INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRIZE PETROLEUM COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **PRIZE PETROLEUM COMPANY LIMITED** (hereinafter referred to as "the Holding Company")and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act")that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent: and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in

BGJC & Associates New Delhi Chartered Accountants order to design audit procedures that are appropriate in the circumstances .An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

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

a) Note no 28 (III) (17) regarding impairment loss of USD 17.7 million (Rs.1,17,26,69,250), arising out of the investment in the 2 blocks in Australia, by the wholly owned subsidiary.

b) Note no 28 (III) (14) regarding charge off of Deferred Tax Asset of Rs. 1,37,42,000, in the stand alone entity, consequent to diminution in the value of Investment in the wholly owned subsidiary.

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the standalone financial statements of 1 subsidiary (Prize Petroleum International Pte. Ltd.) and two unincorporated Joint Ventures (Hirapur Field and South Rewa Block) included in the financial statements of the Company, which constitute the total assets of Rs.5,02,64,12,886 and net assets of Rs.(1,16,25,49,808) as at 31st March, 2016, total revenues of Rs.71,35,38,862 and net loss of Rs.1,58,19,40377 for the year ended on that date, as 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 in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such other auditor.

(b) We did not audit the standalone financial statements of two unincorporated Joint Ventures (Sanganpur and Cluster-7) included in the financial statements of the Company, which constitute the total assets of Rs.5,61,88,316 and net assets of Rs.5,52,20,821 as at 31st March, 2016 , total revenues of Rs.4,66,386 and net loss of Rs.2,85,951 for the year ended on that date, as considered in the standalone financial statements. The unaudited financial information has been provided to us by the management, and our opinion on the standalone financial statements of the Company to the extent they relate to these unincorporated Joint Ventures is based solely on such unaudited financial information furnished to us.

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Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, refer to our separate Report in "Annexure A".

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note 28 to the consolidated financial statements.

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ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For BGJC & Associates
Chartered Accountants
Firm's registration number: 003304N

BGJC & Associates ★ Chartered Accountants ★ New Delhi

Darshan Chhajer
Partner
Membership number: 088308

Place: Mumbai
Date: 17/05/216

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Prize Petroleum Company Limited

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

i. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016,We have audited the internal financial controls over financial reporting of Prize Petroleum Company Limited (hereinafter referred to as "the Holding Company") and its one subsidiary company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

ii. The respective Board of Directors of the Holding Company and its one subsidiary company are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" 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

iii. 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 deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

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

v. 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.

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New Delhi
Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Opinion

viii. In our opinion, the Holding Company and its one subsidiary, which are companies incorporated in India ,have, maintained , 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, 2016, 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 BGJC & Associates
Chartered Accountants
Firm's registration number: 003304N

BGJC & Associates * Chartered Accountants * New Delhi

Darshan Chhajer
Partner
Membership number: 088308

Place: Mumbai
Date: May 17, 2016

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31ST MARCH 2016

		Note No.	Amount in Rupees Figures as at 31st March 2016	31st March 2015
A	**CONTINUING OPERATIONS**			
I.	Revenue from operations (Gross)	20	787,811,071	303,044,391
	Less : Excise Duty		-	-
	Revenue from operations (Net)		**787,811,071**	**303,044,391**
II.	Other income	21	39,252,187	31,437,550
III.	**Total Revenue**	(I+II)	**827,063,258**	**334,481,941**
IV.	**Expenses :**			
a)	Production, Transportation & Other Expenses	22	358,362,781	199,324,525
b)	Geological & Geophysical Expenses	23	4,418,360	5,215,834
c)	Employee benefits expenses	24	38,141,407	35,072,875
d)	General & Administrative Expenses	25	67,426,612	135,375,724
e)	Finance Costs	26	242,192,318	167,545,780
f)	Depreciation and amortization expense	27	1,655,152,297	96,844,057
g)	Other Expenses		-	-
	Total expenses		**2,365,693,775**	**639,378,795**
V.	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(1,538,630,517)	(304,896,854)
VI.	Exceptional items		-	3,059,990
VII.	Profit/(Loss) before extraordinary items and tax (V - VI)		(1,538,630,517)	(307,956,844)
VIII.	Extraordinary items		-	-
IX.	Profit/(Loss) before tax (VII-VIII)		(1,538,630,517)	(307,956,844)
X	Tax expenses			
	(1) Current tax		-	-
	(2) Deferred tax		13,742,000	(510,000)
XI	Profit/(loss) for the year from continuing operations (IX-X)		**(1,552,372,517)**	**(307,446,844)**
B	**DISCONTINUING OPERATIONS**			
XII	Profit/(loss) from discontinuing operations (before tax)		-	-
XIII	Tax expenses of discontinuing operations		-	-
XIV	Profit/(loss) from discontinuing operations (after tax)(XII-XIII)		-	-
C	**TOTAL OPERATIONS**			
XV	Profit (loss) for the year (XI-XIV)		**(1,552,372,517)**	**(307,446,844)**
XVI	Earnings per equity share of Rs.10 each			
	(1) Basic		(22.15)	(2.80)
	(2) Diluted		(22.15)	(2.80)
	The accompanying Significant Accounting Policies and notes are integral part of the financial statements	28		

This is the Profit and Loss Account referred in our report
As per our Report of Even Date

For **BGJC & Associates**
Chartered Accountants
Registration No. 003304N
By the hand of

