62,66,993
B	Other Net Non-Current Assets	(2,16,681)	(1,93,362)	(1,71,969)
C	Net Current Assets (*)	(10,20,785)	(10,02,990)	(7,53,648)
D	Income	8,67,289	4,52,996	13,18,939
E	Expenditure	9,08,402	7,52,337	22,41,158

(*) Includes payable to joint venture amounting to Rs. 4,67,817/- (for FY 15-16 – Rs. 4,47,260/ and for FY 14-15 - Rs. 7,55,710/-)

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2.3 ONGC Offshore Marginal Fields (Cluster-7)

The Company along with Consortium member, M/s Hindustan Petroleum Corporation Limited (HPCL) (PI - 60%) and M/s Trenergy (PI – 30%) was awarded a Contract vide letter of award dated 31st March, 2006 for the development of ONGC's offshore marginal Oilfields viz. B -192, B - 45 and WO – 24. The Service Contract for Cluster-7 was signed on 27th September, 2006 between ONGC and Consortium members. The Company is the Executing Contractor and its participating interest (PI) is 10%.

The said Service Contract was terminated by ONGC. Subsequently, HPCL/PPCL started arbitration proceedings against Trenergy which are still in progress, hence the joint bank account has not been closed on the advise of the legal department- HPCL.

2.4 SR – ONN – 2004 / 1 (South Rewa Block):

The Company along with Consortium member M/s Jaiprakash Associates Limited (PI - 90%) was awarded PSC for the SR-ONN-2004/1 block vide letter dated 12th February, 2007 of Ministry of Petroleum & Natural Gas (MOP & NG) under NELP – VI round. The Company is the executing contractor and its PI is 10%. The PSC was signed on 2nd March, 2007.

Consortium has proposed to relinquish the block effective from 23rd October, 2014 and Operating Committee Resolution (OCR) for relinquishment of the block has been submitted to Directorate General of Hydrocarbon (DGH).

The Company's share of assets and liabilities as at 31st March, 2017 in respect of above joint venture is as follows:

Figures in Rupees

	Particulars	FY 2016-17	FY 2015-16	FY 2014-15
A	Property, Plant and Equipment (Gross)	10,280	10,280	10,280
B	Intangible asset under development	-	-	-
C	Other Net Non-Current Assets	15,000	15,000	15,000
D	Net Current Assets (*)	2,81,11,217	2,46,21,110	1,34,41434
E	Expenditure (**)	3,96,242	16,36,785	80,50,387

(*) Includes receivables from joint venture amounting to Rs. 2,41,83,871 (for FY 15-16 - Rs.2,06,81,960 and for FY 14-15 - Rs.94,80,814/-)

(**) Includes Rs. NIL (for FY 15-16 - Rs. Nil and for FY 14-15 - Rs.13,09,206/-) written off towards dry wells cost. Also includes Inventory written off amounting to Rs. Nil (for FY 15-16 –NIL and for FY 2014-15 - Rs.30,59,990)

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3. Estimated Hydrocarbon Proven Reserves as on 31st March, 2017 in the Oil fields as follows:

Hirapur and Sanganpur (On-shore Marginal Fields):

Particulars (*)	**FY 2016-17**		**FY 2015-16**	
	MM BBLS	**MMT**	**MM BBLS**	**MMT**
Recoverable Reserves	3.01	0.403	3.04	0.409

(*) The Company Share is 50% of total

4. Quantitative Particulars of Petroleum:-

Particulars (*)	**FY 2016-17**		**FY 2015-16**	
Total Dry Crude Production	**BBLS**	**TMT**	**BBLS**	**TMT**
Hirapur Field	36,503	4.93	38,221	5.14
Sanganpur Field	555	0.07	296	0.04
TOTAL	**37,058**	**5.00**	**38,517**	**5.18**

