

**HINDUSTAN OIL EXPLORATION COMPANY LIMITED**  
Registered Office: 'HOEC House' Tandajla Road, Off Old Padra Road, Vadodara 390 020  
Website: www.hoec.com Email: hoecshare@hoec.com CIN: L11100GJ1996PLC029880

PART I								
Statement of Audited Standalone Results for the Quarter Ended March 31, 2015 and Audited Standalone and Consolidated results for the Year Ended March 31, 2015.								
(Rupees in Lacs)								
Sr. No.	Particulars	Standalone				Consolidated		
		For the Quarter			Year to date		Year to date	
		Ended on 31.03.2015 (Audited)	Ended on 31.12.2014 (Unaudited)	Ended on 31.03.2014 (Audited)	Current Period ended on 31.03.2015 (Audited)	Previous Period ended on 31.03.2014 (Audited)	Ended on 31.03.2015 (Audited)	Ended on 31.03.2014 (Audited)
<b>1</b>	<b>Income From Operations</b>							
a)	Net Sales / Income from Operations (See Note 6)	652.02	992.63	1,323.38	4,046.52	5,984.59	5,952.89	7,912.28
b)	Other Operating Income	-	-	-	-	-	-	-
c)	(Decrease) / Increase in Stock of Crude Oil, Condensate and Natural Gas	97.30	(31.65)	(77.30)	(5.14)	(288.79)	(5.14)	(288.79)
	<b>Total Income From Operations (Net)</b>	<b>749.32</b>	<b>960.98</b>	<b>1,246.08</b>	<b>4,041.38</b>	<b>5,695.80</b>	<b>5,947.75</b>	<b>7,623.49</b>
<b>2</b>	<b>Expenses</b>							
a)	Purchase of Stock in Trade / Repacking Costs	-	-	-	-	-	1,188.91	1,093.71
b)	(Increase) / Decrease in Inventories of stock-in-trade	-	-	-	-	-	(89.12)	60.49
c)	Employee Benefit Expenses	146.60	134.77	212.87	666.53	1,006.38	896.97	1,195.51
d)	Other Expenses							
	- Operating Expenditure	419.63	550.58	391.64	2,352.47	2,804.50	2,352.47	2,804.50
	- Net (Gain) / Loss on Foreign Exchange	(438.78)	61.35	(252.53)	78.98	437.07	81.36	461.74
	- Administrative and other Expenses	257.63	140.74	141.46	691.11	896.55	1,036.97	1,277.26
e)	Recovery of Expenses	(136.06)	(156.27)	(232.32)	(675.47)	(1,234.45)	(675.47)	(1,234.45)
f)	Depreciation, Depletion and Amortisation	372.34	474.95	3,328.37	3,880.41	10,305.05	3,894.48	10,313.01
g)	Provision for Obsolete Inventories	254.99	1,125.00	-	1,379.99	-	1,379.99	-
h)	Exploration Costs (See Note 8)	613.26	22.41	4,461.22	704.80	4,461.22	704.80	4,461.22
	<b>Total Expenses</b>	<b>1,489.61</b>	<b>2,353.63</b>	<b>8,050.71</b>	<b>9,078.82</b>	<b>18,676.32</b>	<b>10,771.36</b>	<b>20,432.99</b>
3	Profit / (Loss) from Operations before Other Income, Finance Cost and Exceptional Items (1-2)	(740.29)	(1,392.55)	(6,804.63)	(5,037.44)	(12,980.52)	(4,823.61)	(12,809.50)
4	Other Income (Net)	148.61	174.99	115.69	745.65	578.39	740.19	563.14
5	Profit / (Loss) from Operations before Finance Cost and Exceptional Items (3+4)	(591.68)	(1,217.56)	(6,688.94)	(4,291.79)	(12,402.13)	(4,083.42)	(12,246.36)
6	Finance cost	10.98	371.89	550.30	1,468.85	1,365.23	1,470.53	1,369.76
7	Profit / (Loss) from Operations after Finance Cost but before Exceptional Items (5-6)	(602.66)	(1,589.45)	(7,239.04)	(5,758.64)	(13,767.36)	(5,553.95)	(13,616.12)
8	Exceptional Items-Impairment Loss/Additional Depletion (See Note 5)	-	10,211.30	-	116,342.68	-	116,342.68	-
9	Profit / (Loss) from Ordinary Activities before Tax (7-8)	(602.66)	(11,800.75)	(7,239.04)	(122,101.32)	(13,767.36)	(121,896.63)	(13,616.12)
10	Tax Expenses							
a)	Provision for Current Income Tax	-	-	-	-	-	67.82	43.47
b)	Deferred Tax	-	-	-	-	-	(4.18)	(0.52)
c)	Reversal of MAT Credit	-	-	4,363.62	-	4,363.62	-	4,363.62
d)	Write-back of provision for income tax	-	-	-	-	(5,650.00)	-	(5,650.00)
11	Net Profit / (Loss) from Ordinary Activities after Tax (9-10)	(602.66)	(11,800.75)	(11,602.66)	(122,101.32)	(12,480.98)	(121,960.27)	(12,372.69)
12	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-	-
13	Net Profit / (Loss) for the Period (11-12)	(602.66)	(11,800.75)	(11,602.66)	(122,101.32)	(12,480.98)	(121,960.27)	(12,372.69)
14	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93
15	Reserves excluding Revaluation Reserve as per Balance Sheet of Previous Accounting Year	-	-	-	40,158.91	52,639.90	40,897.36	53,270.07
16	Basic and Diluted EPS (Rs.) - Not Annualised	Rs.( 0.46)	Rs.( 9.04)	Rs.( 8.89)	Rs.( 93.57)	Rs.( 9.56)	Rs.( 93.46)	Rs.( 9.48)
17	Basic and Diluted EPS (Rs.) - Not Annualised - after Extraordinary Items	Rs.( 0.46)	Rs.( 9.04)	Rs.( 8.89)	Rs.( 93.57)	Rs.( 9.56)	Rs.( 93.46)	Rs.( 9.48)