Partner : Darshan Chhajer
M No: 088308

Vikram Gulati
Chief Executive Officer

U. C. Agrawal
Chief Financial Officer

Asheesh Garg
Company Secretary

P. K. Joshi
Director

J. Ramaswamy
Director

Place: Mumbai
Date : 17th May 2016

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE : 1

		Amount in Rupees Figures as at 31st March 2016	31st March 2015
	SHARE CAPITAL		
a)	**Authorised :**		
	62,00,00,000 Equity Shares of Rs. 10 each	6,200,000,000	6,200,000,000
	10,00,00,000 Preference Shares of Rs.10 each	1,000,000,000	1,000,000,000
		7,200,000,000	**7,200,000,000**
b)	**i) Issued :**		
	12,00,00,000 Equity Shares of Rs.10 each	1,200,000,000	1,200,000,000
	12,50,00,000 Equity Shares of Rs.10 each	1,250,000,000	
		2,450,000,000	**1,200,000,000**
	ii) Subscribed and paid up :		
	12,00,00,000 Equity Shares of Rs.10 each fully paid up	1,200,000,000	1,200,000,000
	12,50,00,000 Equity Shares of Rs.10 each fully paid up	1,250,000,000	-
		2,450,000,000	**1,200,000,000**
c)	**Par Value per Share**		
	i) Equity Shares :	Rs. 10/-	Rs. 10/-
	ii) Preference Shares	Rs. 10/-	Rs. 10/-
d)	**Reconciliation of No. of Shares Outstanding**	**in Nos.**	**in Nos.**
	a) Equity Shares		
	Opening Balance	120,000,000	120,000,000
	Add : Issued/converted during the year	125,000,000	-
	Less : Buy back during the year	-	-
	Closing Balance	**245,000,000**	**120,000,000**
	Refer to Note 28 (III) (7)		
	b) Preference Shares		
	Opening Balance	-	-
	Add : Issued during the year	-	-
	Less : Buy back during the year/Converted during the year	-	-
	Closing Balance	-	-
	Refer to Note 28 (III) (7)		
e)	**The rights, preferences and restrictions attaching to each classes of Shares.**		
	Refer to Note 28 (III) (7)		
f)	**Shares held by holding Company - Hindustan Petroleum Corporation Ltd.**	**in Nos.**	**in Nos.**
	Equity Shares of Rs.10 each fully paid up	245,000,000	120,000,000
g)	**Shareholding pattern (in %)**		
	Equity Shares :		
	Hindustan Petroleum Corporation Ltd.	100%	100%
h)	**Shares Reserved**	**NIL**	**NIL**
i)	**Details of Shares issued for other then cash consideration and bought back in last 5 year**	**NIL**	**NIL**
	Refer to Note 28 (III) (7)		
j)	**Terms of any securities convertible in to Equity/ Preference**	**NIL**	**NIL**
k)	**Calls unpaid**	**NIL**	**NIL**

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE : 2

	Amount in Rupees Figures as at 31st March 2016	31st March 2015
RESERVES AND SURPLUS		
i) Foreign Currency Translation Reserve		-
Opening Balance	(1,276,086)	(601,744)
Add : Add/(Less) Effect of Foreign Exchage rate variation during the period	(7,016,884)	(674,342)
Closing balance	**(8,292,970)**	**(1,276,086)**
ii) Surplus/(Deficit) in statement of Profit & Loss		
Opening Balance	(868,131,797)	(560,499,453)
Add : Profit/(Loss) for the year	(1,552,372,517)	(307,446,844)
Add : Depreciation Prior Period/other adjustment	87,596,338	(185,500)
Closing balance	**(2,332,907,976)**	**(868,131,797)**
Total	**(2,341,200,946)**	**(869,407,883)**

NOTE : 3

LONG TERM BORROWINGS		
Allahabad Bank, Hongkong	1,367,451,600	1,343,857,500
Export-Import Bank of India, Mumbai	1,367,451,600	1,343,857,500
Syndicate Bank - London	2,734,903,200	2,687,715,000
	5,469,806,400	**5,375,430,000**

NOTE : 4

OTHER LONG TERM LIABILITIES		
Retention Money	-	6,500
	-	**6,500**

NOTE : 5

LONG TERM PROVISIONS		
Provisions for Employee Benefits		
Provision for Gratuity (*)	656,851	604,967
Provision towards compensated absences (*)	577,299	378,632
Provision for Abandonment cost	390,000	260,000
	1,624,150	**1,243,599**

(*) Refer to Note 28 (III) (16)

NOTE : 6

SHORT TERM LIABILITIES		
Allahabad Bank, Hongkong	56,977,150	-
Export-Import Bank of India, Mumbai	56,977,150	-
Syndicate Bank - London	113,954,300	-
	227,908,600	**-**

NOTE : 7

TRADE PAYABLES		
Trade payable - Micro Enterprises and Small Enterprises	-	-
Trade payable - Other than Micro Enterprises and Small Enterprises	4,662,562	4,497,358
Trade payable - Expenses Payable	95,414,164	146,879,909
	100,076,726	**151,377,267**

NOTE : 8

OTHER CURRENT LIABILITIES		
Statutory Liabilities	5,765,257	5,431,591
Expenses Payable	1,760,864	1,269,683
Accounts payable	33,583,496	261,658,138
Other Liabilities	300,981	354,902
AWE Petroleum Pty Ltd, Australia	254,012,085	273,084,345
Interest Payable	100,804,963	77,047,411
Other Current Liabilities	-	58,317,656
	396,227,646	**677,163,726**

NOTE : 9

SHORT TERM PROVISIONS		
Provisions for Employee Benefits		
Provision for Gratuity	3,124	2,371
Provision towards compensated absences	230,876	218,570
	234,000	**220,941**

