Mercator Petroleum Limited
Balance Sheet as at March 31, 2025
(All amounts in INR Lakhs unless stated otherwise)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	4,123.54	4,030.36
Capital work in progress	5(b)	46.59	-
Financial assets			
Other financial assets	6	3.40	8.00
Deferred tax assets (net)	24	8,229.67	-
Other non-current assets	7	4.14	-
		12,407.34	**4,038.36**
Current assets			
Financial assets	8		
Cash and cash equivalents	8(a)	49.94	10.64
Other financial assets	8(b)	4.00	4.00
Other current assets	9	3.48	27.41
		57.42	**42.05**
Assets classified as held for sale	10	-	-
Total Assets		**12,464.76**	**4,080.40**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	10.00	6,263.00
Other equity	12	(4,974.70)	(50,099.22)
		(4,964.70)	**(43,836.22)**
LIABILITIES			
Non Current Liabilities			
Financial liabilities	13		
Borrowings	13(a)	16,355.72	-
Provisions	14	152.36	-
		16,508.08	**-**
Current Liabilities			
Financial liabilities	15		
Borrowings	15(a)	-	36,463.71
Trade payables	15(b)		
Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		250.42	7,800.96
Other financial liabilities	15(c)	-	3,515.21
Provisions	16	654.84	-
Other current liabilities	17	16.12	136.74
		921.38	**47,916.62**
Total Equity and Liabilities		**12,464.76**	**4,080.40**
Summary of corporate information and material accounting policies	1&2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Mahesh Chandra & Associates
Firm Registration No.:

Rajesh Bohra — Digitally signed by Rajesh Bohra Date: 2025.04.18 17:32:29 +05'30'

Rajesh Maheshchandra Bohra
Partner
Membership No. 102587

Place: Mumbai
Date: April 18, 2025

For and on behalf of the Board of Directors of
Mercator Petroleum Limited

Ajay Kumar Tiwari
Chairman-cum-Director
DIN: 11033422
Place: Delhi
Date: April 18, 2025

Gagan Deep Singh Kohli
Director
DIN: 10677178
Place: Delhi
Date: April 18, 2025

GURRAM VISHWANATH REDDY — Digitally signed by GURRAM VISHWANATH REDDY Date: 2025.04.18 14:57:15 +05'30'

Gurram Vishwanath Reddy
Chief Executive Officer
Place: Delhi
Date: April 18, 2025

Mercator Petroleum Limited
Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in INR Lakhs unless stated otherwise)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	18	-	-
Other income	19	0.21	0.08
Total income		**0.21**	**0.08**
Expenses			
Finance costs	20	1,176.29	5.97
Depreciation and amortisation expense		-	0.31
Abandonment and decommissioning expenses	21	654.84	-
Other expenses	22	357.85	347.02
Total expenses		**2,188.98**	**353.30**
Profit/(loss) before tax		**(2,188.77)**	**(353.22)**
Tax expense/(credit):			
Deferred tax expense/(credit)	24	(8,229.67)	-
		(8,229.67)	-
Profit/(loss) for the year		**6,040.90**	**(353.22)**
Other comprehensive loss/(income) for the year (net of tax)		-	-
Total comprehensive income/(loss) for the year		**6,040.90**	**(353.22)**
Earnings per equity share (INR):	23		
(a) Basic		75.70	(0.56)
(b) Diluted		75.70	(0.56)
Summary of corporate information and significant accounting policies	1&2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Mahesh Chandra & Associates
Firm Registration No.:

Rajesh Bohra
Digitally signed by Rajesh Bohra
Date: 2025.04.18 17:33:40 +05'30'

Rajesh Maheshchandra Bohra
Partner
Membership No. 102587

Place: Mumbai
Date: April 18, 2025

For and on behalf of the Board of Directors of
Mercator Petroleum Limited

Ajay Kumar Tiwari
Chairman-cum-Director
DIN: 11033422
Place: Delhi
Date: April 18, 2025

Gagan Deep Singh Kohli
Director
DIN: 10677178
Place: Delhi
Date: April 18, 2025

GURRAM VISHWANATH REDDY
Digitally signed by GURRAM VISHWANATH REDDY
Date: 2025.04.18 14:58:53 +05'30'

Gurram Vishwanath Reddy
Chief Executive Officer
Place: Delhi
Date: April 18, 2025

Mercator Petroleum Limited
Cash flows statement for the year ended March 31, 2025
(All amounts in INR Lakhs unless stated otherwise)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flows from operating activities		
Net profit/(loss) before tax	(2,188.77)	(353.22)
Adjustments:		
Depreciation and amortisation	-	0.31
Finance costs	1,176.29	5.97
Interest income	(0.21)	(0.08)
Provision for decommissioning liability	654.84	-
Operating profit before working capital changes	**(357.85)**	**(347.02)**
Adjustment for working capital changes		
Adjustments for (increase)/decrease in assets:		
Changes in other non current financial asset	4.60	-
Changes in other non current asset	(4.14)	-
Changes in other current assets	23.93	(42.68)
Adjustments for increase/(decrease) in liabilities:		
Changes in trade payables	(699.25)	170.88
Changes in other financial liabilities	-	(2.00)
Changes in other current liabilities	(3.61)	(125.98)
Cash generated from operations	**(1,036.32)**	**(346.79)**
Net income tax refund/(paid), including interest on income tax and tax deducted at source	-	-
Net cash flows from operating activities	**(1,036.32)**	**(346.79)**
B. Cash flows from investing activities		
Interest received	-	0.08
Net cash flows from/ (used in) investing activities	-	**0.08**
C. Cash flows from financing activities		
Proceeds of long term borrowings	15,192.25	-
Issuance of shares	10.00	-
Proceeds of short term borrowings	-	135.61
Re-payments of long term borrowings	(14,126.51)	-
Interest paid	(0.12)	(5.97)
Net cash (used in)/ flow from financing activities	**1,075.62**	**129.64**
Net increase/ (decrease) in cash and cash equivalents	39.30	(217.07)
Cash and cash equivalents at the beginning of the year	10.64	227.71
Cash and cash equivalents at the end of the year (refer note 8(a))	**49.94**	**10.64**
Components of cash and cash equivalents		
Cash on hand	49.94	10.64
Balances with scheduled banks:		
On current accounts	49.94	10.64