PART II								
A PARTICULARS OF SHAREHOLDING								
1	Public Shareholding							
	Number of Shares	68,924,155	68,924,155	68,924,155	68,924,155	68,924,155	68,924,155	68,924,155
	Percentage of Shareholding	52.82%	52.82%	52.82%	52.82%	52.82%	52.82%	52.82%
2	Promoters and Promoter Group Shareholding (See Note 9)							
a)	Pledged / Encumbered							
	Number of shares	-	-	-	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
	Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-	-
b)	Non - encumbered							
	Number of shares	61,569,134	61,569,134	61,569,134	61,569,134	61,569,134	61,569,134	61,569,134
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of shareholding (as a % of the total share capital of the company)	47.18%	47.18%	47.18%	47.18%	47.18%	47.18%	47.18%

Particulars		For the Quarter ended March 31, 2015	
<b>B INVESTOR COMPLAINTS</b>			
Pending at the beginning of the period		Nil	
Received during the period		Nil	
Disposed of during the period		Nil	
Remaining unresolved at the end of the period		Nil	

## Notes:

1 Statement of Assets and Liabilities as per clause 41(1)(eaa) of the Listing Agreement for the Year ended March 31, 2015 on Standalone and Consolidated basis.

(Rupees in Lacs)

Particulars	Audited Standalone		Audited Consolidated	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>A EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' Funds</b>				
a. Share Capital	13,050.93	13,050.93	13,050.93	13,050.93
b. Reserves and Surplus	14,142.10	39,804.57	15,021.59	40,543.02
<b>Sub-total - Shareholders funds</b>	<b>27,193.03</b>	<b>52,855.50</b>	<b>28,072.52</b>	<b>53,593.95</b>
<b>2 Non - current liabilities</b>				
a. Long-term borrowings	-	70,168.40	-	70,168.40
b. Deferred tax liabilities (net)	-	-	-	-
c. Long-term provisions	11,030.35	10,620.91	11,038.75	10,629.83
<b>Sub-total - Non-current liabilities</b>	<b>11,030.35</b>	<b>80,789.31</b>	<b>11,038.75</b>	<b>80,798.23</b>
<b>3 Current liabilities</b>				
a. Trade payables	1,228.93	1,648.17	1,526.62	1,936.28
b. Other current liabilities	2,793.57	29,855.80	2,811.61	29,864.18
c. Short-term provisions	21.99	5.88	32.54	5.88
<b>Sub-total - Current liabilities</b>	<b>4,044.49</b>	<b>31,509.85</b>	<b>4,370.77</b>	<b>31,806.34</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>42,267.87</b>	<b>165,154.66</b>	<b>43,482.04</b>	<b>166,198.52</b>
<b>B ASSETS</b>				
<b>1 Non-current assets</b>				
a. Fixed assets	19,733.54	139,476.02	19,765.82	139,508.40
b. Non-current Investment	50.00	50.00	-	-
c. Deferred tax assets (Net)	-	-	16.78	12.60
d. Long-term loans and advances	3,409.37	11,720.81	3,458.86	11,767.32
e. Other bank balances	4,906.63	4,753.93	4,906.63	4,753.93
<b>Sub-total - Non - current assets</b>	<b>28,099.54</b>	<b>156,000.76</b>	<b>28,148.09</b>	<b>156,042.25</b>
<b>2 Current assets</b>				
a. Current investments	2,239.66	2,670.94	2,759.02	3,055.16
b. Inventories	2,301.08	3,686.52	2,648.67	3,979.17
c. Trade receivables	306.17	635.56	546.24	865.04
d. Cash and Bank Balances	734.26	1,272.22	753.67	1,316.70
e. Short-term loans and advances	8,537.98	853.85	8,577.18	903.88
f. Other current assets	49.18	34.81	49.17	36.32
<b>Sub-total - Current assets</b>	<b>14,168.33</b>	<b>9,153.90</b>	<b>15,333.95</b>	<b>10,156.27</b>
<b>TOTAL ASSETS</b>	<b>42,267.87</b>	<b>165,154.66</b>	<b>43,482.04</b>	<b>166,198.52</b>

