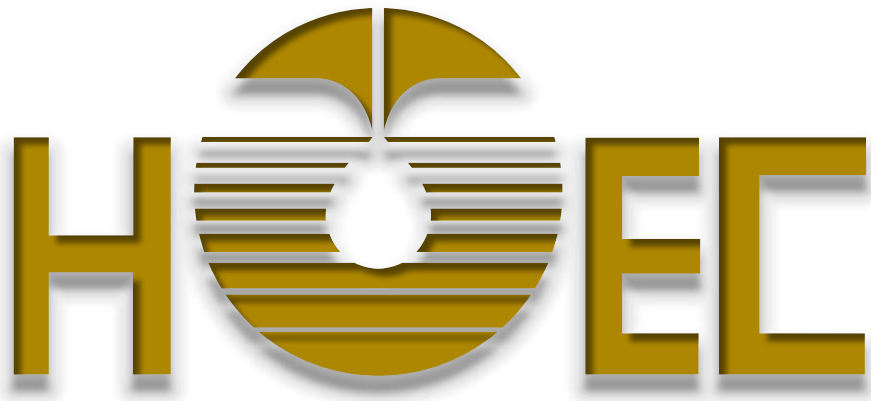


30th Annual Report 2013-2014



Hindustan Oil Exploration Company Limited

30th Annual General Meeting

Date : September 26, 2014

Day : Friday

Time : 10:30 A.M.

Place : “Tropicana Hall”

The Gateway Hotel Vadodara

Akota Gardens, Akota

Vadodara-390 020, Gujarat (India)

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Disclaimer Note:

Certain sections of this Annual Report, in particular the Management Discussion and Analysis, and Operational Highlights may contain forward-looking statements concerning the financial condition and results of operations of HOEC. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. No assurances can be given as to future results, levels of activity and achievements and actual results, levels of activity and achievements may differ materially from those expressed or implied by any forward-looking statements contained in this report. HOEC does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information.

Company Information

Registered Office	'HOEC House', Tandalja Road Vadodara – 390 020, Gujarat (India) E-mail: contact@hoec.com Website: www.hoec.com
Chennai Office	'Lakshmi Chambers' 192, St. Mary's Road, Alwarpet Chennai – 600 018, Tamil Nadu (India)
Secretarial Department	Mr. Minesh Bhatt Assistant Company Secretary & Compliance Officer Hindustan Oil Exploration Company Limited 'Lakshmi Chambers', 192, St. Mary's Road Alwarpet, Chennai – 600 018 Tamil Nadu (India) Tel: +91-(044) 66229000, Extn.: 103 Fax: +91-(044) 66229011/12 E-mail: hoecshare@hoec.com

