



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

18.01. 2016

Ref: HOEC/SEC/05/2016

By email / 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 |
|---|---|

Dear Sir,

SUBJECT: Outcome of the Board Meeting held on January 18, 2016

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

- (1) Approved the Standalone Unaudited Financial Results for the Quarter ended December 31, 2015; and
- (2) Taken on record the Limited Review Report on Standalone Unaudited Financial Results for the Quarter ended December 31, 2015 issued by the Statutory Auditors of the Company.

Kindly take the same on records and acknowledge the receipt.

Thanking you

For **Hindustan Oil Exploration Company Limited**

P. Elango

Managing Director



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| PART I | | | | | | | |
|---|---|---------------------|---------------------|---------------------|------------------------------------|-------------------------------------|--------------------------|
| Statement of Standalone Unaudited Results for the Quarter and Nine months ended December 31, 2015 | | | | | | | |
| (Rupees in Lacs) | | | | | | | |
| Sr. No. | Particulars | For the Quarter | | | Year to date | | Previous accounting year |
| | | Ended on 31.12.2015 | Ended on 30.09.2015 | Ended on 31.12.2014 | Current Period ended on 31.12.2015 | Previous Period ended on 31.12.2014 | Ended on 31.03.2015 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Income From Operations | | | | | | |
| a) | Net Sales / Income from Operations | 611.39 | 573.72 | 992.63 | 2,254.43 | 3,394.50 | 4,046.52 |
| b) | Other Operating Income | - | - | - | - | - | - |
| c) | (Decrease) / Increase in Stock of Crude Oil and Condensate | 60.39 | (48.93) | (31.65) | (132.72) | (102.44) | (5.14) |
| | Total Income From Operations (Net) | 671.78 | 524.79 | 960.98 | 2,121.71 | 3,292.06 | 4,041.38 |
| 2 | Expenditure | | | | | | |
| a) | Operating Expenses | 198.05 | 379.02 | 550.58 | 936.57 | 1,932.83 | 2,352.47 |
| b) | Employee Benefit Expenses | 52.74 | 67.75 | 30.07 | 188.66 | 158.52 | 213.97 |
| c) | Administrative and other Expenses | 61.54 | 153.57 | 89.17 | 301.94 | 255.47 | 468.20 |
| d) | Depletion, Depreciation and Amortisation Expenses | 287.47 | 285.68 | 474.95 | 917.33 | 3,508.07 | 3,880.41 |
| e) | Provision for Obsolete Inventories | - | - | 1,125.00 | - | 1,125.00 | 1,379.99 |
| f) | Exploration Costs | 0.36 | 13.17 | 22.41 | 19.94 | 91.54 | 704.80 |
| | Total Expenditure | 600.16 | 899.19 | 2,292.18 | 2,364.44 | 7,071.43 | 8,999.84 |
| 3 | Profit / (Loss) from Operations before Other Income, Exchange Fluctuation, Finance Cost, Tax and Exceptional Items (1-2) | 71.62 | (374.40) | (1,331.20) | (242.73) | (3,779.37) | (4,958.46) |
| 4 | Other Income (Net) | 319.82 | 167.16 | 174.99 | 622.10 | 597.04 | 745.65 |
| | b) Net Gain / (Loss) on Foreign Exchange Fluctuation | 34.99 | (85.24) | (61.35) | (137.11) | (517.76) | (78.98) |
| 5 | Profit / (Loss) from Operations before Finance Cost, Tax and Exceptional Items (3+4) | 426.43 | (292.48) | (1,217.56) | 242.26 | (3,700.09) | (4,291.79) |
| 6 | Finance costs | - | - | 371.89 | - | 1,455.87 | 1,466.85 |
| 7 | Profit / (Loss) from Operations before Tax and Exceptional Items (5-6) | 426.43 | (292.48) | (1,589.45) | 242.26 | (5,155.96) | (5,758.64) |
| 8 | Exceptional Items | - | (336.81) | 10,211.30 | (273.01) | 116,342.68 | 116,342.68 |
| 9 | Profit / (Loss) from Ordinary Activities before Tax (7-8) | 426.43 | 44.33 | (11,800.75) | 515.27 | (121,498.64) | (122,101.32) |
| 10 | Tax Expenses | | | | | | |
| a) | Prior year tax adjustment | - | (2.73) | - | (2.73) | - | - |
| 11 | Net Profit / (Loss) for the period (9-10) | 426.43 | 47.06 | (11,800.75) | 518.00 | (121,498.64) | (122,101.32) |
| 12 | 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 | Reserves excluding Revaluation Reserve as per Balance Sheet of Previous Accounting Year | | | | | | 14,142.10 |
| 14 | Basic and Diluted EPS (Rs.) - Not Annualised | Rs. 0.33 | Rs. 0.04 | Rs. (9.04) | Rs. 0.40 | Rs. (93.10) | Rs. (93.57) |
| 15 | Basic and Diluted EPS (Rs.) - Not Annualised - after Extraordinary Items | Rs. 0.33 | Rs. 0.04 | Rs. (9.04) | Rs. 0.40 | Rs. (93.10) | Rs. (93.57) |