(*) The Company Share is 50% of total

5. Remittance in Foreign Currencies (*):

Figures in Rupees

Particulars	**FY 2016-17**	**FY 2015-16**
Foreign Travel	5,27,226	4,97,524
Consultancy Fees/Reimbursements etc.	10,65,767	10,08,117
Capital Equipment, Spares etc.	-	-
Equity Contribution	24,40,39,000	51,40,29,450

6. The limit of non-funded credit facilities of Bank Guarantees/Letter of Credit is Rs.10,00,00,000/- with Corporation Bank, New Delhi. Against the said limit bank guarantees totaling to Rs.95,14,830 (for FY 15-16 – Rs. 95,14,830 and for FY 14-15 – Rs. 1,81,55,850)

7. Prize Petroleum International Pte. Ltd., Singapore (PPIPL) a wholly owned subsidiary of the Company was incorporated on 23rd January, 2014. PPIPL had signed Sale Purchase agreement for acquisition of minority stake in two E & P blocks in Australia i.e. 11.25% in license T/L1 and 9.75% in permit T/18P and the company is signatory as 'Buyers Guarantor'. PPIPL has availed loan facility of USD 86 Million as of 31st March, 2017 against which shares of the Company in PPIPL have been pledged in favour of the lender.

8. Rights of Shareholders Rights, Preferences & Restrictions attached to each class of shares. The Company has classified its Share capital into Equity & Preference Capital.

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8.1 **Equity Shares** – Equity shares of the Company has a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holder of equity shares will be entitled to receive remaining assets (if any) after distribution of all preferential accounts. The distribution will be in pro-rata to the equity shares held by the shareholder.

8.2 **Preference Shares** – No Voting rights are attached to the holder of the Cumulative Convertible Preference Shares except to vote only on resolution(s) placed before the Company which directly affect the rights attached to the Cumulative Convertible Preference Shares.

9. Information as per Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures":

9.1 **Related Party relationships:**

	Name of the related party	**Relationship**
1.	Hindustan Petroleum Corporation Limited	Holding Company
2.	Prize Petroleum International Pte. Ltd. Singapore	Wholly Owned Subsidiary Company

9.2 **Key Management Personnel:**

a) Mr. Vikram Gulati	Chief Executive Officer (wef 01.04.2016)
b) Mr. U. C. Agrawal	Chief Financial Officer (wef 29.04.2016)
c) Mr. U. C. Agrawal	Chief Financial Officer (upto 29.06.2016)
d) Mr. M. Ananth Krishnan	Chief Financial Officer (wef 30.06.2016)
e) Mr. U. C. Agrawal	Company Secretary (upto 28.04.2016)
f) Mr. Asheesh Garg	Company Secretary (wef 29.04.2016)

9.3 **Transactions during the period with related parties are:**

Figures in Rupees

Particulars	**FY 2016-17**			**FY 2015-16**		
	Holding Company	**Subsidiary Company**	**Total**	**Holding Company**	**Subsidiary Company**	**Total**
Services rendered	9,55,99,350	40,58,101	9,96,57,451	8,61,34,860	40,59,026	8,61,34,860
Expenses recovered from company	7,48,29,527	-	7,48,29,527	7,66,97,266	-	7,66,97,266
Expenses recovered by company	15,41,374	-	15,41,374	64,67,515	16,54,945	1,21,81,486

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Share Capital Received	-	-	-	125,00,00,000	-	125,00,00,000
Shares Subscribed	-	24,40,39,000	24,40,39,000	-	51,40,29,450	51,40,29,450
Closing Balance of Investment	-	76,24,80,117	76,24,80,117	-	51,46,51,250	51,46,51,250

Note:

1. The Expenses recovered by Holding Company also includes Remuneration paid to the Managing Personnel amounting to Rs.95,82,985 /- (PY-Rs. 82,28,109/-)

9.4 **Balance Outstanding**

Figures in Rupees

Heads	**FY 2016-17**		**FY 2015-16**		**FY 2014-15**	
	Holding Company	**Subsidiary Company**	**Holding Company**	**Subsidiary Company**	**Holding Company**	**Subsidiary Company**
Payable by Company	-	-	-	-	24,93,927	-
Receivable by Company	55,81,138	81,17,127	8,35,746	40,59,026	-	1,56,80,183

