



## Hindustan Oil Exploration Company Limited

'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai - 600 018. INDIA.

☎ : 91 (044) 66229000 ● Fax : 91 (044) 66229011 / 66229012

E-mail : contact@hoec.com ● Website : www.hoec.com CIN : L11100GJ1996PLC029880

18.04.2016

By Online

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

### **SUB: Outcome of the Board Meeting held on April 18, 2016**

We wish to inform you among others, following was the outcome of the Board Meeting held on April 18, 2016:

- Approved the Standalone & Consolidated Audited Financial Results for the FY ending March 31, 2016;
- Taken on record the Auditors Report on Standalone & Consolidated Audited Financial Results for the FY ending March 31, 2016.

*Mr. P. Elango, Managing Director said:*

*"I am delighted that during FY 16, we have strengthened the technical talent and financial muscle of HOEC and are fully resourced to deliver First Gas from our Assam project by Q4 - FY 2016-17 as promised.*

*Excellent policy initiatives by the Government will enable us to build a robust portfolio of oil and gas assets.*

*We are on course to bring world class talent and technology to add value to HOEC 's existing portfolio and leverage the emerging new opportunities."*

Kindly take the same on records and acknowledge the receipt.

Thanking you

**For Hindustan Oil Exploration Company Limited**

P. Elango

Managing Director

Encl: As above



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### FORM A (for audit report with unmodified opinion)

Name of the company	Hindustan oil Exploration Company Limited (Standalone)
Annual financial statements for the year ended	2015-16
Type of Audit observation	NIL
Frequency of observation	NIL
To be signed by- ☉ P.Elango, Managing Director  ☉ R.Jeevanandam, WTD & CFO  ☉ Deloitte Haskins & Sells LLP Auditor of the company  ☉ Mr. Sunil Behari Mathur Audit Committee Chairman	  <b>For DELOITTE HASKINS &amp; SELLS LLP</b> <b>CHARTERED ACCOUNTANTS</b> <b>(Regn No. 117366W/W-100018)</b>  <b>BHAVANI BALASUBRAMANIAN</b> <b>PARTNER</b> <b>MEMBERSHIP No. 22156</b>  



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### FORM A (for audit report with unmodified opinion)

Name of the company	Hindustan oil Exploration Company Limited (Consolidated)
Annual financial statements for the year ended	2015-16
Type of Audit observation	NIL
Frequency of observation	NIL
To be signed by- ☉ P.Elango, Managing Director  ☉ R.Jeevanandam, WTD & CFO  ☉ Deloitte Haskins & Sells LLP Auditor of the company  ☉ Mr. Sunil Behari Mathur Audit Committee Chairman	  <b>For DELOITTE HASKINS &amp; SELLS LLP</b> <b>CHARTERED ACCOUNTANTS</b> <b>(Regn No. 117366W/W-100018)</b>  <b>BHAVANI BALASUBRAMANIAN</b> <b>PARTNER</b> <b>MEMBERSHIP No. 22156</b>  