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT
TANGIBLE FIXED ASSETS

NOTE : 10

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1-Apr-15	Additions 2015-16	Adjustment	Deletion	As at 31st March 2016	Up to 1-Apr-15	Adjustment	For the year 2015-16	Deletion or Impairment	Up to 31st March 2016	As at 31st March 2016	As at 31st March 2015
Office Equipment	600,881	-		-	600,881	217,552	-	89,014	-	306,566	294,315	383,329
Computers Hardware	3,878,410	12,320		-	3,890,730	3,834,175	-	20,921	-	3,855,096	35,634	44,235
						-		-	-	-		
Furniture & Fixtures												
-Procured under the Scheme	180,000	-		-	180,000	41,164	-	15,420	-	56,584	123,416	138,836
- Others	373,928	-		-	373,928	290,509	-	28,312	-	318,821	55,107	83,419
Vehicles												
-Procured under the Scheme	300,000	-		300,000	-	170,766	-	31,734	(202,500)	-	-	129,234
- Others	769,104	-		-	769,104	730,650	-	-	-	730,650	38,454	38,454
Hydrocarbon Rights & Concessions (Sanganpur Field)	14,045,662	-		-	14,045,662	301,888	-	7,464	-	309,352	13,736,310	13,743,774
Share of Fixed Assets in Joint Ventures												
- Hirapur Onshore Marginal Field (PI 50%)												
Wells Cost	98,549,038	-		-	98,549,038	10,768,807	-	1,323,339	-	12,092,146	86,456,892	87,780,231
Computers	66,725	-		-	66,725	66,725	-	-	-	66,725	-	-
Office Equipments	10,516	-		-	10,516	10,516	-	-	-	10,516	-	-
Furniture & Fixtures	239,611	-		-	239,611	187,365	-	19,062	-	206,427	33,184	52,246
Plant & Machinery	12,988,195	23,625		-	13,011,820	8,292,375	-	211,322	-	8,503,697	4,508,123	4,695,820
- Project Sanganpur (PI 50%)												
Wells Cost	53,528,455	-		-	53,528,455	851,123	-	28,609	-	879,732	52,648,723	52,677,332
Plant & Machinery	5,574,174	-		-	5,574,174	5,489,606	-	2,413	-	5,492,019	82,155	84,568
Office Equipments	58,447	-		-	58,447	55,525	-	-	-	55,525	2,922	2,922
Furniture & Fixtures	36,265	-		-	36,265	34,451	-	-	-	34,451	1,814	1,814
Buildings	111,698	-		-	111,698	21,787	-	4,343	-	26,130	85,568	89,911
- Project SR-ONN (PI 10%)												
Computer	5,590	-		-	5,590	5,362	-	181	-	5,543	47	228
Digital Camera	1,668	-		-	1,668	1,178	-	161	-	1,339	329	490
Mobile Phone	420	-		-	420	420	-	-	-	420	-	-
Global Positioning System	2,602	-		-	2,602	2,472	-	-	-	2,472	130	130
- Prize Petroleum International Pte. Ltd.												
Acquisition Cost Yolla Field Assets (Licence T/L1)	4,132,829,779	9,956,308	221,359,179	-	4,364,145,266	93,474,593	9,371,298	367,381,982	1,172,669,250	1,642,897,123	2,721,248,143	4,039,355,186
Yolla Stage 2 - Y5 & Y6 Drilling cost	-	1,314,692,106	-	-	1,314,692,106	-	1,345,298	113,228,363	-	114,573,661	1,200,118,445	-
Other Plant & Machinery (Capitalized)	-	973,929	-	-	973,929	-	997	83,880	-	84,877	889,052	-
Total	4,324,151,168	1,325,658,288	221,359,179	300,000	5,870,868,635	124,849,009	10,717,593	482,476,520	1,172,466,750	1,790,509,872	4,080,358,763	4,199,302,159
Previous Year 2014-15	190,839,319	4,133,451,743		(139,894)	4,324,151,168	29,280,861	148,315	95,534,853	115,020	124,849,009	4,199,302,159	161,558,458

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT
INTANGIBLE FIXED ASSETS

NOTE : 11
figures in Rupees

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 1-Apr-15	Additions 2015-16	Deletion	As at 31st March 2016	Up to 1-Apr-15	Adjustment	For the year	Written back on deletion	Up to 31st March 2016	As at 31st March 2016	As at 31st March 2015
Computers Softwares	12,741,969	-	-	12,741,969	12,735,441	-	6,528	-	12,741,969	-	6,528
Total	12,741,969	-	-	12,741,969	12,735,441	-	6,528	-	12,741,969	-	6,528
Previous Year 2014-15	12,741,969	-	-	12,741,969	12,698,257	37,184	-	-	12,735,441	6,528	43,712

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT

NOTE : 12
figures in Rupees

PRE-PRODUCING PROPERTIES (Intangible assets under development)

AREA / FIELD	As at 01-Apr-15	Adjustments	Expenditure during the year	Transfer to Tangible/Intangible Fixed assets	Transfer to Statement of Profit and Loss	As at 31-Mar-16
ONGC Onshore Marginal Fields	13,552,000	-	-	-	-	13,552,000
Discovered Field (Permit T/18P)	173,875,823	14,917,175	-	-	-	188,792,998
Yolla Field (License: T/L 1)						
Compressor Installation	242,887,980	21,520,552	72,314,506	-	-	336,723,038
Yolla Stage 2 - Y5 & Y6 Drilling	361,472,034	28,734,507		390,206,541	-	-
Other Plant & Machinery (License:T/L1)	72,896,782	6,009,916	(1,264,546)	-	-	77,642,152
	864,684,619	**71,182,150**	**71,049,960**	**390,206,541**	**-**	**616,710,188**
Previous Year 2014-15	**13,873,953**	**-**	**852,119,871**	**-**	**1,309,205**	**864,684,619**

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE : 13

DEFERRED TAXATION ASSETS (NET)

	Amount in Rupees Figures as at 31st March 2016	31st March 2015
Deferred Tax Asset		
Opening Balance	13,742,000	13,232,000
Add : during the year		
Unabsorbed Depreciation	(60,593,000)	490,000
Deferred Tax Liability		
Less : During the year		
Depreciation Differential	(46,851,000)	(20,000)
Net Deferred Tax Asset	-	13,742,000

Refer to Note 28 (III) (14)

NOTE : 14

LONG TERM LOAN & ADVANCE

	31st March 2016	31st March 2015
Security Deposit (Considered Good)		
M.P. State Govt.	15,000	15,000
Rent	26,250	26,250
Electricity Gas & Water	136,221	133,140
Telephone	1,750	1,750
Other Deposits (Shri Umiya Trading)	15,000	15,000
	194,221	191,140

NOTE : 15

OTHER NON CURRENT ASSETS

	31st March 2016	31st March 2015
Service Tax Credit Receivable	92,068	2,033,418
Unamortized Expenses	48,089,443	-
Fixed deposits in Bank	-	30,381
Others Deposits	54,488	54,488
	48,235,999	2,118,287