Notes:

2. The Company is primarily engaged in a single business segment of "Hydrocarbons and Other Incidental Services". All the activities of the Company are around the main business. Further, the Company does not have any separate geographic segments other than India. Hence, there are no separate reportable segments as per AS-17 "Segmental Reporting".
3. The Company has capital requirements to implement its development plan under the Production Sharing Contract (PSC) for the block AAP-ON -94/1 approved by the Directorate General of Hydrocarbons and the Ministry of Petroleum and Natural Gas in the near future. The development cost estimated for the total project is Rs 527 Crores (US\$ 85 million) and for the share of the company it is estimated to be in the order of Rs 142 Crores (US\$ 22.85 million). These expenditures are to be incurred over a period of two years. The carrying value of the assets in the books of the Company for the successful exploration and appraisal is Rs 117.27 Crores.

The Company has a net current assets of Rs 127.54 Crores (including tax receivables of Rs 82.41 Crores) as on March 31, 2015 before adjusting a liability of Rs 26.30 Crores payable to the group companies of the Promoter. Management is confident that the above liability of Rs 26.30 Crores can be deferred for a period of more than one year and to the completion of the development of the block AAP-ON-94/1

The Company may be liable for the obligation in respect of unfinished Minimum Work Program in term of the Production Sharing Contract for the block RJ-ONN-2005/1. In case of non-operated block RJ-ONN -2005/2 the Operator has sought the extension of the block validity and if the Minimum Work Program is not completed the Company may be liable for the obligation of the unfinished minimum work program.

The Company has been rated for BBB+ for a line of credit of Rs 100 Crores by Indian Credit Rating Agency on May 15, 2015. Company is confident of meeting the capital requirements to implement its business plan, discretionary capital expenditure, commitments and the obligations under the Production Sharing Contracts (PSC) and liabilities in the foreseeable future with the existing cash and cash equivalents/ liquid assets, tax refunds due to the Company and by raising financial resources through debt/ equity financing as required without any additional financial support from the promoter. The Company has a successful track record of raising capital both debt and equity in the past and shall raise financial resources for the growth of the Company as and when required without any additional capital infusion from the promoter. Accordingly, the Financial Statements have been prepared on the basis that the Company is a going concern with no further adjustments to the carrying value of assets and liabilities.

4. Consequent to the under performance of the PY-1 field as detailed below, all outstanding balances in the unsecured loan (ECB) provided by the ENI Group was waived-off vide a Deed of Termination and Release dated December 3, 2014. The Company considers the waiver to be in the nature of a capital receipt akin to promoters contribution towards Equity/Share Premium and the Company has credited an amount of Rs. 96,085 Lacs (after restatement of the same) to the "Capital Reserves".