10. Auditors Remuneration includes: (*)

Figures in Rupees

Particulars	**FY 2016–17**	**FY 2015–16**
Statutory Audit fees	1,00,000	1,15,000
Tax Audit fees	25,000	25,000
Reimbursement towards out of pocket expenses	3,000	4,618
TOTAL	**1,28,000**	**1,44,618**

(*) Corporate audit fee only (excludes Consolidation audit fee, Secretarial audit fee and amount paid to JVs auditors)

11. Disclosure as required by Accounting Standard 19, "Leases": where the company is lessee, Lease payments are recognized in the statement of profit & loss under "Rent".

12. As the Company has no book profit as per income tax during the financial year and there is no tax liability under Section 115JB of the Income Tax Act, 1961 and as such no provision for taxation is envisaged.

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13. Deferred Tax Assets / Liability:

13.1 The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

13.2 In assessing whether the deferred income tax assets will be realized, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will not be able to realize the benefits of those recognized deductible differences and tax loss carry forwards. Recoverability of deferred tax assets is based on estimates of future taxable income. Any changes in such future taxable income would impact the recoverability of deferred tax assets.

13.3 Movement in Deferred Tax Balances

Heads	April 1, 2015	Recognized in Profit & Loss	Recognized In OCI	Recognized in Equity	Acquired in business combination	March 31, 2016		
	Net balance					Net	DTA	DTL
Deferred tax asset								
Property, plant and equipment	1,38,50,130	(1,38,50,130)				-		
Provisions						-		
Other items						-		
Tax assets (Liabilities)	**1,38,50,130**	**(1,38,50,130)**	-	-	-	-	-	-
Set off tax								
Net tax assets / (liabilities)	-	-	-	-	-	-	-	-

Heads	April 1, 2016	Recognized in Profit & Loss	Recognized In OCI	Recognized in Equity	Acquired in business combination	March 31, 2017		
	Net balance					Net	DTA	DTL
Deferred tax asset								
Property, plant and equipment	-	-	-	-	-	-	-	-

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Provisions	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-
Tax assets (Liabilities)	-	-	-	-	-	-	-	-
Set off tax	-	-	-	-	-	-	-	
Net tax assets / (liabilities)	-	-	-	-	-	-	-	-

a) *DTA : Deferred tax asset*
b) *DTL: Deferred tax liability*
c) *OCI : Other Comprehensive Income*

13.4 Details of losses brought forward and the basis for not recognising deferred tax assets on losses has been provided below:

Tax Losses Carried Forward *(Last assessed till FY 2014-15)*

Heads	As on Mar. 31, 2017	Expiry date	As on Mar. 31, 2016	Expiry date
Expire	1,05,08,19,738	31.03.2024	90,34,45,802	31.3.2023
Never Expire	39,44,23,164	NA	39,33,40,451	NA

14. In the management assessment there is no impairment to any Cash Generating Units as at March 31, 2017.

15. Employee Benefits:

15.1 Defined Contribution Plans:

The Company's contribution to provident fund of Rs.2,17,512/- (PY Rs. 2,00,562/-) and the same is recognized and included in "Salaries and Wages" in Employee Benefits cost under Statement of Profit & Loss.

15.2 Defined Benefit Plans:

The present value of obligation in respect of gratuity and leave encashment is determined based on Actuarial Valuation using the Projected Unit Credit method. The amount recognized is included in Note 18 to the Balance Sheet.