NOTE : 16

INVENTORIES

	31st March 2016	31st March 2015
Stores & Spares		
Inventory (License:T/L1)	27,715,767	26,522,203
Casing & Tubing	5,418,525	5,418,525
Casing Accessories	27,000	27,000
Chemicals	-	2,660
Cementing Chemicals	5,499	5,499
Tanker Seal	637	2,527
Gear Oil	5,053	5,053
Pumps & Spares	205,629	205,629
Bridge Plug 5 1/2"	23,413	23,413
Retrievable Mechanical Packer	417,500	417,500
X-Mas Tree	90,000	90,000
Electrical Submersible Pump	22,000	22,000
Float Equipments	98,481	98,481
Liner Hanger	282,042	282,042
Wellheads	525,370	525,369
	34,836,916	33,647,901

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE : 17

	Amount in Rupees Figures as at 31st March 2016	31st March 2015
TRADE RECEIVABLE (Unsecured)		
Over Six months		
Considered Good	-	8,206,212
Others		
Considered Good	71,836,497	29,620,360
	71,836,497	37,826,572

NOTE : 18

	31st March 2016	31st March 2015
CASH AND CASH EQUIVALENT		
(a) Cash and Cash Equivalents		
(i) Cash in hand	35,065	3,287
(ii) Balances with Banks		
Current Accounts	139,422,547	555,212,611
Fixed Deposits	1,159,227,533	365,615,126
	1,298,685,145	**920,831,024**
Less : Amount disclosed under other non current assets (*)	-	(30,381)
(b) Other Bank Balances		
Fixed Deposits (Kept as Margin Money)	1,956,485	1,815,585
(*) Refer to Note 15	**1,300,641,630**	**922,616,228**

NOTE : 19

	31st March 2016	31st March 2015
SHORT TERM LOANS AND ADVANCES		
Balance with Govt. Authorities - Unsecured and Considered Good		
Tax Deducted at Source	31,246,213	26,530,988
Others - Unsecured and Considered Good		
Receivables from Joint Venture Projects	27,962,451	14,582,320
GST Recoverable	25,038	-
Advance Cash Calls (Yolla - T/L1)	81,470,363	396,575,752
Security Deposit (TMF)	245,651	227,393
Other Deposits (Yolla - T/L1)	86,516	81,847
Prepaid Expenses	10,826,130	23,900,416
	151,862,362	**461,898,716**

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE : 20

	Amount in Rupees Figures as at 31st March 2016	31st March 2015
REVENUE FROM OPERATION		
Income from Hydrocarbons	708,611,071	224,636,391
Income from Management fee	79,200,000	78,408,000
	787,811,071	**303,044,391**

NOTE : 21

	31st March 2016	31st March 2015
OTHER INCOME		
Interest on Fixed Deposit	31,431,831	26,175,167
Bank Interest - PPIPL	3,829,540	3,520,415
Others	3,990,816	1,741,968
	39,252,187	**31,437,550**

NOTE : 22

	31st March 2016	31st March 2015
PRODUCTION, TRANSPORTATION & OTHER EXPENSES		
Operating Cost- PPIPL, Singapore	350,953,792	192,090,616
Insurance	155,488	223,670
Electricity & Utilities	405,046	313,446
Consultancy Fees	101,400	36,458
Well Maintenance Charges	279,469	356,604
Security Charges	1,172,901	1,114,710
Processing & Handling of Crude Oil	1,277,640	1,295,520
Manpower Charges	2,485,606	2,406,114
Land Rent	381,680	323,263
Crude Oil Transportation	998,639	980,804
Royalty	7,664	19,350
Cess	13,456	33,970
Abandonment cost	130,000	130,000
	358,362,781	199,324,525

NOTE : 23

	31st March 2016	31st March 2015
GEOLOGICAL & GEOPHYSICAL EXPENSES		
Exploration Phase Expenses (SR-ONN Block)	1,636,443	3,680,762
G & G Studies (Permit T/18P)	2,781,917	1,535,072
	4,418,360	**5,215,834**

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE : 24

	Amount in Rupees Figures as at 31st March 2016	31st March 2015
EMPLOYEE BENIFITS EXPENSES		
Manpower Cost	28,642,410	26,224,031
Contribution towards Provident Fund	222,301	219,589
Managerial Remuneration	8,228,109	7,718,973
Other Welfare Expenses	1,048,587	910,282
	38,141,407	35,072,875

NOTE : 25

	Amount in Rupees Figures as at 31st March 2016	31st March 2015
GENERAL & ADMINISTRATIVE EXPENSES		
Repairs & Maintenance	2,285,328	3,449,272
Auditor's Remuneration	1,190,405	878,986
Electricity & Utilities	1,281,097	1,485,273
Traveling & Conveyance	2,944,922	1,995,733
Legal Expenses	1,353,130	662,663
Consultancy Charges	17,385,777	38,138,433
Corporate Social Responsibility Expenses	450,000	-
Insurance	28,442	37,984
Rent	20,271,405	19,650,609
Advertisement & Business Relation Expenses	421,793	266,638
Telephone Charges	536,734	510,274
Bank Charges	624,870	452,503
Postage & Courier	62,083	88,416
Printing & Stationery	388,433	286,545
Meeting & Conference	88,971	38,282
Foreign Exchange Fluctuations	14,372,142	68,483,655
Contract Labour	2,843,604	1,926,685
Training & Seminar Expenses	85,900	-
Membership & Subscription	63,028	60,200
HO Overheads	486,647	499,767
General Expenses	50,740	70,201
G & A Expenses (PPIPL - Permit T/18P)	1,061,195	843,689
	68,276,646	139,825,808
Less: Allocated to Projects	850,034	4,450,084
	67,426,612	135,375,724

NOTE : 26

	Amount in Rupees Figures as at 31st March 2016	31st March 2015
FINANCE COST		
Bank loan fee	11,338,691	59,772,854
Interest on Long Term Loan	230,853,627	76,556,442
Interest on Short Term Loan	-	31,216,484
	242,192,318	167,545,780

NOTE : 27

	Amount in Rupees Figures as at 31st March 2016	31st March 2015
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	422,882	663,647
Depletion	482,053,637	94,871,205
Amortisation	6,528	-
Impairment	1,172,669,250	-
Exploratory dry Well written off	-	1,309,205
	1,655,152,297	96,844,057

PRIZE PETROLEUM COMPANY LIMITED
(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Ltd.)
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