As per our report of even date
For Mahesh Chandra & Associates
Firm Registration No.:

Rajesh Bohra Digitally signed by Rajesh Bohra Date: 2025.04.18 17:34:02 +05'30'

Rajesh Maheshchandra Bohra
Partner
Membership No. 102587

Place: Mumbai
Date: April 18, 2025

For and on behalf of the Board of Directors of
Mercator Petroleum Limited

Ajay Kumar Tiwari
Chairman-cum-Director
DIN: 11033422
Place: Delhi
Date: April 18, 2025

Gagan Deep Singh Kohli
Director
DIN: 10677178
Place: Delhi
Date: April 18, 2025

GURRAM VISHWANATH REDDY Digitally signed by GURRAM VISHWANATH REDDY Date: 2025.04.18 15:00:23 +05'30'

Gurram Vishwanath Reddy
Chief Executive Officer
Place: Delhi
Date: April 18, 2025

Mercator Petroleum Limited
Statement of changes in equity for the year ended March 31, 2025
(All amounts in INR Lakhs unless stated otherwise)

(a) Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid up

Particulars	Number	INR Lakhs
At April 1, 2023	6,26,30,000	6,263.00
Issue of share capital	-	-
At March 31, 2024	6,26,30,000	6,263.00
Issue of share capital (refer note 12)	1,00,000	10.00
Shares cancelled during the period (refer note 12)	(6,26,30,000)	6,263.00
At March 31, 2025	**1,00,000**	**10.00**

(b) Other equity (refer note 12)

For the year ended March 31, 2025

Particulars	Reserves and Surplus			
	Capital reserve	**Capital Contribution by Holding Company**	**Retained earnings**	**Total**
As at April 1, 2024	(1,838.89)	107.32	(48,367.63)	(50,099.21)
Loss for the year	-	-	6,040.90	6,040.90
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	6,040.90	6,040.90
Assets written off and liabilities written back during the year	26,010.00		-	26,010.00
Transfers	107.32	(107.32)		
Capital Reduction during the year (refer Note-25)	13,073.62	-	-	13,073.62
Balance as at March 31, 2025	**37,352.05**	-	**(42,326.73)**	**(4,974.69)**

For the year ended March 31, 2024

Particulars	Reserves and Surplus			
	Capital reserve	**Capital Contribution by Holding Company**	**Retained Earnings**	**Total**
As at April 1, 2023	-	107.32	(48,014.42)	(47,907.11)
Loss for the year	-	-	(353.21)	(353.21)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	(353.21)	(353.21)
Assets written off and liabilities written back during the year (Refer note-25)	(1,838.89)	-	-	(1,838.89)
As at March 31, 2024	(1,838.89)	107.32	(48,367.63)	(50,099.21)

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Mahesh Chandra & Associates
Firm Registration No.:

Rajesh Bohra
Digitally signed by Rajesh Bohra
Date: 2025.04.18 17:34:34 +05'30'

Rajesh Maheshchandra Bohra
Partner
Membership No. 102587

Place: Mumbai
Date: April 18, 2025

For and on behalf of the Board of Directors of
Mercator Petroleum Limited

Ajay Kumar Tiwari
Chairman-cum-Director
DIN: 11033422
Place: Delhi
Date: April 18, 2025

Gagan Deep Singh Kohli
Director
DIN: 10677178
Place: Delhi
Date: April 18, 2025

GURRAM VISHWANATH REDDY
Digitally signed by GURRAM VISHWANATH REDDY
Date: 2025.04.18 15:01:31 +05'30'

Gurram Vishwanath Reddy
Chief Executive Officer
Place: Delhi
Date: April 18, 2025

1 CORPORATE INFORMATION

Mercator Petroleum Limited ("the company") was initially incorporated on 4th May 2007, as a Private Limited Company and was converted into a Public Limited company vide approval of Registrar of Companies dated 29th July 2010.

The main object of the business is of surveying, prospecting, drilling, exploring, acquiring, developing, and producing of petroleum and petroleum products, their derivatives and allied products and Gas blocks.