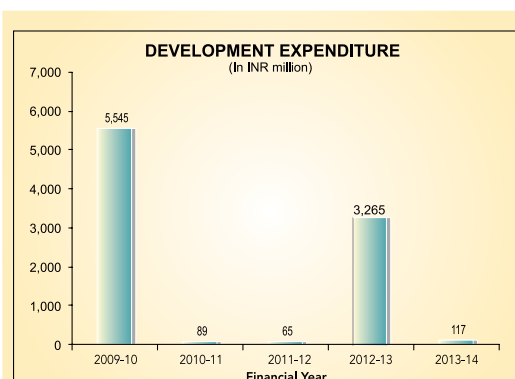
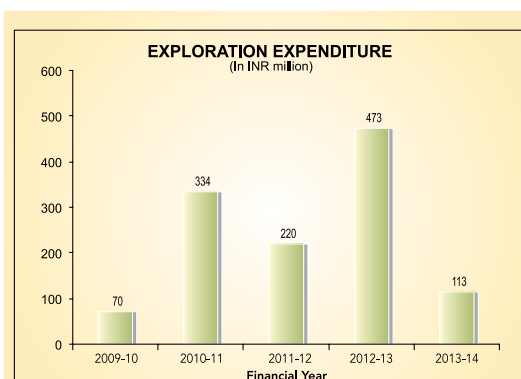
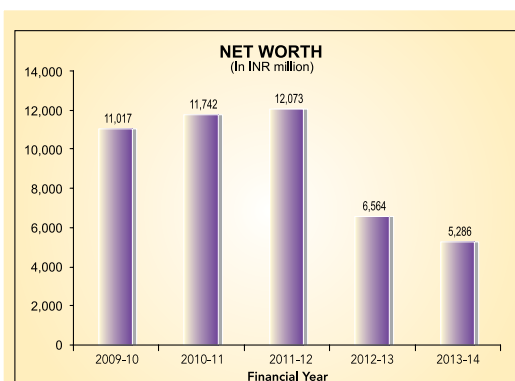
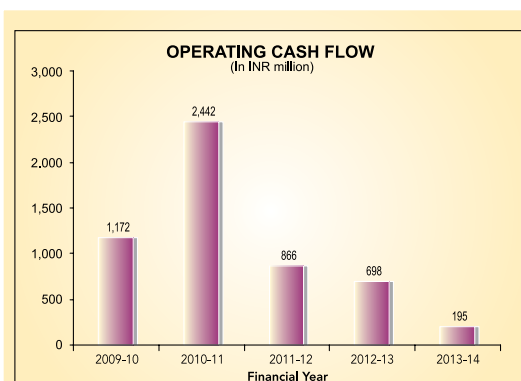
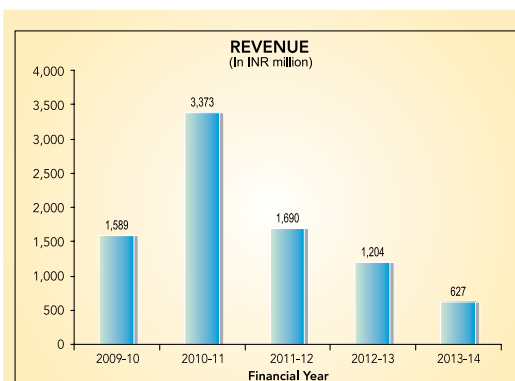
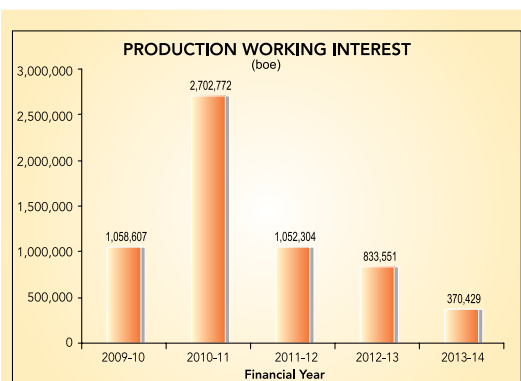
ISIN	INE345AO1011
CIN	L11100GJ1996PLC029880

Auditors	S.R. Batliboi & Associates LLP Chartered Accountants
Audit Partner	Mr. Subramanian Suresh
Internal Auditors	Protiviti India
Cost Auditor	Mr. K. Suryanarayanan
Bankers	+ Axis Bank + HDFC Bank + IDBI Bank + State Bank of India
Lenders	+ Eni Lasmo Plc. + Axis Bank + IDBI Bank
Advocates & Solicitors	+ Wadia Ghandy and Co. + Amarchand & Mangaldas & Suresh A. Shroff & Co.
Registrars & Share Transfer Agent	Link Intime India Pvt. Limited (Unit: Hindustan Oil Exploration Company Limited) B-102 & 103, Shangrila Complex, First Floor Opp. HDFC Bank, Near Radhakrishna Char Rasta Akota, Vadodara – 390 020, Gujarat (India) E-Mail: vadodara@linkintime.co.in
Credit Rating Agency	ICRA Limited (An Associate of Moody's Investors Service)

Highlights of FY 2013-2014

FINANCIAL HIGHLIGHTS*

- ✦ Average Production** 1,015 boepd [FY 2012-2013: 2,284 boepd]
- ✦ Revenue of INR 627 million [FY 2012-2013: INR 1,204 million]
- ✦ Loss After Tax of INR 1,248 million [FY 2012-2013: Loss of INR 5,508 million]
- ✦ Operating Cash Flow*** of INR 195 million [FY 2012-2013: INR 698 million]



* Figures have been regrouped and reclassified wherever necessary.