		Year Ending 31 March 2016	Year Ending 31 March, 2015
(A)	**Cash flow from Operating activities:-**		
	Profit before tax	(1,538,630,517)	(307,956,844)
	Adjustment for:-		
	- Depreciation / Depletion / Impairment	1,655,152,297	95,534,852
	- Expenses Written off	-	4,369,195
	- Amortized Bank Loan Fee	11,338,691	-
	- Unrealized Exchange gain/loss	(7,016,884)	(673,524)
	- Interest Expenses	230,853,627	107,772,926
	- Interest received	(37,602,197)	(30,671,226)
		-	-
	Operating profit before working capital changes	**314,095,017**	**(131,624,621)**
	Adjustment For (Increase) / Decrease		
	- Trade Receivables	(34,009,925)	(16,452,893)
	- Loans & Advances	316,720,229	1,365,619
	- Inventories	(1,189,015)	(26,062,653)
	- Trade Payables & Other Current liabilities	(331,849,511)	375,001,462
	Cash generated from operation	**263,766,795**	**202,226,914**
	- Direct Taxes paid (Net of Refund)	(4,715,225)	(10,546,403)
	Cash Flow before prior period	**259,051,570**	**191,680,511**
	- Prior Period Item	-	-
	Net Cash Flow from operating activities ' A '	**259,051,570**	**191,680,511**
(B)	**Cash Flow from investing activities :**		
	- Purchase of fixed assets (Net)	(1,129,679,144)	(4,133,451,741)
	- Sale of Assets	97,500	24,874
	- Addition to Pre-Producing Properties / Misc Expenditure	(71,049,960)	(852,119,871)
	- Interest received	37,602,197	30,671,226
	- Deposits towards acquisition of assets	-	886,528,384
	- Unamortized Expenses	(48,089,443)	-
	- Investment made	-	-
	Net cash flow from investing activities ' B '	**(1,211,118,850)**	**(4,068,347,128)**
(C)	**Cash flow from financing activities :**		
	- Increase in Share Capital	1,250,000,000	-
	- (Decrease)/Increase in loan	310,946,309	4,464,646,000
	- Interest Expenses	(230,853,627)	(107,772,926)
	Net Cash flow from financing activities ' C '	**1,330,092,682**	**4,356,873,074**
	Forex Fluctuation Difference arising out of Consolidation	-	-
	Net increase in cash and cash equivalents (A+B+C)	**378,025,402**	**480,206,455**
	Cash and Cash equivalent at the beginning of the period	922,616,228	442,409,773
	Cash and Cash equivalent at the end of the period	1,300,641,630	922,616,228

Notes :

a	Cash & Cash equivalents (Note - 18) :		
i)	Cash & Cheques in hand	35,065	3,287
ii)	Current accounts & term Deposit in Scheduled Banks	1,300,606,565	922,612,941
		1,300,641,630	922,616,228

b The above cash flow statement has been prepared under the " indirect method" as set out in the Accounting Standerd - 3, 'Cash Flow Statements' issued by The Institute of Chartered Accountants of India.

c Figures in brackets represent cash outflows.

As per our Report of Even Date

Vikram Gulati
Chief Executive Officer

U. C. Agrawal
Chief Financial Officer

Asheesh Garg
Company Secretary

For BGJC & Associates
Chartered Accountants
Registration No. 003304N

P. K. Joshi
Director

J. Ramaswamy
Director

Partner : Darshan Chhajer
M No: 088308

Place: Mumbai
Place: 17th May 2016

Schedule III - Additional Disclosure on Consolidated Financial Statements as on 31st March,2016 is as under :-

Name of the Entity	Net Assets (Total assets minus total liabilities)		Share in profit or loss	
	As a % of Consolidated Net Assets	Amount (in Rupees)	As a % of Consolidated profit or loss	Amount (in Rupees)
Prize Petroleum Company Limited	1288.74%	1,402,139,987	-1.67%	25,931,578
Subsidiaries				
Prize Petroleum International Pte. Ltd	-1188.74%	(1,293,340,933)	101.67%	(1,578,304,095)
Total	100.00%	108,799,054	100.00%	(1,552,372,517)

FOR AND ON BEHALF OF THE BOARD

For BGJC & Associates
Chartered Accountants
Regristration No. 003304N

Vikram Gulati
Chief Executive Officer

U. C. Agrawal
Chief Financial Officer

Asheesh Garg
Company Secretary

Partner : Darshan Chhajer
M No: 088308

P. K. Joshi
Director

J. Ramaswamy
Director

Place: Mumbai
Date: 17th May 2016

[redacted]

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule-5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part- "A" : Subsidiaries

Sr	Particulars	Rs./Crs	US $
1	Serial No.	1	
2	Name of Subsidiary	Petroleum International Pte. Ltd., Singapore (with effect from 23.01	
3	Financial Year ending on	31.03.2016	31.03.2016
4	Reporting Currency	Rs. In Crores	US $
4A	Exchange Rate	66.2525	66.2525
5	Share Capital	51.47	8,000,000.00
6	Reserves & Surplus	(180.80)	(27,521,390.63)
7	Total Assets	489.85	73,937,124.86
8	Total Liabilities	619.19	93,458,515.49
9	Investment	-	-
10	Turnover	69.77	10,656,330.63
11	Profit (Loss) before Taxation	(157.83)	(23,895,302.92)
12	Provision for Taxation	-	-
13	Profit (Loss) after Taxation	(157.83)	(23,895,302.92)
14	Proposed Dividend	-	-
15	% of Shareholding	100%	100%
	Note:		
1	Names of subsidiaries which are yet to commence operations	NA	NA
2	Names of subsidiaries which have been liquidated or sold during the year	NA	NA

Part- "B" : Associates and Joint Ventures

Sr	Particulars		
	Name of Associate/ Joint Venture		NA
1	Latest Audited Balance Sheet date	31.03.2016	31.03.2016
2	Shares of Associate/Joint Ventures held by the company on the year end		
	No.		NA
	Amount of Investment in Associates/Joint Venture		NA
	Extend of Holding %		NA
3	Description of how there is significant influence		NA
4	Reason why the associate/joint venture is not consolidated		NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet		NA
7	Profit / Loss for the year		
	Considered in Consolidation		NA
	Not Considered in Consolidation		NA
	Note:		
1	Names of associates/ joint ventures which are yet to commence operations	NA	NA
2	Names of associates/ joint ventures which have been liquidated or sold during the year	NA	NA

