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

16.05.2017 **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

Dear Sirs,

Sub: Financial results for the financial year ended March 31, 2017

The audited standalone and consolidated financial results as per Indian Accounting Standards (IND-AS) for the financial year ended March 31, 2017 along with the Auditor's Report issued thereon, which were approved and taken on record at the meeting of the Board of Directors of the Company held on Tuesday, April 18, 2017, were submitted to the stock exchanges thereafter.

The financial results have been revised reflecting the following changes in the format –

a. The 'Other Income' is now shown below 'Revenue from operations', which was earlier shown below 'Profit/ (Loss) from operations before other income, exceptional items and tax'. Consequently, the row 'Profit/ (Loss) from operations before other income, exceptional items and tax' has been deleted.

The figures as reported earlier remain unchanged.

Accordingly, we are enclosing herewith the revised financial results for the financial year ended March 31, 2017. We request you to kindly take the same on records and disseminate to public.

The above information is also available on the website of the Company – www.hoec.com.

Thanking You,
Yours Sincerely,
For Hindustan Oil Exploration Company Limited

G Josephin Daisy
Company Secretary

Encl.: a/a

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Statement of standalone and consolidated audited financial results for the quarter and year ended March 31, 2017
(Prepared in compliance with Indian Accounting Standards (Ind AS)

(₹ in Lacs)

S. No.	Particulars	Standalone For the Quarter ended			Standalone For the Year ended		Consolidated For the Year ended	
		March 31 2017 (Audited)	December 31 2016 (Unaudited)	March 31 2016 (Audited)	March 31 2017 (Audited)	March 31 2016 (Audited)	March 31 2017 (Audited)	March 31 2016 (Audited)
1	Revenue from operations	797.24	549.44	580.01	2,502.29	2,834.43	2,556.66	5,164.62
2	Other income	333.08	417.73	258.79	1,708.69	883.99	1,932.86	905.07
3	**Total income (1+2)**	**1130.32**	**967.17**	**838.80**	**4210.98**	**3718.42**	**4489.52**	**6069.69**
4	**Expenses**							
	a) Share of expenses from producing oil and gas blocks	323.17	291.95	313.78	1,133.02	1,250.35	1,133.02	1,250.35
	b) Purchase of traded goods	-	-	-	-	-	-	839.01
	c) Excise duty	-	-	-	-	-	7.46	292.86
	d) Repacking costs	-	-	-	-	-	2.68	281.27
	e) Decrease /(Increase) in inventories of traded goods	-	-	-	-	-	28.52	100.21
	f) (Increase) / Decrease in stock of crude oil	108.51	6.83	82.66	(30.78)	215.37	(30.78)	215.37
	g) Employee benefit expense	30.03	30.06	56.73	122.29	245.06	142.83	457.97
	h) Depreciation, depletion and amortization	211.43	182.39	301.15	948.97	1,207.78	960.34	1,216.95
	i) Finance costs	-	-	466.58	-	466.58	0.03	470.59
	j) Exploration costs written off	-	-	2.90	-	22.84	-	22.84
	k) Other expenses	117.15	37.78	42.91	802.50	481.95	901.45	871.97
	l) Write off of obsolete inventories	-	-	-	103.69	-	237.22	-
	Total expenses	**790.29**	**549.01**	**1,266.71**	**3,079.69**	**3,889.93**	**3,382.77**	**6,019.39**
5	**Profit / (Loss) from ordinary activities before exceptional items and tax (3-4)**	**340.03**	**418.16**	**(427.91)**	**1,131.29**	**(171.51)**	**1,106.75**	**50.30**
6	Exceptional items	642.38	-	241.82	2,894.64	514.82	2,894.64	514.82
7	**Profit from ordinary activities before tax (5-6)**	**982.41**	**418.16**	**(186.09)**	**4,025.93**	**343.31**	**4,001.39**	**565.12**
8	**Tax expenses**							
	a) Current tax	-	-	-	-	-	-	65.20
	b) Adjustment of tax relating to earlier periods	-	-	(3.45)	387.58	(6.18)	381.51	(5.36)
	c) Deferred tax	-	-	-	-	-	13.40	3.37
	Total tax expenses	-	-	**(3.45)**	**387.58**	**(6.18)**	**394.91**	**63.21**
9	**Net Profit / (Loss) for the period (7-8)**	**982.41**	**418.16**	**(182.64)**	**3,638.35**	**349.49**	**3,606.48**	**501.91**
10	**Other Comprehensive income**	**(3.89)**	**(0.12)**	**(0.12)**	**(4.23)**	**(0.45)**	**(4.23)**	**(1.64)**
11	**Total Comprehensive Income (9+10)**	**978.52**	**418.04**	**(182.76)**	**3,634.12**	**349.04**	**3,602.25**	**500.27**
12	Paid up equity share capital (Face 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	Total Reserves				20,084.74	16,450.62	21,083.59	17,481.34
14	Basic and diluted EPS ₹ - not annualized (Face value of shares ₹ 10/- each)	**₹ 0.75**	**₹ 0.32**	**₹ (0.14)**	**₹ 2.78**	**₹0.27**	**₹ 2.76**	**₹ 0.38**