# Hindustan Oil Exploration Company Limited

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PART I								
Statement of standalone and consolidated audited financial results for the quarter and year ended March 31, 2016								
(₹ In Lacs)								
S. No.	Particulars	Standalone			Standalone		Consolidated	
		For the Quarter ended			For the Year ended		For the Year ended	
		March 31 2016	December 31 2015	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from operations							
	a) Net sales / Income from operations	580.01	611.39	652.02	2,834.43	4,028.88	4,871.75	5,952.89
2	Expenditure							
	a) Operating expenses	313.78	198.05	419.63	1,250.35	2,352.47	1,250.35	2,352.47
	b) Purchase of stock in trade	-	-	-	-	-	1,120.29	1,188.91
	c) (Increase) / Decrease in inventories of stock-in-trade	-	-	-	-	-	100.21	(89.12)
	d) Decrease / (Increase) in stock of crude oil and condensate	82.66	(60.39)	(97.30)	215.37	5.14	215.37	5.14
	e) Employee benefit expenses	56.85	52.74	55.44	245.51	205.82	459.61	436.27
	f) Depreciation, depletion and amortization expenses	304.72	287.47	372.34	1,222.05	3,880.41	1,231.21	3,894.48
	g) Exploration costs	2.90	0.36	613.26	22.84	704.80	22.84	704.80
	h) Other expenses	180.01	61.54	212.73	481.95	476.34	854.71	822.20
	i) Provision for obsolete inventories	-	-	254.99	-	1,379.99	-	1,379.99
	Total expenditure	940.92	539.77	1,831.09	3,438.07	9,004.97	5,254.59	10,695.14
3	Profit / (Loss) before other income	(360.91)	71.62	(1,179.07)	(603.64)	(4,976.09)	(382.84)	(4,742.25)
4	a) Other income, net	114.87	319.82	148.61	736.98	763.28	733.92	740.19
	b) Foreign exchange gain / (loss)	138.83	34.99	438.78	1.72	(78.98)	(5.74)	(81.36)
5	Profit / (Loss) before finance cost, tax and exceptional items	(107.21)	426.43	(591.68)	135.06	(4,291.79)	345.34	(4,083.42)
6	Finance costs	-	-	10.98	-	1,466.85	4.02	1,470.53
7	Profit / (Loss) before tax and exceptional items	(107.21)	426.43	(602.66)	135.06	(5,758.64)	341.32	(5,553.95)
8	Exceptional items	241.82	-	-	514.82	(116,342.68)	514.82	(116,342.68)
9	Profit / (Loss) before tax	134.61	426.43	(602.66)	649.88	(122,101.32)	856.14	(121,896.63)
10	Tax Expenses							
	a) Provision for Current Income Tax	-	-	-	-	-	66.03	67.82
	b) Provision for Deferred Tax / (Write-back)	-	-	-	-	-	3.37	(4.18)
	c) Prior year tax adjustment	(3.45)	-	-	(6.18)	-	(6.18)	-
11	Net Profit / (Loss) for the period	138.06	426.43	(602.66)	656.06	(122,101.32)	792.92	(121,960.26)
12	Paid up equity share capital (par value of ₹ 10/- each)	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93
13	Reserves excluding revaluation reserve as per balance sheet.				14,798.16	40,158.91	15,814.52	40,897.38
14	Basic and diluted EPS ₹ - not annualized	₹ 0.11	₹ 0.33	₹ (0.46)	₹ 0.50	₹ (93.57)	₹ 0.61	₹ (93.46)



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Registered Office : 'HOEC House', Tandalja Road, Off Old Padra Road, Vadodara - 390 020. INDIA

☎ : 91 (0265) 2330766, 2333568 • Fax : 91 (0265) 2333567

E-mail : contact@hoec.com • Website : www.hoec.com

**1. Audited statement of Assets and Liabilities as on March 31, 2016**


(₹ in Lacs)