The company has entered a Production Sharing Contract with the Government of India for exploration of Petroleum under the seventh New Exploration Licensing Policy round (NELP –VII) and has been allotted two blocks under the scheme. The Company has received Petroleum Exploration License (PEL) on 3rd June 2010 for these blocks and exploration work is in progress. The details of the Exploration blocks which have been allotted to the company are as follows:

Name of the Block	Location of the Block	Participating
CB-ONN-2005/3- (48 Sq.KMS)	Cambay Basin, Western	100%
CB-ONN-2005/9 (132.22 Sq.KMS)	Cambay Basin, Western	100%

The Company has participating interest as per Production Sharing Contract (PSC) dated 22nd October 2008 for CB-ONN-2005/3 onshore oil blocks situated in State of Gujarat, India. As per technical assessment and requirement, the Company has not completed Minimum Work Program (MWP) specified under PSC. Further the Company has neither exercised its right for subsequent phase of exploration of oil blocks nor relinquished the contract area. Thus on 24th October, 2019 the Ministry of Petroleum and Natural Gas (MoPNG) has terminated the subject PSC for CB-ONN-2005/3.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation and statement of compliance

The financial statements have been prepared on accrual basis and in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer serial no. of accounting policies regarding financial instruments)

The financial statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency, and all values are rounded to the nearest lakhs (up to two decimals) except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements have been approved for issue in accordance with a resolution of Board of Directors passed in its meeting held on April 18, 2025

2.2 Property, Plant and Equipment (PPE) (other than Oil and Gas assets)

Property, Plant and Equipment (PPE) are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

Technical know-how / licence fee relating to plants/ facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

Spare Parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these for a period exceeding 12 months.

Capital Work in Progress (CWIP)

Expenditure incurred on assets under construction (including a project) is carried at cost under CWIP.

Depreciation

Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act.

Depreciation is charged pro-rata on monthly basis on assets, from/up to the month of capitalization/ sale, disposal or classified to Asset held for disposal.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.3 Oil and Gas exploration activities

Pre-acquisition Cost:

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

Exploration Stage:

Acquisition cost relating to projects under exploration are initially accounted as "Intangible Assets under Development". The expenses on oil and gas assets that is classified as intangible includes acquired rights to explore and exploratory drilling cost. Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

If the project is not viable based upon technical feasibility and commercial viability study, then all cost relating to Exploratory Wells are expensed in the year when determined to be dry. If the project is proved to be viable, then all cost relating to drilling of Exploratory Wells shall be continued to be presented as "Intangible Assets under Development".

Development Stage

Acquisition cost relating to projects under development stage are presented as "Capital Work-in-Progress".

When a well is ready to commence commercial production, the capitalized cost corresponding to proved developed oil and gas reserves is reclassified as 'Completed wells/ Producing wells' from "Capital Work-in-Progress/ Intangible Assets under Development" to the gross block of assets. Examples of Oil and Gas assets that might be classified as Tangible Assets include development drilling cost, piping and pumps and producing wells.

Production Phase

Production cost include pre-well head and post-well head expenses including depreciation and applicable operating cost of support equipment and facilities are expensed off. Depletion is calculated using the Unit of Production method based upon proved and developed reserves.

Abandonment Phase

In case of development / production phase, abandonment / decommissioning amount is recognized at the present value of the estimated future expenditure. Any change in the present value of the estimated decommissioning expenditure other than the unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance costs.

Impairment of E&P Assets

Impairment testing in case of Development and producing assets

In case of E&P related development and producing assets, expected future cash flows are estimated using management's best estimate of future oil and natural gas prices, production volumes, proved & probable reserves volumes and discount rate. The expected future cash flows are estimated on the basis of value in use concept. The value in use is based on the cash flows expected to be generated by the projected oil or gas production profiles up to the expected dates of cessation of production of each producing field, based on current estimates of proved and probable reserves and on reasonable & supportable fiscal assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Management takes a long-term view of the range of economic conditions over the remaining useful life of the asset and, are not based on the relatively short-term changes in the economic conditions. However, impairment of exploration and evaluation assets is to be done in line with below mentioned policy.

Impairment in case of Exploration and Evaluation assets

Exploration and Evaluation assets are tested for impairment where an indicator for impairment exists. In such cases, while calculating recoverable amount, in addition to the factors mentioned in above paragraph, management's best estimate of total current reserves and resources are considered (including possible and contingent reserve) after appropriately adjusting the associated inherent risks. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

Cash Generating Unit

In case of E&P Assets, the Company generally considers a project as cash generating unit. However, in case where the multiple fields are using common production/transportation facilities and are sufficiently economically interdependent the same are considered to constitute a single Cash Generating Unit.

2.4 Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdraft (negative balance in Account) is shown under short term borrowings under Financial Liabilities & Positive balance in that account is shown in Cash & Cash Equivalents.

2.5 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalized as part of the cost of such asset. Capitalization of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which the same are incurred.

2.6 Foreign Currency Transactions

Transactions in foreign currency are initially recorded at spot exchange rates prevailing on the date of transactions.

Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, capital/ revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also recognized in OCI or the Statement of Profit and Loss, respectively)

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost to the extent regarded as an adjustment to borrowing costs as the case may be, except those relating to loans mentioned below.

2.7 Provisions and Contingent Liabilities

Provisions

Provisions are recognized when the Company has 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.

Decommissioning Liability

Decommissioning costs are provided at the present value of expected cost to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. The estimated future cost of decommissioning is reviewed annually and adjusted as appropriate. Changes in the estimated future cost or in the discount rate applied are adjusted in the cost of the asset.

Contingent Liabilities

The Company does not recognize a contingent liability but discloses its existence and other required disclosures in notes to the financial statements, unless the possibility of any outflow in settlement is remote. These are disclosed based on judgment of the management/independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

2.8 Taxes On Income

Current Income Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to applicable tax regulations which are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

2.9 Financial Instruments

Financial Assets

Initial recognition and measurement

All Financial Assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Subsequent measurement

Financial Assets are subsequently measured at 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.