15.3 The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

a. Present Value of projected benefit obligation

Particulars	FY 2016-17	FY 2015-16
Present value of Benefit Obligation at the beginning of the period	6,59,975	6,07,338
Interest Cost	52,138	47,980
Current Service Cost	59,243	55,542
Benefit Paid	-	-
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	55,218	1,198
Actuarial (gains)/ losses on obligations - due to experience	(58,227)	(52,083)
Present value of Benefit Obligation at the end of the period	**7,68,347**	**6,59,975**

b. Included in Profit & Loss Account

Particulars	FY 2016-17	FY 2015-16
Current Service Cost	59,243	55,542
Net Interest Cost	52,138	47,980
Past Service Cost	-	-
Total Amount recognised in Profit and loss account	1,11,381	1,03,522

c. Re-Measurements – Other Comprehensive Income (OCI)

Particulars	FY 2016-17	FY 2015-16
Return on plan assets, excluding interest income	-	-
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	55,218	1,198
Experience (gains)/losses	(58,227)	(52,083)
Change in asset ceiling, excluding amounts included in interest expense	-	-
Total amount recognised in other comprehensive income	(3,009)	(50,885)

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d. Amount recognised in Balance Sheet

Particulars	FY 2015-16	FY 2014-15
Present value of benefit obligation as on 1 April 2015	6,59,975	6,07,338
Fair value of plan assets as on 1 April 2015	-	-
Net Liability / (Asset) recognised in the balance sheet	6,59,975	6,07,338

Particulars	FY 2016-17	FY 2015-16
Present value of benefit obligation as on 1 April 2016	7,68,347	6,59,975
Fair value of plan assets as on 31 March 2016	-	-
Net Liability / (Asset) recognised in the balance sheet	7,68,347	6,59,975

15.4 Significant estimates: Actuarial assumptions and sensitivity analysis

a) Significant actuarial assumptions were as follows:

i. Financial Assumptions

1. Discount rate : The rate used to discount post-employment benefit obligation is determined by reference to market yields at the balance sheet date on government bonds
2. Salary increase : Salary increase takes into account inflation, seniority and promotion and other relevant factors such as supply and demand in the employment market.

ii. Demographic assumptions

Particulars	FY 2016-17	FY 2015-16
Retirement age	60 years	60 years

b) Sensitivity Analysis

The sensitivity analysis presented herein under may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the said sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

Particulars	FY 2016-17	FY 2015-16
Delta effect of +1% Change in Rate of Discounting	86,570	78,792
Delta effect of -1% Change in Rate of Discounting	99,731	91,418
Delta effect of +1% Change in Rate of Salary Increase	640	1,363
Delta effect of -1% Change in Rate of Salary Increase	853	1,727

The expected maturity analysis of undiscounted benefits is as under:

Particulars	FY 2016-17	FY 2015-16
Less than a year	4,177	3,245
Between 1 - 2 year	5,114	3,898
Between 2 - 5 year	21,945	16,989
Over 5 years	19,59,009	19,57,851
Total	**19,90,245**	**19,81,983**

16. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company does not have any externally imposed capital requirements for the financial period ended 31 March 2017, 31 March 16 and 31 March 2015

17. Fair Value Measurements

Fair value is defined as 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.

Management has determined that the carrying amounts of bank balances, trade and other receivables, trade and other payables are a reasonable approximation of fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

As on Mar 31 , 2017 (INR)	Carrying amount
Financial assets	
Trade receivables	85,53,848
Cash and cash equivalents	98,47,06,715
Short-term loans and advances	3,99,79,636
Other financial assets	-
Financial liabilities	
Long-term borrowings	-
Trade payables	36,28,811
Other current financial liabilities	-

As on March 31, 2016 (INR)	Carrying amount
Financial assets	
Trade receivables	30,26,525
Cash and cash equivalents	1,16,43,11,575
Short-term loans and advances	3,20,21,477
Other financial assets	-
Financial liabilities	
Long-term borrowings	-
Trade payables	48,92,043
Other current financial liabilities	-

As on March 31, 2015 (INR)	Carrying amount
Financial assets	
Trade receivables	1,15,83,482
Cash and cash equivalents	38,12,42,919
Short-term loans and advances	3,02,62,503
Other financial assets	-
Financial liabilities	
Long-term borrowings	-
Trade payables	46,27,670
Other current financial liabilities	-

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from bank balances and trade and other receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flow