	Particulars	Standalone		Consolidated	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' funds</b>				
	a. Share capital	13,050.93	13,050.93	13,050.93	13,050.93
	b. Reserves and surplus	14,798.16	14,142.10	15,814.52	15,021.59
	<b>Total</b>	<b>27,849.09</b>	<b>27,193.03</b>	<b>28,865.45</b>	<b>28,072.52</b>
<b>2</b>	<b>Non - current liabilities</b>				
	a. Other long-term liabilities	2,630.11	-	2,630.11	-
	b. Long-term provisions	11,128.59	11,043.69	11,143.07	11,052.09
	<b>Total</b>	<b>13,758.70</b>	<b>11,043.69</b>	<b>13,773.18</b>	<b>11,052.09</b>
<b>3</b>	<b>Current liabilities</b>				
	a. Trade payables	196.17	1,228.94	461.05	1,526.62
	b. Other current liabilities	5,858.68	2,793.57	5,873.82	2,811.61
	c. Short-term provisions	5.79	8.65	10.36	19.20
	<b>Total</b>	<b>6,060.64</b>	<b>4,031.16</b>	<b>6,345.23</b>	<b>4,357.43</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>47,668.43</b>	<b>42,267.88</b>	<b>48,983.86</b>	<b>43,482.04</b>
<b>B</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	a. Fixed assets	19,856.43	19,733.55	19,882.94	19,765.82
	b. Non-current Investment	50.00	50.00	-	-
	c. Deferred tax assets (Net)	-	-	13.40	16.78
	d. Long-term loans and advances	117.79	3,409.37	181.40	3,458.86
	e. Other non-current assets	4,810.50	4,906.63	4,810.50	4,906.63
	<b>Total</b>	<b>24,834.72</b>	<b>28,099.55</b>	<b>24,888.24</b>	<b>28,148.09</b>
<b>2</b>	<b>Current assets</b>				
	a. Current investments	6,403.60	2,239.66	7,204.42	2,759.02
	b. Inventories	2,243.41	2,301.08	2,434.20	2,648.67
	c. Trade receivables	216.83	306.17	412.37	546.24
	d. Cash and bank balances	5,273.03	734.26	5,301.96	753.67
	e. Short-term loans and advances	8,647.59	8,537.98	8,693.42	8,577.18
	f. Other current assets	49.25	49.18	49.25	49.17
	<b>Total</b>	<b>22,833.71</b>	<b>14,168.33</b>	<b>24,095.62</b>	<b>15,333.95</b>
	<b>TOTAL ASSETS</b>	<b>47,668.43</b>	<b>42,267.88</b>	<b>48,983.86</b>	<b>43,482.04</b>

The above disclosure is in compliance with Regulation 33(3)(f) read with Annexure IX of circular CIR/CFD/CMD/15/2015 dated November 30, 2015 issued by SEBI in this regard.