Financial assets are measured using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. Apart from the same, any income or expense arising from remeasurement of financial assets measured at amortised cost, in accordance with Ind AS 109, is recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Impairment of Financial Assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial Assets that are measured at amortised cost.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense /income/ in the Statement of Profit and Loss. In the Balance Sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial recognition and measurement

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognized immediately in the Statement of Profit and Loss.

The Company's Financial Liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

A. *Financial Liabilities at fair value through profit or loss*

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

B. *Financial Liabilities at amortised cost*

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process.

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

3.1 Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements.

Materiality

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax. The materiality limits are reviewed and approved by the Board.

Intangible Asset under Development/Capital work in Progress

Acquisition costs and drilling of exploratory well costs are capitalized as intangible asset under development /Capital work in progress and are reviewed at each reporting date to confirm that exploration drilling is still under way or work has been determined / under way to determine that the discovery is economically viable based on a range of technical & commercial considerations and for establishing development plans and timing, sufficient / reasonable progress is being made. If no future activity is planned on reasonable grounds / timeframes, Intangible asset under development and Capital work in progress is written off. Upon start of production from field and recognition of proved reserves, cost carried as intangible asset under development/capital work in progress is transferred to producing asset.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Estimation of Oil and Gas Reserves

The estimation of oil and gas reserves is key factor in the accounting for oil and gas producing activities. Oil and gas reserves are estimated by analysis of geosciences and engineering data. Production pattern analysis, number of additional wells to be completed, application of recovery techniques, validity of mining lease agreements, etc. influence the estimation of reserves. Unit-of-production method of depreciation, depletion and amortization charges are principally measured based on management's estimates of proved and proved developed oil and gas reserves.

Provision for decommissioning

Asset retirement obligations, which result from a legal or constructive obligation, are recognized based on a reasonable estimate in the period in which the obligation arises. This estimate is based on information available in terms of costs and work program. It will be regularly reviewed to take into account the changes in laws and regulations, the estimated useful life of fields based on proved and probable oil and gas reserves and current production off-take, the analysis of site conditions and technologies. Decommissioning Liability provision may differ due to changes in the aforesaid factors.

Income Taxes

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data of transactions conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to Exploration and evaluation assets and Intangibles assets recognised by the Company.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer Note 29 for further disclosures of estimates and assumptions.

4 NEW STANDARDS/ AMENDMENTS AND OTHER CHANGES EFFECTIVE APRIL 1, 2024

4.1 Ind AS 117 Insurance Contracts

The Ministry of corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 had no impact on the Company's financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

4.2 Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment does not have a material impact on the Company's financial statements.

(All amounts in INR Lakhs unless stated otherwise)

5(a) Property, plant and equipment

Particulars	Oil and Gas assets	Plant & machineries	Computer equipment	Office equipment	Total
Cost or Valuation					
As at April 1, 2023	-	5.59	-	4.87	10.45
Additions*	4,030.36	-	-	-	4,030.36
Disposals**	-	(5.59)	-	(4.87)	(10.45)
As at March 31, 2024	**4,030.36**	-	-	-	**4,030.36**
Additions	93.19	-	-	-	93.19
As at March 31, 2025	**4,123.54**	-	-	-	**4,123.54**
Accumulated depreciation					
As at April 1, 2023	-	2.30	-	4.54	6.83
Depreciation for the year	-	0.22	-	0.09	0.31
Disposals**	-	(2.52)	-	(4.62)	(7.14)
As at March 31, 2024	-	-	-	-	-
Depreciation for the year	-	-	-	-	-
As at March 31, 2025	-	-	-	-	-
Net Block					
As at March 31, 2025	**4,123.54**	-	-	-	**4,123.54**
As at March 31, 2024	**4,030.36**	-	-	-	**4,030.36**

*Refer Note-10
**Refer Note-25

5(b) Capital work-in-progress

Particulars	Amount
As at 31 March 2023	-
Additions	-
Capitalised during the year	-
As at 31 March 2024	-
Additions	46.59
Capitalised during the year	-
As at 31 March 2025	**46.59**

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2025

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	46.59	-	-	-	46.59
Projects temporarily suspended	-	-	-	-	-
Total	**46.59**	-	-	-	**46.59**

None of the projects mentioned in Capital work in progress have exceeded its cost as compared to the original plan
As on 31 March 2025, there are no such projects where completion is overdue.

As at 31 March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

As at 31 March 2025

Particulars	CWIP To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	46.59	**46.59**

6 Other non-current financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Carried at amortised cost		
(Unsecured, considered good)		
Security deposits	3.40	8.00
Total	**3.40**	**8.00**

7 Other non current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	4.14	-
Total	**4.14**	**-**

8

8(a) Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Carried at amortised cost		
Balances with banks		
on current accounts	49.94	10.64
Total	**49.94**	**10.64**

8(b) Other current financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Carried at amortised cost		
(Unsecured, considered good)		
Security deposits	4.00	4.00
Total	**4.00**	**4.00**

9 Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Prepaid expenses	3.48	27.41
Total	**3.48**	**27.41**

10 Assets classified as held for sale

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current assets held for sale		
Assets held for sale	-	4,030
Transfer to Property, plant and equipment		(4,030)
Total	-	-

During the previous year, these assets ceased to be classified as asset held for sale and classified as PPE (refer note-5a). The management carried out technical evaluation to calculate recoverable value resulting in valuation of ₹ 157.41 crore. The carrying value of the assets before the assets was classified as held for sale, adjusted for any depreciation that would have been recognised had the assets not been classified as held for sale is calculated to be Rs.40.30 cr. Therefore, these assets were measured at carrying value as it is lower than the recoverable amount.