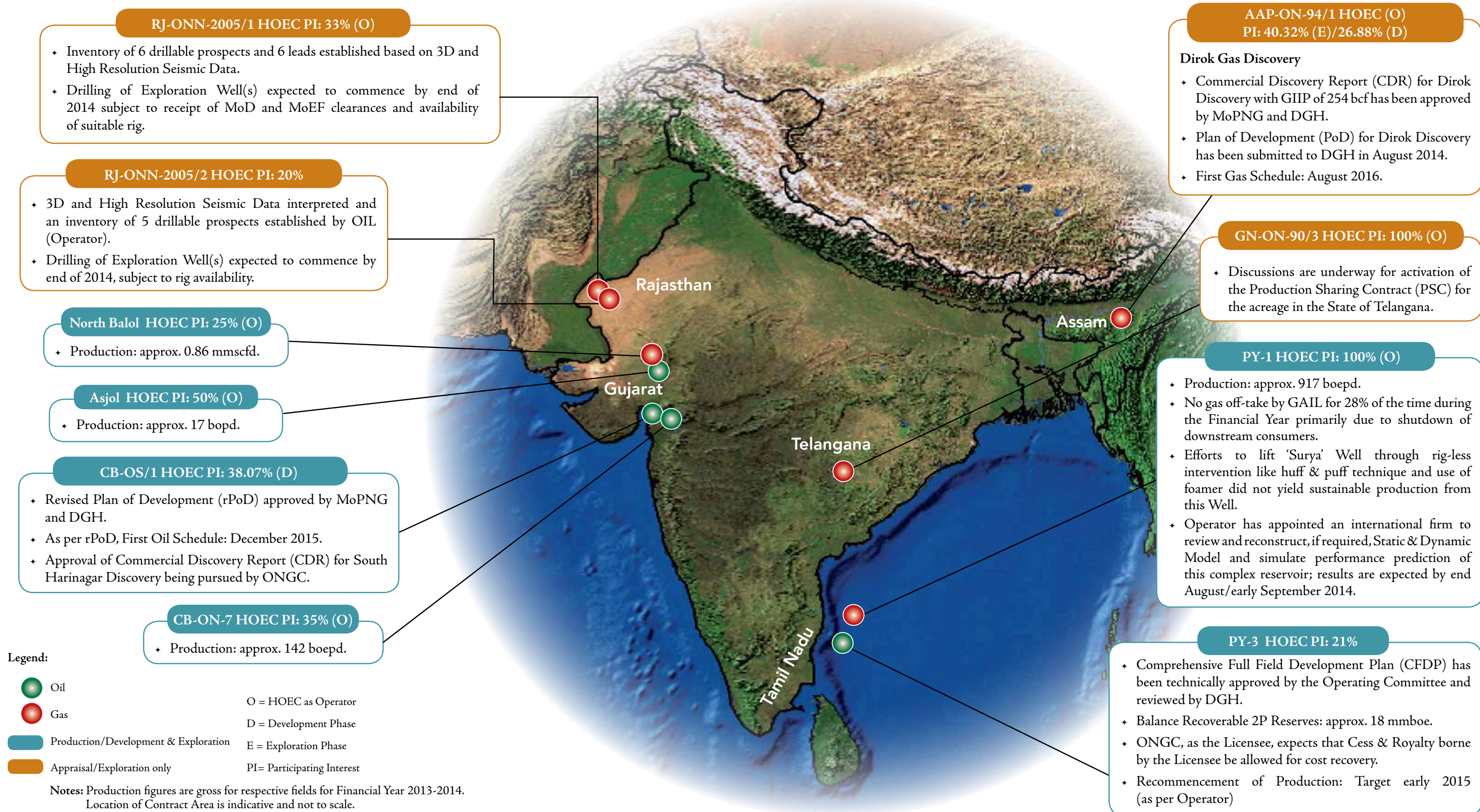
** Average Production is on working interest basis.