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

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Notes:

1. The above un-audited financial results for the current quarter ended December 31, 2015 was subjected to a limited review by the auditors of the Company and were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on January 18, 2016.
2. 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.
3. The Company has capital requirements to implement its business plans and commitments under the Production Sharing Contracts (PSC) for the development of block AAP-ON-94/1, which will be met by internal accruals and debt financing if need be. The Company has net current assets of Rs.14,077 lakhs as on December 31, 2015. Considering the working capital and the existing cash flows of the Company, the accounts have been continued to be prepared on going concern basis.
4. With respect to the block RJ - ONN - 2005/2 not operated by the Company, the extension application for 17 months is still pending with Ministry of Petroleum and Natural Gas. However, the Operator drilled two exploratory dry holes by seeking extension under the extension policy though the application for excusable delays is still pending with MOP&NG. Any liability that would arise for the wells drilled and the unfinished minimum work obligation in the block beyond June 24, 2015 has not been considered in the financial results for the quarter ended December 31, 2015.
5. With respect to one of the blocks not operated by the Company, (CY-OS/90-1 (PY 3), the operations was shut-in since July 31, 2011. Subsequent to this date, no further expenses have been authorised by the company. Therefore, the Company is not liable for any costs, claims, liabilities or obligations beyond that date. The Company has already impaired the carrying value of these assets. An amount of Rs.3,729 lakhs along with the accrued interest is included in the Site Restoration Deposit and carries a liability of Rs.3,347 lakhs for Site Restoration obligation for the block as on December 31, 2015.
6. The Company operates in only one segment i.e. "Oil and Gas".
7. Figures for previous quarter's/nine months and year have been regrouped/reclassified wherever necessary to confirm to the current quarter's presentation.

BY ORDER OF THE BOARD

For Hindustan Oil Exploration Company Limited




Director & CFO



Managing Director

Place: Chennai

Date: January 18, 2016



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INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF HINDUSTAN OIL AND EXPLORATION COMPANY LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **HINDUSTAN OIL AND EXPLORATION COMPANY LIMITED** ("the Company") for the Quarter and Nine Months ended 31 December 2015 ("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 in accordance with the recognition and measurement principles laid down in Accounting Standards for Interim Financial Reporting (AS 25), as applicable, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Company's proportionate share in the Unincorporated Joint ventures where the Company is having participating interest has been considered in the standalone unaudited financial results and has been incorporated by the Company on the basis of the information obtained from the operator of the respective Unincorporated Joint ventures or the information available with the Company.
4. *Basis for Qualified Conclusion*

The financial results do not include share of expenses in respect of a UJV, CY-OS/90-1(PY 3) not operated by the Company, for the reasons stated in Note 5 of the attached financial results. Consequently, we are unable to comment on the adjustments that may be required to be made in these financial results.



**Deloitte
Haskins & Sells LLP**

5. Based on our review conducted as stated above, except for the effects/possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Attention is invited to Note 3 regarding the current financial position and the basis of preparation of the accounts on a going concern. Our report is not modified in respect of this matter.

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

Bhavani Balasub

BHAVANI BALASUBRAMANIAN
Partner
(Membership No.22156)

CHENNAI, January 18, 2016