(All amounts in INR Lakhs unless stated otherwise)

11 Equity Share Capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised Share Capital		
6,82,50,000 equity shares of INR 10/- each (March 31, 2024: 6,50,00,000)	6,825.00	6,500.00
Issued capital		
100,000 equity shares of INR 10 Each (March 31, 2024: 6,26,30,000)	10.00	6,263.00
Subscribed and fully paid-up		
100,000 equity shares of INR 10 Each (March 31, 2024: 6,26,30,000)	10.00	6,263.00
Total	**10.00**	**6,263.00**

(i) Reconciliation of ordinary shares outstanding at the beginning and at the end of the year (expressed in absolute numbers)

Particulars	As at March 31, 2025	As at March 31, 2024
Equity shares subscribed	**Number of shares**	**Number of shares**
As at beginning of the year	6,26,30,000	6,26,30,000
Add: additions during the year*	1,00,000	-
Add: issue of shares on account of scheme of approved resolution plan (Refer note 25)	-	-
Less: cancellation of shares on account of approved resolution plan (Refer note 25)	(6,26,30,000)	-
At the end of the year	**1,00,000**	**6,26,30,000**

*During the year in accordance with the approved resolution plan, the Company has issued and allotted 1,00,000 equity shares of Rs. 10/- each share to Indian Oil Corporation Limited. In accordance with the approved resolution plan, 6,26,30,000 equity shares belonging to erstwhile promoters of the Company stands cancelled and extinguished.

The company has one class of share referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share and dividend per share as may be declared/proposed by the Board of Directors.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding company
Shares held by holding company and its nominees are as below:

Particulars	As at March 31, 2025	As at March 31, 2024
Equity shares of INR 10 each fully paid-up and held by:		
Mercator Limited (and its nominees)	-	4,79,30,000
Indian Oil Corporation Limited (and its nominees)	1,00,000	-

(ii) Particulars of shareholders holding more than 5% equity shares

Particulars	March 31, 2025		March 31, 2024	
	Number	% holding in the class	Number	% holding in the class
Equity shares of INR 10 each fully paid-up and held by:				
Mercator Limited (and its nominees)	-	-	4,79,30,000	76.53%
Mercator Energy Pte Ltd	-	-	1,47,00,000	23.47%
Indian Oil Corporation Limited (and its nominees)	1,00,000	100.00%	-	-

12 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Reserve and surplus		
Retained earnings	(42,326.74)	(48,367.64)
Capital Reserve	37,352.05	(1,838.89)
Capital Contribution by Holding Company	-	107.32
Total	**(4,974.70)**	**(50,099.22)**

Reconciliation of other equity

(a) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	(48,367.64)	(48,014.42)
Profit/(loss) for the year	6,040.90	(353.22)
Closing balance (C)	**(42,326.74)**	**(48,367.64)**

(b) Capital Reserve

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	(1,838.89)	-
Created/(used) during the year (Refer note-25)	39,083.62	(1,838.89)
Transfers	107.32	-
Closing balance	**37,352.05**	**(1,838.89)**

(c) Capital Contribution by Holding Company

Particulars	As at March 31, 2025	As at March 31, 2024
Opening	107.32	107.32
Transfers	(107.32)	0.00
Closing balance	**-**	**107.32**

Nature and purpose of reserves:

Retained earnings

Retained earnings is used to represent the accumulated net earnings of the Company after accounting for dividends or other distributions to the investors of the Company as per the provisions of the Companies Act, 2013.

Capital reserve

Capital reserve was created on account of write off of assets and write back of the liabilities by giving the effect of NCLT order dated November 02,2023.

13 Non-current financial liabilities

13(a) Borrowings (carried at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
From related parties		
Indian Oil Corporation	16,355.72	-
Total	**16,355.72**	**-**

The Company has entered into a Loan agreement with Indian Oil Corporation Limited ("IOCL" or "Parent Company"), whereby IOCL has agreed to lend INR 22,190 lakhs to the Company. During the current year, INR 15, 192.25 lakhs has been disbursed. The loan is repayable in 8 equal instalment within a period of 12 years from first drawdown date.

The effective interest rate for the loan is 8.53 % p.a. and the contractual interest rate is based on State Bank of India's 1 year marginal cost of fund rate plus 0.35% (i.e. 9% p.a. at the time of first disbursement). The interest rate is reset every year. the first reset/change will take place on the date of expiry of one year from the date of first drawdown of loan.

The interest payment is not due until the earlier of

i. the date of adoption of audited financial statements of the Company by its Board of Directors wherein the cumulative profits of the Company after tax (excluding interest) is sufficient to fully discharge the interest related obligations; or

ii. the date falling after expiry of three years on and from the date of first drawdown of loan.

The first instalment towards the principal portion is due after a period of one year from the date of payment of interest calculated basis the above mentioned timelines/criteria.

The loan has been availed for the purpose of making payments envisaged under the resolution plan.