DELOITTE HASKINS & SELLS LLP CHENNAI-17 CHARTERED ACCOUNTANTS

Hindustan Oil Exploration Company Ltd Chennai

Audited standalone and consolidated statement of Assets and Liabilities as at March 31,2017

(₹ in Lacs)

	Particulars	Standalone		Consolidated	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	ASSETS				
1	**Non-current assets**				
	Property, plant & equipment				
	a) Oil and gas assets	22,198.42	5,987.31	22,198.42	5,987.31
	b) Others	771.08	786.94	785.37	811.39
	Capital Work-in-Progress	612.66	13,011.46	612.66	13,011.46
	Intangible assets	197.65	1.60	198.50	3.65
	Financial assets				
	Investment in subsidiary	50.00	50.00	-	-
	Site restoration deposit	5,143.70	4,803.58	5,143.70	4,803.58
	Other financial assets	-	117.79	-	157.69
	Income tax assets (Net)	-	-	10.96	23.72
	Deferred tax assets (Net)	-	-	-	13.40
	Total non- current assets	**28,973.51**	**24,758.68**	**28,949.61**	**24,812.20**
2	**Current assets**				
	Inventories	2,469.69	2,243.41	2,469.69	2,434.20
	Financial assets				
	Investments	15,103.84	6,620.86	16,021.29	7,445.82
	Trade receivables	473.78	216.83	515.57	402.59
	Cash and cash equivalents	2,842.72	4,814.92	2,849.95	4,843.85
	Other bank balances	586.69	501.79	586.69	501.79
	Other financial assets	84.43	-	84.63	0.26
	Income tax assets (Net)	927.69	8,568.64	927.69	8,568.64
	Other current assets	47.28	91.46	70.52	137.02
	Total current assets	**22,536.12**	**23,057.91**	**23,526.03**	**24,334.17**
	TOTAL ASSETS	**51,509.63**	**47,816.59**	**52,475.64**	**49,146.37**
	EQUITY & LIABILITIES				
	Equity				
	Equity share capital	13,050.93	13,050.93	13,050.93	13,050.93
	Other equity	20,084.74	16,450.62	21,083.59	17,481.34
	Total equity	**33,135.67**	**29,501.55**	**34,134.52**	**30,532.27**
	Liabilities				
1	**Non-current liabilities**				
	Financial liabilities				
	Trade payables	2,211.07	2,630.11	2,211.07	2,630.11
	Provisions for site restoration	9,365.00	9,609.42	9,365.00	9,609.42
	Other Non-current liabilities	19.84	14.85	19.84	29.32
	Total non-current liabilities	**11,595.91**	**12,254.38**	**11,595.91**	**12,268.85**
2	**Current Liabilities**				
	Financial liabilities				
	Trade payables	1,782.60	656.79	1,822.05	921.68
	Other financial liabilities	4,925.11	5,365.05	4,852.34	5,338.81
	Other current liabilities	70.34	38.82	70.82	84.76
	Total current liabilities	**6,778.05**	**6,060.66**	**6,745.21**	**6,345.25**
	Total Liabilities	**18,373.96**	**18,315.04**	**18,341.12**	**18,614.10**
	TOTAL EQUITY & LIABILITIES	**51,509.63**	**47,816.59**	**52,475.64**	**49,146.37**

The disclosure is an extract of the audited standalone and consolidated balance sheet as at March 31, 2017 and March 31, 2016 in accordance with Indian Accounting Standards (Ind As)

DELOITTE HASKINS & SELLS LLP CHENNAI-17 CHARTERED ACCOUNTANTS

Hindustan Oil Exploration Company Ltd Chennai

Notes:-

1. The above results and notes thereto were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on April 18, 2017. The statutory auditors have audited the financial results for the year ended March 31, 2017. The information presented above is extracted from the audited standalone and consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind As) as prescribed under section 133 of the Companies Act 2013 and notified under the Companies (Indian Accounting Standard) Rules 2015 (as amended) and the Guidance note on Oil & Gas producing activities (Ind As) issued by the ICAI.

2. The Company has adopted Indian Accounting Standards ("Ind AS") on April 1, 2016 with effect from April 1, 2015 as transition date. The transition was carried out from the Generally Accepted Accounting Principles in India as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014 (IGAPP) which was the previous GAAP.

3. 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 and production costs as the case may be.

4. Hardy Exploration & Production (India) Inc., CY-OS-90/1 (PY-3) operator has issued an arbitration notice to all non-operators, ONGC Ltd, Tata Petrodyne Ltd and the company for a total claim of ₹5,193 lacs (US$ 8.02 million) and the claim against the company is ₹1,329 lacs (US$ 2.05 million). The non-operating parties have not accepted the claim of the Operator and are in the process of adjudicating the dispute through arbitration as the expenditure after the shutting down of the field on July 31, 2011 is not an authorized expenditure by the Management Committee. The Company made a claim of ₹8,638 lacs (US $ 13.32 million) towards various excess charges and sought refund from the Operator during the year. The claim not acknowledged as debt by the company also includes the claim of ₹1,440 lacs relating to dispute between Aban Offshore Limited and the Operator "Hardy" wherein the claim was not acknowledged by the Operator.