- The above results and notes thereto were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on April 18, 2016. The statutory auditors have audited the financial results for the year ended March 31, 2016.
- The individual items of expenses in the above financial results are net of amounts charged to Unincorporated Joint ventures (UJV) where the Company is the operator. The Company's share of such net expenses in UJV's are treated as exploration, development or production costs, as the case may be.
- A claim made by Hardy Exploration & Production (India) Inc., CY-OS-90/1 (PY-3) (Operator) for ₹114,092,588 (US\$ 1.72 Million) has not been accepted as a liability as the claim relates to the period after the cessation of production on July 31, 2011 and no expenditure beyond 31 July 2011 has been approved by the Management Committee. Based on reconciliation of its cash call payments and share of expenses as per the billing statement provided by the Operator till July 31, 2011 during the year, the Company noted an excess payment of ₹9,554,591 (USD 144,040) made to the Operator. This was communicated to the operator on December 21, 2015. The claims not acknowledged as debts also include the claim of ₹143,960,505 relating to the dispute between Aban Offshore Limited and the Operator ('Hardy') not acknowledged as debt by the Operator.
- In block PY 1, solely operated by the Company, the Ministry of Petroleum & Natural Gas (MOP&NG) has computed the royalty based on the value of gas received by the Company (the Operator) and made a demand for the years from 2009-10 to 2014-15 towards short paid royalty of ₹102,777,080 (US\$ 1,549,413) excluding interest. With regard to the claim, the company has, during the year, re-computed the royalty on gas produced and sold, based on wellhead price as per the terms of the production sharing contract and compared it with the actual royalty paid by the company for the years from 2009-10 to 2014-15 and noted that they have made an excess payment of ₹115,899,695 (US\$ 1,747,243) to MOP&NG. A claim has been lodged by the Company to MOP&NG, which is pending settlement.
- For block RJ - ONN - 2005/2, operated by the Oil India Limited (the Operator), the validity for exploration phase as per the Production Sharing Contract (PSC), expired on June 24, 2015. The Operator has applied for 17 months extension to Ministry of Power & Natural Gas (MOP&NG) which is pending till date. However, the Operator drilled two wells after seeking extension under the extension policy of PSC directly after paying the liquidated damages and executing bank guarantees. Operator has now surrendered the block and the dues, if any, for the Company will be adjusted at the time of final settlement and therefore this cost has not been considered in the financial statements.
- In this block, RJ-ONN-2005/1, there has been a delay for more than two years in obtaining the Government clearances. According to the terms of policy of Government of India issued in November 2014, which states that, if the delay due to lack of statutory and other clearances is beyond 2 years, then the contractor is permitted to exit from the contract without payment of cost of unfinished work program. The company has decided to exercise this option and exit this block, on July 9, 2015 and therefore there is no liability that will devolve on the Company with respect to this block.
- The Company operates in only one segment i.e. "Oil and Gas".
- The figures for the quarters ended March 31, 2016 and March 31, 2015 are balancing figures between audited figures in respect of the full financial year ended March 31, 2016 and March 31, 2015 respectively and the un-audited published year-to-date figures upto December 31, 2015 and December 31, 2014 respectively, being the end of the third quarter of the respective financial years which was subject to limited review.
- The subsidiary Company HOEC Bardahl Inda Limited (HBIL), is the sole authorised distributor for the products off M/s Bardahl Manufacturing Corp ("BMC"), USA in India for over 15 years through an agreement between the two parties. This agreement is entered into for a period of 3 years and extended for further period of 3 years and was valid up to 29<sup>th</sup> February 2016 and was due for extension. BMC has terminated the agreement with HBIL and entered in to an agreement with one of the distributors of HBIL. Therefore, the management has decided to Invoke arbitration for adjudicating the dispute.
- Figures for previous quarter's/year's have been regrouped/reclassified wherever necessary to confirm to the current quarter's/year's presentation.



For Hindustan Oil Exploration Company Limited  
  
 Director & CFO

BY ORDER OF THE BOARD  
 For Hindustan Oil Exploration Company Limited

  
 Managing Director  
 Place: Chennai  
 Date: April 18, 2016

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HINDUSTAN OIL EXPLORATION COMPANY LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **HINDUSTAN OIL EXPLORATION COMPANY LIMITED** ("the Company") for the year ended March 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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

3. The accounts of the Company for the year ended March 31, 2016 include assets aggregating Rs.610,503,888, liabilities aggregating Rs.58,933,842, income aggregating Rs.7,771,025 and expenditure aggregating Rs.124,732,237 relating to the Company's share in six unincorporated joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on the reports of the other auditors



**Deloitte  
Haskins & Sells LLP**

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph 3 above, the Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended March 31, 2016
5. The Statement includes the results for the Quarter ended March 31, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

*Bhavani Balasubramanian*

Bhavani Balasubramanian  
Partner  
Membership No. 22156

CHENNAI, APRIL 18, 2016



## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HINDUSTAN OIL EXPLORATION COMPANY LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **HINDUSTAN OIL EXPLORATION COMPANY LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the year ended March 31, 2016 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which is in accordance with the Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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

3. The accounts of the Company for the year ended March 31, 2016 include assets aggregating Rs.610,503,888, liabilities aggregating Rs.58,933,842, income aggregating Rs.7,771,025 and expenditure aggregating Rs.124,732,237 relating to the Company's share in six unincorporated joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on the reports of the other auditors.





4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph 3 above, the Statement:
  - a. includes the results of the following entity:

HOEC Bardahl India Limited
  - b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other financial information of the Group for the year ended March 31, 2016.
5. The Statement includes the results for the Quarter ended March 31, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

*Bhavana Balasubramanian*

Bhavani Balasubramanian  
Partner  
Membership No. 22156

CHENNAI, APRIL 18, 2016