(All amounts in INR Lakhs unless stated otherwise)

14 Provisions (Non current)

Particulars	As at March 31, 2025	As at March 31, 2024
Decommissioning Liability	152.36	-
Total	**152.36**	**-**

15 Current financial liabilities

15(a) Borrowings (carried at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Repayable on demand		
Secured		
Loans from bank		
Bank of Baroda	-	9,528.72
UTI capital Ltd.	-	25,933.96
Loan from Bank – for CIRP proceedings & Interim Period costs		
Bank of Baroda	-	477.09
Axis Bank Limited (UTI Fund)	-	523.94
Total	-	36,463.71

15(b) Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Due to Related parties	21.96	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	228.46	7,800.96
Total	250.42	7,800.96

Trade payables ageing schedule*

As at March 31, 2025	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	39.25	211.17	-	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	39.25	211.17	-	-	-

*The Company was under insolvency resolution process from August 2020 to November 2023. Majority of trade payables as on March 31, 2024 were related to pre insolvency resolution period. In the absence of details with respect to the ageing of the trade payables outstanding as on March 31, 2024, the ageing for trade payables as on March 31, 2024 has not been disclosed.

15(c) Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Carried at amortised cost		
Interest accrued and due on borrowings	-	3,440.29
Other payables	-	74.92
Total	-	3,515.21

16 Provisions (Current)

Particulars	As at March 31, 2025	As at March 31, 2024
Decommissioning Liability	654.84	-
Total	**654.84**	**-**

In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Additions during the year	794.62	-
Utilisations during the year	-	-
Reversals during the year	-	-
Unwinding of discount and changes in discount rate	12.58	-
Closing balance	**807.20**	**-**
Classified as		
Non current (refer note 14)	152.36	-
Current	654.84	-
	807.20	

17 Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory liabilities	16.12	136.74
Total	16.12	136.74

(All amounts in INR Lakhs unless stated otherwise)

18 Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of Oil	-	-
Total	-	-

19 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on bank deposits	-	0.08
Interest income on security deposit	0.21	-
Total	**0.21**	**0.08**

20 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest payments on financial items		
Interest on borrowings	1,163.47	5.97
Interest payment on non financial items		
Interest on statutory dues	0.24	-
Unwinding of decommissioning liability	12.58	-
Total	**1,176.29**	**5.97**

21 Abandonment and Decommissioning Expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Abandonment and Decommissioning Expenses	654.84	-
Total	**654.84**	-

22 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Auditor remuneration	0.59	3.31
Amortization of prepaid expenses	0.34	-
Bank charges	0.12	0.01
Dead rent expense	2.39	-
Food expenses	0.01	-
Foreign exchange fluctuation expenses	0.17	-
Insurance charges	27.41	53.93
Legal & professional charges	58.52	70.71
Outsourced manpower expenses	21.96	-
Penalty on statutory dues	0.08	-
Miscellaneous expenses	0.08	1.42
Rates and taxes	3.31	3.43
Rent	209.83	195.92
Security Charges	33.04	18.29
Total	**357.85**	**347.02**

***Payment to auditors**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As statutory auditor	0.59	5.31
Total	**0.59**	**5.31**

23 Earnings per equity share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Total operations for the year		
Profit/(Loss) after tax in INR lakhs	6,041	(353)
Profit/(Loss) for calculation of basic and diluted EPS	**6,041**	**(353)**
Weighted average number of equity shares for basic EPS (lakhs)	79.80	626.30
Weighted average number of equity shares in calculating diluted EPS	**79.80**	**626.30**
Earnings per equity share:		
Basic	75.70	(0.56)
Diluted	75.70	(0.56)

24 Deferred tax asset (net)

24(a) The item wise details of Deferred tax asset (net)

Particulars	As at March 31, 2024	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Recognised in other equity	As at March 31, 2025
Deferred tax asset					
Unused tax losses	-	8,675.11	-	-	8675.11
Provisions	-	235.06	-	-	235.06
Interest payable	-	89.86	-	-	89.86
Deferred tax liability					
Property, plant and equipment	-	(770.35)	-	-	(770.35)
Deferred tax asset (net)	-	**8,229.67**	-	-	**8,229.67**

24(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	%	(₹ in lakhs)	%	(₹ in lakhs)
Loss before tax		(2,188.77)		
Tax as per applicable tax rate	29.12%	(637.37)	-	-
Adjustments in respect of current income tax				
Expenses that are not deductible in determining taxable profit		1.09	-	-
DTL on Property plant and equipment not recognised earlier		651.30	-	-
Tax impact of liabilities written back		67.71	-	-
*Deferred tax asset recognised on unused tax losses of earlier years		(8,312.40)	-	-
Income tax expense/(credit)		**(8,229.67)**	-	-

*Deferred tax on unused tax losses was not recorded in earlier years as the Company was under insolvency resolution process. The management based on the resolution plan submitted by the holding company and future projections believes that future taxable profit will be available against which these unused tax losses will be utilised.

24(c) Deferred tax asset has not been recognised on the following items, because it is not probable that future taxable profits will be available against which the Company can use the benefits thereon

Particulars	Gross amount	Unrecognised tax effect	Expiry date
Tax losses related to Financial Year 2018-19	437.65	127.44	March 31, 2026

25 Impact of IRP proceedings

Pursuant to the commencement of the corporate insolvency resolution process ('CIRP') in Aug 2020, in the current year the National Company Law Tribunal vide its order dated November 2, 2023 ("approval date") had approved the resolution plan submitted by M/s Indian Oil Corporation Limited under the Insolvency and Bankruptcy Code, 2016 ('IBC').