5. 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 ₹1,028 lacs (US$ 1.55 million) excluding interest.

6. With regard to the above claim, the company has, during the previous 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 ₹1,159 lacs (US$ 1.75 million) to MOP&NG. A claim has been lodged by the Company to MOP&NG, which is pending settlement.

7. For block RJ - ONN - 2005/2, operated by the Oil India Limited (the Operator), the parties have surrendered the block. The Company has made a provision of ₹ 799 lacs for the liquated damages payable to Government of India.

8. 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 exited this block, on July 9, 2015 and therefore no liability will devolve with respect to this block.

9. With respect to block CB-OS/1 operated by Oil & Natural Gas Commission (ONGC), there was no operations during the year and therefore, no expenditure has been considered in the financial statements.

10. During the year, the company has received a demand from the service tax authorities for ₹ 77.09 lacs (March 31, 2016 ₹14.75 Lacs) with an equivalent amount of penalty for the period from October 2007 to March 2011 on availing Cenvat credit. An appeal has been filed with Commissioner (Appeal) as the demand is not sustainable under the law after paying an amount of ₹5.78 lacs to the tax authorities. Previous year demand of ₹ 14.75 lacs pertains to one of the unincorporated joint ventures.

11. Hindage Oilfield services Limited ("HOSL") (formerly known as HOEC Bardahl India Limited), a wholly owned subsidiary of the company was incorporated on November 24, 1988 in the state of Gujarat. HBIL was engaged in the business of marketing "Bardahl" brand of products through a distributor agreement with Bardahl Manufacturing Company ("BMC"), USA. This agreement was extended time and again and was valid till February 29, 2016. BMC has not renewed the agreement with HOSL and entered in to an agreement with one of the distributors LV Rustore Applications Pvt ltd ("LVR"). Consequent to the discontinuation of distribution of marketing BMC products effective February 29, 2016, the legal process has been initiated against LVR to protect the interest of the company. The arbitration application filed by LVR under section 11 of the Arbitration Act was dismissed by the Court on October 14, 2016. The company has appointed a sole arbitrator to adjudicate the disputes.

DELOITTE HASKINS & SELLS LLP CHENNAI-17 CHARTERED ACCOUNTANTS

Hindustan Oil Exploration Company Ltd Chennai

12. During the year, the company has been awarded two discovered small fields MB/OSDSF/B80/2016 and AA/ONDSF/KHEREM/2016 under the bidding round for discovered small fields by the Government of India. The Revenue Sharing Agreements have been executed with the Government of India on March 27, 2017 and the Company is the operator to these blocks. The participating interest details are as follows.

Field	Participants	Participating interest
MB/OSDSF/B80/2016	Hindustan Oil Exploration Company Limited Adhboot Estates Private Limited	50% 50%
AA/ONDSF/KHEREM/2016	Hindustan Oil Exploration Company Limited Oil India Limited Price Petroleum Company Limited	40% 40% 20%

13. Reconciliation between previously reported (referred to as 'Previous GAAP') and Ind AS for the year ended on March 31, 2016 are as under:

(a) Equity Reconciliation

(₹ in lacs)

Nature of adjustments	As at March 31, 2016	
	Standalone	Consolidated
Equity under previous GAAP attributable	**14,798.16**	**15,814.52**
Depreciation, depletion and amortization	(69.13)	(69.13)
Fair valuation of investments	217.27	241.41
Fair value of trade receivable	-	(9.78)
Effect of discounting of site restoration liability	1,504.32	1,504.32
Effect under Ind AS	**16,450.62**	**17,481.34**

(b) Reconciliation of comprehensive Income

(₹ in lacs)

Nature of adjustments	Standalone		Consolidated
	Quarter ended March 31,2016	For the year ended March 31, 2016	For the year ended March 31, 2016
Net Profit under Previous GAAP	**138.06**	**656.06**	**792.93**
Actuarial loss on employee defined benefit funds recognized in other comprehensive income	0.12	0.45	1.64
Unwinding of discount on decommissioning liability	(466.58)	(466.58)	(466.58)
Investments at faire value adjusted in profit and loss	142.20	145.30	169.44
Effect of change in depletion recognized as change in estimate	3.56	14.26	14.26
Expected credit loss for trade receivable	-	-	(9.78)
Net profit for the period under Ind AS	**(182.64)**	**349.49**	**501.91**
Other Comprehensive Income	(0.12)	(0.45)	(1.64)
Total Comprehensive Income under Ind AS	**(182.76)**	**349.04**	**500.27**

14. The Company operates in one segment i.e "Oil and Gas".

15. Figures for previous years have been regrouped/reclassified wherever necessary to confirm to the current year's presentation.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

DELOITTE HASKINS & SELLS LLP CHENNAI-17 CHARTERED ACCOUNTANTS

Director & CFO

Managing Director

Hindustan Oil Exploration Company Ltd Chennai

Place : Chennai
Date : April 18, 2017