For and on behalf of the Board of Directors

P. K. Joshi
Director (DIN- 05323634)

J. Ramaswamy
Director (DIN-06627920)

Vikram Gulati
Chief Executive Officer

U.C.Agrawal
Chief Financial Officer

Asheesh Garg
Company Secretary

Place: Mumbai
Date: 17th May 2016

NOTE - 28

PRIZE PETROLEUM COMPANY LIMITED

(A Wholly Owned Subsidiary of Hindustan Petroleum Corporation Limited)

NOTE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

1. DESCRIPTION OF BUSINESS

Prize Petroleum Company Limited ('the Holding Company') is a Wholly Owned Subsidiary of Hindustan Petroleum Corporation Limited (HPCL) and engaged in the Exploration and Production of hydrocarbon and related activities thereto. The Holding Company and its subsidiaries are, hereinafter collectively, referred to as 'the Group'.

2. PRINCIPLES OF CONSOLIDATION

a) The Consolidated Financial Statements comprise the financial statements of the Company (Prize Petroleum Company Limited) and its' subsidiary. Subsidiary is the company in which Prize Petroleum Company Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the composition of the Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the Group to the date such control exists.

b) The subsidiary considered in the consolidated financial statements are given below:

Sr. No.	Name of the Group	Relationship	Country of Incorporation	Percentage of Group holding as at March 31, 2016
1	Prize Petroleum International Pte. Ltd.	Wholly owned subsidiary	Singapore	100%

c) The Consolidated Financial Statement is prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statement" as notified by the Central Government of India under the Companies (Accounting Standard) Rules, 2006.

d) The Financial Statements of the Company and its' subsidiary are combined on a line by line basis by adding together the book values of the items of assets, liabilities, incomes and expenditures after fully eliminating intra- group balances and intra-group transactions resulting in unrealized profits & losses in accordance with AS 21.

e) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's separate Financial Statements.

f) The activities of the subsidiary are not an integral part of those of the Holding Company and hence, these have been considered to be Non-Integral foreign operations in terms of Accounting Standard 11 -`The Effects of Changes in Foreign Exchange Rates'. Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiary have been translated at the closing rates of exchange of the respective currencies as at 31st March, 2016. Revenue items are consolidated at the average rate prevailing during the period.

3. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

1.1 The financial statements have been prepared to comply in all material aspects in respect with the Notified Accounting Standards by Companies (Accounting Rules), 2006 and the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013.

1.2 Financial statements are based on historical cost basis and are prepared on accrual basis, except where impairment is made and revaluation is carried out.

1.3 Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.4 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).

2. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

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

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

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

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

3.5 Interest income is being recognized on time proportion basis.

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. Tangible Fixed Assets:

The fixed assets are stated at historical cost less depreciation. 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 Tangible Fixed Assets.

Cost of development wells, cost of related equipment, facilities, cost of hydrocarbon rights and concessions are capitalized and reflected as Tangible Fixed Assets.

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 relates 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 equipments, facilities, hydrocarbon rights, concessions and applicable acquisition costs are capitalized and reflected as producing properties.

9. Depreciation/ Amortization:

Tangible Assets

9.1 Depreciation on tangible fixed assets owned by the Company is provided based on the useful life as specified in Schedule II to the Companies Act, 2013.

9.2 In the case of vehicles provided to employees under approved schemes of the Company, the depreciation is charged at the rate of 13.5% under the Straight Line Method as per the provision of the Scheme.

9.3 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.

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

9.5 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

9.6 Cost of G&G Software licenses are being amortized over 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 in accordance with guidance note on "Accounting for Oil & Gas producing activities".

10.2 Interest capitalized on producing properties including acquisition cost, as required under AS-16 (borrowing cost), are also depleted using the Unit of Production Method.

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 are recognized as cost based on the technical assessment available.

13.2 The abandonment cost on exploratory dry well is charged as expense when incurred.

13.3 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 filed/ 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 AS-16 (borrowing cost), are 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:

16.1 Foreign currency transactions during the year are recorded at the exchange rate prevailing on the date of the transaction.

16.2 The Foreign Currency Assets and Liabilities are translated at the exchange rate prevailing on the balance sheet date.

16.3 Exchange difference, if any, depending on the nature of the expenditure are either allocated to respective projects or are directly treated as income/ expenses in the period they accrue.

16.4 The financial statements of non-integral foreign operations are translated into Indian rupees as follows:

i. the all assets and liabilities, both monetary and non-monetary, are translated using the closing rate,

ii. items of income and expenditures are translated at the average rate prevailing during the period,

iii. The resulting net exchange difference is credited or debited to a foreign currency translation reserve.

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 Provision for current tax is made in accordance with the provisions of Income tax Act, 1961.

19.2 Deferred tax liability/asset on account of timing difference between taxable and accounting income is recognized using tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

20.Contingent Liabilities / Assets and Provisions

20.1 Liabilities contingent upon happening of future events are disclosed by the way of note to the accounts.

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

20.3 The Company has made provision for all known liabilities.

21.Investments

21.1 Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

I. NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Contingent Liabilities and commitment:

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. 10,38,17,66,750/-(US$ 156.7 million at exchange rate of 1US$ = Rs. 66.2525). The same is pending adjudication before Hon'ble Arbitral Tribunal. M3nergy filed counter-claim in August, 2010 for Rs. 282,23,56,500/- (US$ 42.60 million at exchange rate of 1US$ = Rs. 66.2525). Share of HPCL in the same is 6/7th i.e. Rs.241,91,62,715 and share of Company is 1/7th i.e. Rs. 40,31,93,785/-(PY: Rs.38,03,87,571/-).

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.

Next set of hearing 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 is in progress. Final arguments by both the parties are scheduled to be held from June 13-17, 2016.

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 to drill wells under development phase as per the Contract and Development Plan is being submitted 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 claim this money from ABG.