*** Operating Cash Flow is before Working Capital Changes and Taxes.

All figures have been rounded off.

Operational Highlights At A Glance

HOEC's oil and gas assets consist of operated & non-operated acreages in Cauvery, Cambay, Assam-Arakan, Rajasthan and Pranhita – Godavari Basins in India



Board of Directors

Mr. R. Vasudevan

Non-Executive Independent Director/Chairman



Mr. R. Vasudevan, 77 years, holds B.A. (Hons.) (Economics) degree from the University of Madras, M.A. (Economic Statistics) degree from the University of Delhi and M.P.A. (Development Economics) from Harvard University, Boston, U.S.A.

He has held various senior level positions in the ministries of the Government of India including the Prime Minister's Office, Ministry of Steel and Ministry of Petroleum and Natural Gas. He retired as Secretary to the Government of India, Ministry of Power. He was a founder director of Small Industries Development Bank of India.

Mr. Sunil Behari Mathur

Non-Executive Independent Director



Mr. Sunil Behari Mathur, 70 years, is a Chartered Accountant. He has more than 47 years of experience in the fields of insurance and housing finance. He was the Chairman of Life Insurance Corporation of India. He has been sponsored by United States Agency for International Development ("USAID") for a training program on housing finance at the Wharton Business School of the University of Pennsylvania.

He also holds membership, advisory/administrative roles on various Government bodies, authorities and corporations.

Mr. Dhruv S. Kaji

Non-Executive Independent Director



Mr. Dhruv S. Kaji, 63 years, is a Chartered Accountant. He has diversified business experience in the field of textiles, apparel, cement, engineering and cosmetics in India as well as overseas. He has served on the Board of Companies like Raymond Apparel, Balaji Telefilms Limited and Colorplus Fashions. Currently, he is on the Board of Diamines & Chemicals Limited, Orion Trade FZCO and Superadd Trade & Services Pvt. Limited.

He has authored several books on Vedanta philosophy. Additionally, he is an avid scuba diver and pilot.

Mr. V. Srinivasa Rangan

Non-Executive Non-Independent Director



Mr. V. Srinivasa Rangan, 54 years, holds a Bachelor's degree in Commerce and is an associate member of the Institute of Chartered Accountants of India (ICAI) and Institute of Cost and Works Accountants of India (ICWAI). Mr. Rangan is an Executive Director of Housing Development Finance Corporation Limited (HDFC) besides being on the Board of other companies.

Mr. Rangan was conferred the "Best CFO in the Financial Sector for 2010" by ICAI for exceptional performance and achievements.

Mr. Paolo Ceddia

Non-Executive Director



Mr. Paolo Ceddia, 53 years, graduated in Business Administration from Bocconi University in Milan, has 28 years of planning and control experience in telecommunication and oil & gas companies. He joined Eni in 1994, where he held several assignments in planning and control area in exploration & production division at eni spa. He dealt with important projects in scope of management reporting, adoption of IFRS and US GAAP. He is responsible for Eni's Business program and support of Central Asia, Far East and Pacific Area.

Mr. Guido Papetti

Non-Executive Director



Mr. Guido Papetti, 53 years, doctorate in Geological Sciences from University of Milan, has around 26 years of technical and operational experience in exploration & production industry. He has held various positions while working with Eni in Europe, UK, Kazakhstan, Africa and Middle East countries. Currently he is the Managing Director of Eni India Limited.

Mr. Manish Maheshwari

Managing Director



Mr. Manish Maheshwari, 46 years, holds Bachelor (Hons.) degree in Chemical Engineering and Masters in Business Administration from Strathclyde University, U.K. and received Danida Fellowship.

He has business experience of more than 26 years. Prior to his appointment as the Managing Director of the Company, he held the office of the Chief Financial Officer of the Company.

Mr. Manish Maheshwari is also the Chairman (Non-Executive) of HOEC Bardahl India Limited, the wholly owned subsidiary of the Company.

Directors' Report

To the Members of HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Your Directors have the pleasure in placing before you the 30th Annual Report including the Audited Financial Statements for the year ended March 31, 2014.