Status as on 31-Mar-17				
Particulars	**1 year or less**	**1 to 5 years**	**Over 5 years**	**Total**
Trade payables	36,28,811	-	-	36,28,811
Other financial liabilities	-	-	-	-
Total undiscounted financial liabilities	**36,28,811**	**-**	**-**	**36,28,811**

Status as on 31-Mar-16				
Particulars	**1 year or less**	**1 to 5 years**	**Over 5 years**	**Total**
Trade payables	48,92,043	-	-	48,92,043
Other financial liabilities	-	-	-	-
Total undiscounted financial liabilities	**48,92,043**	**-**	**-**	**48,92,043**

Status as on 01-Apr-15				
Particulars	**1 year or less**	**1 to 5 years**	**Over 5 years**	**Total**
Trade payables	46,27,670	-	-	46,27,670
Other financial liabilities		-	-	
Total undiscounted financial liabilities	**46,27,670**	**-**	**-**	**46,27,670**

18. Ind AS 101

18.1 For the purposes of reporting as set out in Note 3, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date").

18.2 In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

18.3 Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Following are the exemptions opted by the Company.

i) Property, plant and equipment and intangibles exemption: The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015).

ii) The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value of exploration and evaluation assets recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition

18.4 Reconciliation of Equity as at April 1, 2015

	Footnote Ref.	Amount (IGAAP)	Effects of transition	Amount (Ind AS)
Non-current assets				
Property, Plant and Equipment		14,62,03,199		14,62,03,199
Intangible Assets		1,37,50,302		1,37,50,302
Intangible Assets Under Development		1,35,52,000		1,35,52,000
Financial Assets				
Investments		6,21,800		6,21,800
Long -Term Loans and advances		1,76,140		1,76,140
Others		99,869		99,869
Deferred tax assets	3	1,37,42,000	1,08,130	1,38,50,130
Other non-current assets		20,33,418		20,33,418
Total non current assets		**19,01,78,728**	**1,08,130**	**19,02,86,858**
Current Assets				
Inventories		71,25,698		71,25,698
Financial Assets				
Trade Receivables		1,15,83,482		1,15,83,482
Cash And Cash Equivalents		38,12,42,919		38,12,42,919
Loans		3,02,62,503		3,02,62,503
Others				
Current Tax Assets(Net)		2,65,30,988		2,65,30,988
Other current assets		12,10,085		12,10,085
Total current assets		**45,79,55,675**		**45,79,55,675**
TOTAL ASSETS		**64,81,34,403**	**1,08,130**	**64,82,42,533**
II. EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,20,00,00,000		1,20,00,00,000
Other equity		(55,91,40,341)	(2,04,312)	(55,93,44,653)
Total equity	**1 & 3**	**64,08,59,659**	**(2,04,312)**	**64,06,55,347**

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LIABILITIES				
Non current liabilities				
Financial Liabilities				
i) Long Term Borrowings		-	-	-
ii) Other Financial Liabilities		6,500	-	6,500
Long Term Provisions	1	12,43,599	3,12,442	15,56,041
Deferred Tax Liabilities				
Other non-current liabilities				
Total non current liabilities		**12,50,099**	**3,12,442**	**15,62,541**
Current liabilities				
Financial liabilities				
Short Term Borrowings		-	-	-
Trade payables		42,72,768	-	42,72,768
Other Financial Liabilities		3,54,902	-	3,54,902
Other Current Liabilities		11,76,034	-	11,76,034
Short Term Provisions		2,20,941	-	2,20,941
Total Current liabilities		**60,24,645**	**-**	**60,24,645**
Total liabilities		72,74,744	3,12,442	75,87,186
TOTAL EQUITY AND LIABILITIES		**64,81,34,403**	**1,08,130**	**64,82,42,533**