1.5 M/s. Seadrill Australia Pte. Ltd. (Seadrill) was awarded Offshore Drilling Contract in February-2014 by M/s. Origin Energy Resources Limited (Origin), on behalf of JV partners of permit T/L1 (Yolla Field), for drilling of offshore wells. After completion of drilling activities on July 22, 2015, several attempts were made by Seadrill to jack down the rig for demobilization, however, same were unsuccessful until October 15, 2015 when rig was successfully demobilized.

Origin raised concern over the delay in demobilization of rig and requested Seadrill for commercial discussion for rig rate relief. Seadrill was not willing to enter into commercial discussion and claimed that failure to demobilize its rig was due to metocean and environmental conditions experienced over the two and half months period (Wait-on-Weather Period). However, Origin contended that, as per the contract Seadrill was to provide a rig that would work under the expected metocean and environmental conditions in the area of operations and Seadrill has breached this representation. Thus, Origin has raised dispute over the charges claimed by the Seadrill for the period of Wait-on-Weather amounting to USD 11,242,846 (PPIPL Share – USD 1,264,820) as Seadrill was in breach of representation under governing terms of the contract.

As both the parties were unable to resolve the dispute through negotiations, in December-2015, Seadrill served notice for submission of dispute to arbitration. Currently, selection of Sole Arbitrator is in progress.

2. In compliance of Accounting Standard 27 on "Financial reporting of Interests in Joint Ventures", a brief description of Production Sharing Contracts (PSCs) and Service Contracts (SCs) under joint venture contracts entered into by the Company are given below:

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 2016 and the Income and expenditure for the year in respect of above joint venture is as follows:

Figures in Rupees

	Particulars	2015-16	2014-15
A	Gross Tangible Assets	9,98,55,655	9,98,32,030
B	Pre-Producing Properties (CWIP)	1,35,52,000	1,35,52,000
C	Other Net Non-Current Assets	(72,029)	(1,610)
D	Net Current Assets (*)	1,24,96,046	1,03,30,954
E	Income	1,04,77,064	97,76,712
F	Expenditure	1,24,76,561	1,21,84,645

(*) Includes receivables from joint venture amounting to Rs.78,48,157/-, (Previous year 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 available un-Audited accounts as at 31st March, 2016 as made available by the Operator.

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 2016 and the Income, expenditure for the year in respect of above joint venture is as follows:

Figures in Rupees

	Particulars	2015-16	2014-15
A	Gross Tangible Assets	5,62,66,993	5,62,66,993
B	Other Net Non-Current Assets	(84,262)	(34,262)
C	Net Current Assets (*)	(10,02,990)	(7,53,648)
D	Income	4,52,996	13,18,939
E	Expenditure	7,52,337	22,41,158

(*) Includes payable to joint venture amounting to Rs. 4,47,260/- (Previous year Rs.7,55,710/-).

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 advice 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, 2016 in respect of above joint venture is as follows: **Figures in Rupees**

	Particulars	2015-16	2014-15
A	Gross Tangible Assets	10,280	10,280
B	Pre-producing Properties (CWIP)	-	-
C	Other Net Non-Current Assets	15,000	15,000
D	Net Current Assets (*)	2,46,21,110	1,34,41,434
E	Expenditure (**)	16,36,785	80,50,387

(*) Includes receivables from joint venture amounting to Rs.2,06,81,960/- (Previous year Rs.94,80,814/-).

(**) Includes Rs. Nil (Previous year Rs.13,09,206/-) written off towards dry wells cost. Also includes Inventory written off amounting to Rs. Nil-in the F.Y. 2015-16 (Previous year Rs.30,59,990).

3. Estimated Hydrocarbon Proven Reserves as on 31st March, 2016 in the Oil fields are as follows:

a) Hirapur and Sanganpur (On-shore Marginal Fields):

Particulars (*)	2015-16		2014-15	
	MM BBLS	MMT	MM BBLS	MMT
Recoverable Reserves	3.04	0.409	3.08	0.414

(*) The Company Share is 50% of total

b) Yolla Field (Australia)– License T/L1 (Offshore Field):

Particulars (*)	2015-16	2014-15
	MM BOE	MM BOE
Recoverable Reserves	3.912	5.279

(*) The figures represents Subsidiary Company's Participating Interest i.e.11.25%

4. Quantitative Particulars of Petroleum:-

Particulars	2015-16	2014-15
Total Dry Crude Production	BOE	BOE
Yolla Field (T/L1) Australia (*)	4,60,068	1,22,164
Hirapur Field (**)	38,221	38,326
Sanganpur Field (**)	296	572
TOTAL	**498,585**	**1,61,062**

(*)Represent Subsidiary Company's share i.e.11.25%.

(**) Represent total production of the fields and Company's Share is 50%

5. Remittance in Foreign Currencies (*):

Figures in Rupees

Particulars #	2015-16	2014-15
Foreign Travel	4,97,524	-
Consultancy Fees/Reimbursements etc.	10,08,117	6,23,34,629
Capital Equipments, Spares etc.	-	42,642
Equity Contribution	51,40,29,450	-

(*) Represent the total value of foreign exchange outflow. Includes share of its consortium partner(s) Rs. Nil/- (Previous Year -Rs.5,63,77,622/-)

As certified by the management

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/- have been issued by the banker. (Previous Year Rs.1,81,55,850/-)

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

7.1 **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.

7.2 **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.

8. During the year, the Company has received Rs.1,25,00,00,000/- (Previous Year: Rs.NIL) from HPCL towards Equity Share Capital.

9. Current liabilities include Rs. Nil towards recoveries from employees covered under the vehicle policy as per the scheme of the Company. (Previous Year Rs.84,500/-).

10. Information as per Accounting Standard (AS) 18 "Related Party Disclosures":

10.1 **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

10.2 **Key Management Personnel:**

a) Mr. M. K. Surana	Chief Executive Officer	(upto 31.03.2016)
b) Mr. Vikram Gulati	Chief Executive Officer	(w.e.f. 01.04.2016)
c) Mr. U. C. Agrawal	Company Secretary	(upto 28.04.2016)
d) Mr. U. C. Agrawal	Chief Financial Officer	(w.e.f. 29.04.2016)
e) Mr. Asheesh Garg	Company Secretary	(w.e.f. 29.04.2016)

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

Figures in Rupees

Particulars	2015-16		2014-15	
	Holding Company	Total	Holding Company	Total
Services rendered	8,61,34,860	8,61,34,860	8,44,28,424	8,44,28,424
Expenses recovered from company	7,66,97,266	7,66,97,266	7,22,30,491	7,22,30,491
Expenses recovered by company	64,67,515	64,67,515	2,60,135	2,60,135
Share Capital Received	125,00,00,000	125,00,00,000	-	-
Amount outstanding	8,35,746 (Dr.)	8,35,746 (Dr.)	24,93,927 (Cr.)	24,93,927 (Cr.)