1. FINANCIAL HIGHLIGHTS

INR Million

Particulars	HOEC Standalone		Consolidated	
	2013-2014	2012-2013	2013-2014	2012-2013
Turnover	569	1,088	756	1,287
Other Income	58	116	56	81
Revenue	627	1,204	812	1,368
Earnings / (Loss) before Depreciation / Depletion / Amortization / Taxation / Exploration and Exceptional items	100	655	116	645
Less: Depreciation / Depletion / Amortization / Exploration	1,477	874	1,477	875
Exceptional Items – Impairment and Additional Depletion	—	5,720	—	5,720
Profit / (Loss) Before Tax	(1,377)	(5,939)	(1,361)	(5,950)
Less: Provision for Tax	(129)	(431)	(124)	(424)
Profit / (Loss) After Tax	(1,248)	(5,508)	(1,237)	(5,526)
Profit / (Loss) brought forward	(2,577)	2,931	(2,518)	3,015
Profit / (Loss) available for Appropriation	(3,825)	(2,577)	(3,755)	(2,511)
Balance carried to the Balance Sheet	(3,825)	(2,577)	(3,755)	(2,517)

Figures have been rounded off.

During the year, your Company produced 0.37 mmboe of crude oil and gas (previous year 0.83 mmboe), the decrease being predominantly in PY-1 Field due to accelerated decline in reservoir pressure and high water cut in existing wells.

The lower production has resulted in a Turnover of INR 569 million for the year, a decrease of 48% over the previous year. The Revenue for the year was INR 627 million, a decrease of 48% over the previous year, for the aforesaid reasons.

On a standalone basis, the Loss-Before-Tax was INR 1,377 million. This is mainly due to:

- depreciation charge of INR 1,031 million predominantly related to PY-1 Field; and
- the exploration cost of INR 446 million written off during the year in accordance with Guidance Note (Accounting for Oil and Gas Producing Activities, issued by Institute of Chartered Accountants of India).

Provision for tax during the year reflects the write-back of provision for income tax of earlier years on account of favourable order from Hon'ble ITAT relating to deduction under Section 80IB(9) of the Income Tax Act, 1961 and netting off reversal of MAT credit as a prudential accounting measure.

During the year under review, your Company had a Loss-After-Tax of INR 1,248 million compared to Loss-After-Tax of INR 5,508 million during the previous year.

2. DIVIDEND

In view of the Loss-After-Tax during the year, the Directors have not recommended any dividend for the Financial Year 2013-2014.

3. CAPITAL EXPENDITURE

During the year under review, the Company has incurred capital expenditure aggregating to INR 230 million towards exploration and development programme in existing portfolio.

4. OPERATIONAL HIGHLIGHTS

Operations review has been provided in the Management Discussion and Analysis Report, which forms part of this Annual Report.

5. MEASURES BEING TAKEN TO IMPROVE THE OPERATIONAL AND FINANCIAL PERFORMANCE

The Company has initiated following measures to achieve improvement in operational and financial performance:

i. Focus on Cost Optimisation in existing Producing Field:

Your Company has implemented various cost optimisation initiatives in PY-1 Field, salient amongst them include de-hiring of chopper services, de-hiring of warehouse and explosive storage yard, undertaking in-house maintenance of critical equipment, tele linking platform to control centre through a low cost yet proven and reliable solution, phasing out expatriates at PY-1 site and improvised rotational work pattern for effective manpower utilization.

ii. Focus on Development of Discoveries in existing portfolio:

Your Company is singularly focused on transforming the reserves in the three existing discoveries, namely Gulf A (Cambay), Dirok (Assam) and PY-3 (Cauvery), to production in the near to mid-term.

6. OUTLOOK

The Company has capital requirements to implement its business plans and commitments under the Production Sharing Contracts (PSC) in the foreseeable future, which cannot be met through internal accruals alone. As a strategic exercise initiated pursuant to appointment of a Financial Advisor, discussions are underway between the Promoter and prospective investors. Notwithstanding

uncertainties which may be attached to the outcome of any such process, the Board recognizes that the Company has a successful track record of raising capital in the past and that the Company shall raise financial resources as and when needed to meet its commitments under the Production Sharing Contracts and to transform the reserves from the existing discoveries to production. Based on the foregoing, the Financial Statements have been prepared on the basis that the Company is a going concern.