In respect to the obligation and liabilities towards the financial creditors and operational creditors which were admitted in Corporate Insolvency Resolution Process approved by the Hon'ble NCLT, vide order dated November 2, 2023, the company was required to pay off an aggregate amount of INR 148.99 crores for payment to financial and operational creditors and CIRP dues.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Assets		
Property, plant and equipment	-	3.31
Assets classified as held for sale	-	21,169.64
Other current assets		
Advances Other than Capital Advances	-	0.49
Other current assets		
Prepaid expenses	-	-
GST receivables	-	47.74
Retained Earnings (Related to CG to ML)	-	676.37
Advances to supplier	-	5.99
Other advances	-	4.72
Total Assets written off (A)	-	**21,908.28**
Liabilities		
Borrowings		
6% Optionally Convertible Unsecured Debentures	-	3,160.68
Loans from related parties	-	11,285.08
Loans from Banks	22,337.20	
Other financial liabilities		-
Interest accrued and due on borrowings	3,440.29	4,657.72
Financial Guarantee Contract liability	-	73.14
Other payables	74.92	892.76
Trade Payable-Other Then MSME	40.58	-
Other current liabilities	117.01	
Total liabilities written back (B)	**26,010.00**	**20,069.38**
Capital reduction		
Cancellation of shared outstanding as on March 31, 2024	6,263.00	-
Cancellation of shares issued to operation creditors as part of the resolution plan	6,810.62	-
Total Capital reduction (C)	**13,073.62**	
Capital Reserve created (A-B-C)	(39,083.62)	1,838.89

(All amounts in INR Lakhs unless stated otherwise)

26 Related Party Transactions

As at March 31, 2025	
Nature of Relationship	**Name of Entity**
Holding Company (where control exists)	Mercator Limited and Mercator Energy Pte Ltd (Till 15th May 2024)
	Indian Oil Corporation Limited (W.e.f. 16th May 2024)

Note: The name of the related parties and the nature of relationship are as identified by the management.

Details of balances and transactions during the year with related parties

Account head	Name of Entity	Nature of Relationship	Year ended March 31, 2025	Year ended March 31, 2024
Transactions:				
Assets Written off	Mercator Limited	Holding company	-	676
Liabilities written back	Mercator Energy Pte Ltd	Holding company	-	6,823
Liabilities written back	Mercator Limited	Holding company	-	13,247
Share capital issued	Indian Oil Corporation Limited	Holding company	10.00	-
Unsecured- Loan received	Indian Oil Corporation Limited	Holding company	15,192.25	-
Interest on loan	Indian Oil Corporation Limited	Holding company	1,163.47	-

Account head	Name of Entity	Nature of Relationship	As at March 31, 2025	As at March 31, 2024
Balances:				
Trade payables	Indian Oil Corporation Limited	Holding Company	21.96	-
Unsecured- Loan	Indian Oil Corporation Limited	Holding Company	16,355.72	-

There are no related party amounts outstanding as on March 31, 2024 as the amount from related party have been adjusted as per the NCLT order passed on November 2, 2023. Refer note-22

27 Segment information

The Company is engaged in a single segment i.e., "Surveying, prospecting, drilling, exploring, acquiring, developing, and producing of petroleum and petroleum products" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the Company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.
The Company operates within India and does not have operations outside India.

28 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 as applicable, there is no amount necessary to be spent by the company on CSR activities for the year.

(This space has been left blank intentionally)

(All amounts in INR Lakhs unless stated otherwise)

29 Fair Value Measurement

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The following methods, assumptions and valuation techniques were used to estimate the fair values:

a) The fair value of investments in equity share and mutual funds is calculated by using the quoted market prices in active markets as on reporting date.
b) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
c) Financial assets and liabilities with variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. The fair value of long-term interest based borrowings is considered the same as the carrying amount due to the liabilities being measured at amortised cost using effective interest rate method.

d) The security deposits have been fair valued by applying discounted cash flow method using a discount rate representative of the company's incremental borrowing rate.

e) The fair value of short term financial assets and liabilities are considered same as their carrying amount due to their short term maturities.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's assets and liabilities, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Fair value hierarchy	Fair Value		Carrying value	
		As at 31 March, 2025	As at 31 March, 2024	As at 31 March, 2025	As at 31 March, 2024
Financial Assets					
At amortised Cost					
(i) Cash and bank balances	Level 3	49.94	10.64	49.94	10.64
(ii) Other financial assets	Level 3	8.14	12.00	8.14	4.00
Financial Liabilities					
At amortised Cost					
(i) Borrowings	Level 2	16,399.15	36,463.71	16,355.72	36,463.71
(ii) Trade payables	Level 3	250.42	7,821.42	250.42	7,821.42
(iii) Other Financial Liabilities	Level 3	-	3,515.21	-	3,515.21

Fair Value Hierarchy
This section explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value or amortised cost for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed as per Ind AS 113 "Fair Value Measurement" .

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

There have been no transfers among level 1 and level 2 during the year.

The carrying amounts of trade receivables, cash and bank balances, loans, short term borrowings, trade payables and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

(This space has been left blank intentionally)

(All amounts in INR Lakhs unless stated otherwise)

30 Financial risk management objectives and policies

The Company's principal financial liabilities comprises borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes security deposits and cash and cash equivalents that derive directly from its operations. The Company is exposed to liquidity risk and market risk that are summarised as under. The Board of Directors reviews and agrees policies for managing each of these risks.