18.5 Reconciliation of Equity as at March 31, 2016

	Footnote Ref.	**Amount (IGAAP)**	**Effects of transition**	**Amount (Ind AS)**
Non-current assets				
Property, Plant and Equipment		15,81,03,123		15,81,03,123
Intangible Assets		-		-
Intangible Assets Under Development		1,35,52,000		1,35,52,000
Financial Assets				
Investments		-		-
Long -Term Loans and advances		1,94,221		1,94,221
Others		54,488		54,488
Deferred tax assets		-		-
Other non-current assets		92,068		92,068
Total non current assets		17,19,95,900		17,19,95,900
Current Assets				
Inventories		71,21,149		71,21,149
Financial Assets				
Trade Receivables		30,26,525		30,26,525
Cash And Cash Equivalents		1,16,43,11,575		1,16,43,11,575

Loans		3,20,21,477		3,20,21,477
Others		-		-
Current Tax Assets(Net)		3,12,46,213		3,12,46,213
Other current assets		4,93,400		4,93,400
Total current assets		**1,23,82,20,339**		**1,23,82,20,339**
TOTAL ASSETS		**1,41,02,16,239**		**1,41,02,16,239**
II. EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,45,00,00,000		2,45,00,00,000
Other equity	1	(1,04,78,60,013)	(2,339,61)	(1,04,80,93,972)
Total equity		1,40,21,39,987	(2,33,961)	(1,04,80,93,972)
LIABILITIES				
Non current liabilities				
Financial Liabilities				
i) Long Term Borrowings		-	-	-
ii) Other Financial Liabilities		-	-	-
Long Term Provisions	1	16,24,150	2,33,961	18,58,111
Deferred Tax Liabilities				
Other non-current liabilities				
Total non current liabilities		16,24,150	2,33,961	18,58,111
Current liabilities				
Financial liabilities				
Short Term Borrowings		-	-	-
Trade payables		48,92,043	-	48,92,043
Other Financial Liabilities		-	-	-
Other Current Liabilities		13,26,059	-	13,26,059
Short Term Provisions		2,34,000	-	2,34,000
Total Current liabilities		64,52,102	-	64,52,102
Total liabilities		80,76,252	2,33,961	83,10,213
TOTAL EQUITY AND LIABILITIES		**1,41,02,16,239**	-	**1,41,02,16,239**

18.6 Reconciliation of Total Comprehensive Income for the period ended March 31, 2016

	Footnote Ref.	**Amount (IGAAP)**	**Effects of transition**	**Amount (Ind AS)**
Revenue				
Revenue from Operations (Gross)		9,00,92,317	-	9,00,92,317
Other income		3,39,09,143	-	3,39,09,143
Total Income		**12,40,01,460**	-	**12,40,01,460**
Expenses				

Production, Transportation and other expenses	1	74,08,989	(1,30,000)	72,78,989
Geological and Geophysical expenses		16,36,443	-	16,36,443
Employee benefits expense	2	3,41,23,388	50,885	3,41,74,273
General and Administrative expenses		3,93,70,240	-	3,93,70,240
Finance costs	1	-	51,519	51,519
Depreciation and amortisation expense		17,88,822	-	17,88,822
Other expenses		51,46,51,250	-	51,46,51,250
Total Expenses		**59,89,79,132**	**(27,596)**	**59,89,51,536**
Profit/(loss) before Tax		**(47,49,77,672)**	**27,596**	**(47,49,50,076)**
Tax expense:		1,37,42,000.00	1,08,130	1,38,50,129.93
1. Current Tax				
2. Deferred Tax		1,37,42,000	1,08,130	1,38,50,130
Profit for the period		**(48,87,19,672)**	**(80,534)**	**(48,88,00,206)**
Other comprehensive income				
i. Items that will not be subsequently reclassified to profit or loss	2	-	50,885	50,885
ii. Items that will be reclassified to profit or loss		-	-	-
		-	**50,885**	**50,885**
Total comprehensive income for the period		**(48,87,19,672)**	**(29,649)**	**(48,87,49,321)**