5. Exceptional item includes :

**a. PY1 field –**

Additional depletion and impairment loss charged to the statement of profit and loss pursuant to an independent third party reservoir study of PY-1 Field and consequent revision of certain key assumptions by the Board of Directors. As a consequence, additional depletion amounting to Rs 6,803.80 Lacs for the production in the six months period up to September 30, 2014 has been provided in the current year. The Company had carried out an impairment assessment as at September 30, 2014, based on procedures consistent with Accounting Standard 28 (AS 28) and recognised an impairment loss to the extent of Rs 99,327.58 Lacs.

The cash flows have been projected based on estimate of Proved Reserves as provided by the independent third party, estimate of commercially recoverable reserves (proved) made by the management, cash flows necessary to maintain assessed standard of performance and considering discount rate of 13.28% which reflects market assessment based on transactions for similar assets.

**b. PY3 Field –**

Operated by Hardy Exploration & Production (India) Inc., remains shut-in since July 31, 2011. Considering the current environment of oil prices, there are no plans for recommencement of production from existing wells and commencement of further development activities in the foreseeable future. In view of the above facts, there are uncertainties in the recoverability of carrying value of PY-3 assets. Accordingly, the Company has recognised an impairment loss for Rs 7,075.10 Lacs for the carrying value of PY-3 assets in the current year.

**c. CB-OS 1 Field –**

Existing development plans are not economically viable considering the current oil prices. ONGC being the Operator of the block proposes to perform further studies on the field to determine the optimal development plan. Accordingly, no additional investment is expected in the foreseeable future. In view of the above factors, considering the uncertainty in the recoverability of carrying value of CB-OS 1 assets, Company has recognised an impairment loss for Rs 2,595.70 Lacs the carrying value of CB-OS -1 assets in the current year.

**d. CB-ON-7 Palej Field –**

The Company has recognised an impairment loss for the carrying value of CB-ON-7 Palej Field amounting to Rs.540.50 Lacs for uncompleted exploratory well assets in the current year.

6. During the Quarter ended March 31, 2015 the PY-1 Field was shut in for a period of 3 days due to annual shutdown by the Buyer / End Users for planned maintenance.
7. The figures for the quarters ended March 31, 2015 and March 31, 2014 are balancing figures between audited figures in respect of the full financial year ended March 31, 2015 and March 31, 2014 respectively and the un-audited published year-to-date figures upto December 31, 2014 and December 31, 2013 respectively, being the end of the third quarter of the respective financial years which was subject to limited review.

8. In compliance with SEBI directions relating to treatment of survey cost under the Guidance Note (Accounting for Oil and Gas Producing Activities, issued by The Institute of Chartered Accountants of India), the Company is expensing survey costs.
9. The detail of Promoter's Shareholding is based on their declarations giving the status that no share has been pledged for respective periods.
10. In respect of two of its Unincorporated Joint Ventures (UJV) not operated by the Company, the Company has incorporated its share of the balances as at March 31, 2015 based on the unaudited financial information as follows:
  - i) CY-OS/90-1 (PY-3): The operations in the field have been stopped since July 2011 and the last audited financial statements for the UJV were received for the year ended March 31, 2012. Subsequent to July 31, 2011 no further expenses that have been approved by the Management Committee and hence the Company has not accounted for the same. The Company does not expect any further expenses with respect to this field. Accordingly, the Company has accounted for its share based on the audited accounts till the year ended March 31, 2012 and subsequent adjustments (if any) till the period ending March 31, 2015 which is based on the unaudited financial information.
  - ii) CB-OS/1: The Company has accounted for its share of balances based on the audited accounts till the year ended March 31, 2014 and for the balances as at March 31, 2015, the Company has accounted based on the un-audited financial information received from the operator.

The financial statements include, Company's share of current assets/(liabilities), non-current assets/(liabilities) , expenses and cash flows aggregating to Rs 829,974 / Rs (79,685,217), Rs 310,586,199 / Rs (331,065,000), Rs Nil and Rs (1,924) respectively as at or for the year ended March 31, 2015 in respect of the above two UJVs.

11. Figures for previous period/year have been regrouped / reclassified to make them comparable with the current period, wherever necessary.
12. 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 May 28, 2015.

BY ORDER OF THE BOARD  
For Hindustan Oil Exploration Company Limited

Director & CFO

Managing Director  
Place: New Delhi  
Date: May 28, 2015