Nature	Exposure arising from	Measurement	Risk mitigation
Liquidity risk	Borrowings, trade payables and other financial liabilities	Annual Projected Cash Flow with periodic review	Availability of committed credit lines and borrowing facilities
Market Risk			
Foreign exchange risk	Recognised financial assets and liabilities not denominated in Indian rupees	Sensitivity analysis	The company has foreign currency exposure. The company monitors exchange rate movements and resulting exchange fluctuation risk on an ongoing basis.
Interest rate risk	Term Loan having variable interest rate	Sensitivity analysis	The company monitors interest rate movements and resulting fluctuation

(a) Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Carrying Amount	Maturity Profile of Financial Liabilities			
		Within 1 year	Between 1 and 5 years	More than 5 years	Total
As at March 31, 2025					
Loans from related parties (including interest)	16,355.72	-	14,162.26	11,309.18	25,471.43
Trade payables	250.42	250.42	-	-	250.42
As at March 31, 2024					
Loans from related parties (including interest accrued)	-	-	-	-	-
Loans from banks and financial institution (including interest accrued)	36,463.71	14,126.51	-	-	14,126.51
Trade payables	7,800.96	949.76	-	-	949.76

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
Floating rate		
Long-term borrowings	6,997.75	-
	6,997.75	-

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign exchange risk, interest rate risk and other price risk, such as equity price risk and commodity price risk. Company is exposed to market risk on account of interest bearing borrowings, foreign currency borrowings, equity and mutual fund investments and raw material prices.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.

Interest rate risk sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in interest rate with all other variables held constant. The impact on the Company's profit before tax due to changes in the interest rates on variable rate portion of loans & borrowings is given below.

Particulars	As at March 31, 2025	As at March 31, 2024
Impact on Profit Before Tax due to change in Interest Rate		
Increase by 0.5%	(75.96)	(0.00)
Decrease by 0.5%	75.96	0.00

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (When revenue or expense is denominated in a foreign currency). As on March 31, 2025, the foreign currency receivables and payables are Nil. Referring to note 15(b) of the financial statements, the details of foreign currency payables as on March 31, 2024 is not available with the Company.

(All amounts in INR Lakhs unless stated otherwise)

31 Capital management

The primary objective of the Company's capital management is to maximise the shareholder value. Capital includes issued equity capital, share premium and all other equity reserves, attributable to the equity shareholders, for the purpose of the Company's capital management.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

The Company monitors capital using debt equity ratio, which is borrowings divided by Equity.

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings (including current maturities)	16,355.72	36,463.71
Equity share capital	10.00	6,263.00
Reserves and Surplus	(4,974.70)	(50,099.22)
Equity	**(4,964.70)**	**(43,836.22)**
Debt equity ratio	**-2.69 : 1**	**-0.83 : 1**

32 In compliance of Revised Guidance Note on Accounting for Oil and Gas Producing activities, the required disclosures in respect of reserves are as under:

Net Proved Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas:

Assets		As at March 31, 2025		As at March 31, 2024	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
CB-ONN-2005/9	Beginning	468.25	16.85	468.25	16.85
	Addition	-	-	-	-
	Deduction	-	-	-	-
	Production	-	-	-	-
	Balance	468.25	16.85	468.25	16.85
Total Proved Reserves		468.25	16.85	468.25	16.85
B) Proved developed Reserves					
CB-ONN-2005/9	Beginning	230.49	8.29	230.49	8.29
	Addition	-	-	-	-
	Deduction	-	-	-	-
	Production	-	-	-	-
	Balance	**230.49**	**8.29**	**230.49**	**8.29**
Total Proved developed Reserves		230.49	8.29	230.49	8.29

(All amounts in INR Lakhs unless stated otherwise)

33 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-25	31-Mar-24	Change %	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.06	0.00	5860.83%	Refer note (a) below
Debt - Equity Ratio	Total Debt	Shareholder's Equity	(3.29)	(0.83)	295.62%	Refer note (b) below
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(0.03)	(58.08)	-99.96%	Refer note (c) below

Reason for change more than 25%:

(a) Variance is on account of change in trade payables and current liabilities from previous year due to payments and writeback as per resolution plan The variance is also on account of the classification of borrowings as on each reporting date. The borrowing as on March 31, 2024 were repayable on demand and classified as current due to the default in interest and payment obligations by the Company. However, as at March 31, 2025 post completion of CIRP process, the loan availed has been disclosed as Non-current.

(b) Variance is mainly on account decrease in Total Debt as the borrowings were repaid/written back as per the resolution plan approved by NCLT. Further, total equity has also increased due to write back of liabilities as per NCLT order (refer note 24 for details.)

(c) Variance is on account of repayment of financial creditors during the year ended March 31, 2025.

34 Other Statutory Information

(i) The company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(ii) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

(iii) The company do not have any transactions with companies struck off.

(iv) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(v) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The company does not have any such transaction which are not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(ix) No layers of companies have been established beyond the limit prescribed as per above said section / rules.

35 The figures for the previous year have been re-classified/re-grouped, wherever necessary, to correspond with the current year's classification/disclosure

As per our report of even date
For Mahesh Chandra & Associates
Firm Registration No.

Rajesh Bohra Digitally signed by Rajesh Bohra Date: 2025.04.18 17:35:51 +05'30'

Rajesh Maheshchandra Bohra
Partner
Membership No. 102587

Place. Mumbai
Date. April 18, 2025

For and on behalf of the Board of Directors of
Mercator Petroleum Limited

Ajay Kumar Tiwari
Chairman-cum-Director
DIN: 11033422
Place: Delhi
Date: April 18, 2025

Gagan Deep Singh Kohli
Director
DIN: 10677178
Place: Delhi
Date: April 18, 2025

GURRAM VISHWANATH REDDY Digitally signed by GURRAM VISHWANATH REDDY Date: 2025.04.18 15:02:36 +05'30'

Gurram Vishwanath Reddy
Chief Executive Officer
Place: Delhi
Date: April 18, 2025