Note: The Expenses recovered by Holding Company also includes Remuneration paid to the Managing Personnel amounting to Rs.82,28,109/- (PY-Rs.77,18,973/-)

11. Auditors Remuneration includes: (*)

Figures in Rupees

Particulars	**2015-16**	**2014-15**
Statutory Audit fees	1,15,000	1,00,000
Tax Audit fees	25,000	22,000
Reimbursement towards out of pocket expenses	4,618	9,490
TOTAL	**1,44,618**	**131,490**

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

12. Disclosures as required by Accounting Standards 19, "Leases": Where the Company is a lessee, Lease payments are recognized in the Statement of Profit & Loss under "Rent".

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

14. Deferred Tax Assets / Liability:

As at 31.03.2015, Company had recognized deferred tax assets amounting to Rs.1,37,42,000. In view of the fall in international prices of crude oil and the consequential impairment in its subsidiary, M/s Prize Petroleum International Pte. Ltd., the company has decided to charge off these deferred tax assets during the current year.

15. In the management assessment there is no impairment to any Cash Generating Units as at March 31, 2016 (AS-28)

16. Employee Benefits:

Effective 1st April, 2008, the Company has adopted AS-15 (Revised 2005) for employee's benefits. Consequent to the adoption, the following disclosure related to accounting, etc., are made as far as practicable under AS-15 (revised 2005) requirement.

16.1 Defined Contribution Plans:

The Company's contribution to provident fund of Rs.2,00,562/- (PY Rs.1,83,948/-) and the same is recognized and included in "Manpower Cost" in Note-24 to Statement of Profit & Loss.

16.2 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-5 & 9 to the Balance Sheet.

Certified Actuarial Data: (Figures in Rupees)

A. The amount recognized in Balance Sheet for post-employment benefits:

Particulars	Gratuity	Leave Encashment
Present value of obligation at the end of the year	6,59,975 (6,07,338)	8,08,175 (5,97,202)
Fair value of Plan Assets at the end of the year	-	-
Fund Status at the end of the year {(Net Assets)/Net liability}	**6,59,975 (6,07,338)**	**8,08,175 (5,97,202)**

B. Reconciliation of opening and closing balances of defined benefits obligations:

Particulars	Gratuity	Leave Encashment
Present value of obligation at the beginning of the year	6,07,338 (8,32,537)	5,97,202 (4,00,021)
Interest Cost	47,980 (72,431)	47,179 (34,802)
Current Service Cost	55,542 (56,040)	1,68,764 (21,784)
Benefits Paid	- (-)	- (-92,519)
Actuarial (Gains)/ Loss on obligations	-50,885 (-3,53,670)	-4,970 (2,33,114)
Present value of obligation at the end of the year	**6,59,975 (6,07,338)**	**8,08,175 (5,97,202)**

C. Reconciliation of opening and closing balances of Fair value of Plan assets:

Particulars	Gratuity	Leave Encashment
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial (Gains)/ Loss on plan assets	-	-
Fair value of plan assets at the end of the year	**-**	**-**

D. Expenses recognized in Statement of Profit & Loss:

Particulars	Gratuity	Leave Encashment
Current Service Cost	55,542 (56,040)	1,68,764 (21,784)
Interest Cost	47,980 (72,431)	47,179 (34,802)
Expected return on plan assets	-	-
Actuarial (Gains)/ Loss	-55,885 (-3,53,670)	-4,970 (2,33,114)
Expenses recognized in Statement of Profit & Loss	**52,637** **(-2,25,199)**	**2,10,973** **(2,89,700)**

E. Actuarial assumptions:

Particulars	Gratuity	Leave Encashment
Mortality Table	2006-08 (2006-08)	2006-08 (2006-08)
Superannuation age	60 (60)	60 (60)
Withdrawal rate (all ages)	Nil (Nil)	Nil (Nil)
Discount rate	7.90% (7.90%)	7.90% (7.90%)
Rate of increase in compensation levels	9.00% (8.27%)	9.00% (8.27%)
Expected rate of return on plan assets	-	-

F. Current /Non-Current classification of employee benefits:

Particulars	Gratuity	Leave Encashment
Current liability	3,124 (2,371)	2,30,876 (2,18,570)
Non-current liability	6,56,851 (6,04,967)	5,77,299 (3,78,632)
Total	**6,59,975** **(6,07,338)**	**8,08,175** **(5,97,202)**

Figures in brackets represent corresponding previous year's figure.

17. Primarily due to the fall in the international crude oil prices, the assets of PPIPL in the Bass Gas project (License T/L1 & Permit T/18P) were tested for impairment. During the financial year, PPIPL has recognized an impairment loss amounting to USD 17.7 million (Rs.117,26,69,250/-) and has reduced the carrying amount of these assets. The asset valuation is based on recoverable reserve production profit against various estimates and assumptions. The post-tax discount rate of 9.50% for T/L1 and 9.75% for T/18P has been used to estimate the value in use of these assets.

18. 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.

19. 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, 2016 against which share of the company in PPIPL has been pledged in favour of the lenders.

20. During the year, the company has incurred Rs.4,50,000/- towards its CSR activities. This amount has been given to NGO "CanKids....KidsCan" to support children suffering from cancer.

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

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

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

Vikram Gulati
Chief Executive Officer

U. C. Agrawal
Chief Financial Officer

Asheesh Garg
Company Secretary

For BGJC & Associates
Chartered Accountants
Registration No.003304N

[redacted]

P. K. Joshi
Director

J. Ramaswamy
Director

CA Darshan Chhajer
Partner
M No.:088308

Place : Mumbai
Date : 17th May, 2016