18.7 Equity Reconciliation

Particulars	As at March 31, 2016	As at March 31, 2015
Share Capital	2,45,00,00,000	1,20,00,00,000
Reserve & Surplus	(1,04,78,60,013)	(55,91,40,341)
Net Worth as per IGGAP	1,40,21,39,987	64,08,59,659
Add/(Less) : Ind AS Adjustment		
Reversal of provision for abandonment created under IGAAP	3,90,000	-
Provision for abandonment cost created as per Ind AS	(5,72,442)	(3,12,442)
Unwinding of discount on provision for abandonment cost	(51,519)	-
TOTAL Ind AS Impact	(2,33,961)	(3,12,442)
Deferred Tax on Ind AS Adjustments – Deferred Tax Asset	-	1,08,130
Net Worth as per Ind AS	1,40,19,06,026	64,06,55,347

18.8 Profit Reconciliation

Particulars	FY 2015-16
Profit/(Loss) as per IGAAP for the year 31-03-16	(48,87,19,672)
Ind AS Adjustments	
Reversal of provision for abandonment created under IGAAP	1,30,000
Unwinding of discount on provision for abandonment cost	(51,519)
Re-measurements of post-employment benefit plan recognised in OCI	(50,885)
Total Ind AS Impact	27,596
Deferred Tax on Ind AS Adjustments – Deferred Tax Asset	(1,08,130)
Profit/(Loss) as per Ind AS for the year 31-03-17	(48,88,00,206)

Notes to Reconciliation:

1. *Provision for abandonment cost*

   An estimate of abandonment cost was made under IGAAP and the same was recognized on a straight-line basis over the period. Under Ind AS, provision for abandonment cost needs to be provided for on day one at the present value of the estimated amount using an appropriate discount rate. The additional amount so determined on account of fair value is recognised in opening retained earnings with a corresponding credit to provision amount. Hence, the adjustment is on account change in measurement under Ind AS.

   Also, there would be unwinding of discount on provision amount which would the affected reported profit under Ind AS for 2015-16.

2. *Re-measurements of post-employment benefit plan recognized in OCI*

   Under Ind AS, remeasurements of post-employment benefit plans need to be recognized in OCI. Hence, actuarial gain/(loss) on gratuity plan which was recognized in profit and loss account under IGAAP is recognized in OCI under Ind AS.

3. *Deferred tax on Ind AS adjustments*

   IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period.

   Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax has been recognized on Ind AS adjustments which result in temporary differences.

19. Disclosure on Specified Bank Notes

Disclosure in respect of details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/16 as detailed herein under, incompliance of Ministry of Corporate Affairs Notification dated 30th Mar, 2017 GSR 380 E, read with Government of India Notification SO3407 (E) dated November 8th, 2016

Heads	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	INR 25,000	INR 25,000
(-) Permitted payments	NIL	INR 3,590	INR 3,590
(-) Amount deposited in banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	INR 21,410	INR 21,410

20. In the opinion of the management, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to that at which they are stated in the Balance sheet.

21. Allocated Overheads recovered from Joint Ventures are shown as deduction from General and Administrative expenses in the Statement of Profit and Loss.

22. During the year, PPIPL, subsidiary of the company, has taken an impairment charge of Rs.149,06,57,153 in view of the fall in international prices of crude oil, consequent to which it's net worth stands eroded.

Accordingly, a provision for diminution in value of investment in PPIPL amounting to Rs.24,40,39,000 has been made.

23. There are no dues outstanding to vendors who are "Micro, Small and Medium Enterprises"

24. During the year there was NIL (FY 15-16 : Rs. 4,50,000) expenditure incurred towards Corporate Social Responsibility.

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25. Other additional information are either nil or not applicable.

26. Previous year figures have been regrouped / reclassified wherever necessary to make them comparable with current year figures.

Vikram Gulati
Chief Executive Officer

M. Ananth Krishnan
Chief Financial Officer

Asheesh Garg
Company Secretary

for **Gupta Rustagi & Aggarwal**
Chartered Accountants
Registration No.:008084N

Vinod S. Shenoy
Director

J. Ramaswamy
Director

Ramesh Chand Rustagi
Partner
M No.:086880

Place : New Delhi
Date : May 9, 2017