7. ECB AGREEMENTS NOVATED IN FAVOR OF ENI LASMO PLC

Due to internal structuring within the Eni Group, Eni Finance International (EFI), upon receipt of regulatory approvals from the Indian authorities, has novated the existing agreements relating to external commercial borrowings (ECBs) in favour of Eni Lasmo Plc, a wholly-owned subsidiary of Eni S.p.A, and which indirectly owns 47.18% stake in HOEC.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report are appended to and forms part of this Annual Report.

9. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the report on Corporate Governance, along with a Certificate thereon, from a Company Secretary in Practice, is appended to and forms part of this Annual Report.

10. COMPANY SECRETARY

Upon resignation of the erstwhile Company Secretary and Legal Counsel, the Company is in the process of appointing a Company Secretary and Legal Counsel, and till such time a suitable replacement is found, Mr. Minesh Bhatt, Assistant Company Secretary, has been authorised to discharge the functions of the Company Secretary and Compliance Officer.

11. COST ACCOUNTING RECORDS

The Company has maintained cost records as required by Cost Accounting Records (Petroleum Industry) Rules, 2002 notified on October 8, 2002.

The Ministry of Corporate Affairs vide its Order dated May 02, 2011 has notified that a company engaged in petroleum operations shall get its cost accounting records in respect of each financial year commencing on or after April 01, 2011, audited by a cost auditor who shall be, either a cost accountant or a firm of cost accountants, holding valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959. In compliance with the aforesaid requirement, the Cost Accounting Records of the Company for Financial Year 2013-2014 were audited by Mr. K. Suryanarayanan, a qualified Cost Accountant-in-Practice.

12. HOEC BARDAHL INDIA LIMITED (HBIL), SUBSIDIARY OF HOEC

The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated February 8, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the company. Accordingly, annual accounts of HBIL and the related detailed information will be made available to the shareholders of the Company seeking such information at any time during the office hours.

The Consolidated Financial Statements presented by the Company include financial information of HBIL prepared in compliance with the applicable accounting standards.

Details of the financial information required under the Circular are covered in Note No. 26 of the Consolidated Financial Statements.

The annual accounts of HBIL are available for inspection by any shareholder at the Company's Registered Office and at the Registered Office of HBIL, at Vadodara.

13. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Accounting Standard (AS) 21 and the Listing Agreement entered into with the Stock Exchanges, Consolidated Financial Statements for the Financial Year 2013-2014 are appended to and form part of this Annual Report.

14. CREDIT RATING

ICRA has accorded a long term rating of [ICRA] BBB+ for the line of credit to the Company and the outlook on the long term rating is "Stable".

15. AUDITORS' REPORT AND DIRECTORS' EXPLANATION

In response to the specific observation in the Auditors' Report, the Directors' explanation is as hereunder:

Auditors have made an observation under heading "Basis for qualified opinion" in their report about inability to obtain sufficient audit evidence in relation to the assessment of impairment loss, if any, in the carrying value of the producing property.

In this regard, the Directors have to state that :

While the EBITDA of INR 236 million for FY 2013-2014 has been positive, the Company has reported negative EBIT of INR 1,240 million and LBT of INR 1,377 million for the same period, primarily due to high depletion, depreciation and amortization (DDA) charge in an offshore producing property, PY-1, located in the Cauvery Basin. The Company, as Operator, has commissioned a comprehensive geological and reservoir study by an independent 3rd party for PY-1 Field, the results and recommendations of which are still awaited. Pending the results of the Study, the Company has relied on the last independent

reserve report of January 2013 and the capital allocation assumption considered towards drilling additional producer wells at the time of the Impairment Test for the year ended March 2013. Should the findings of the Study and the capital allocation assumptions undergo revision, there may be uncertainty in the recoverability of the carrying value of PY-1 Asset, which as of March 31, 2014 is approximately INR 11,657 million.

16. ACCOUNTING OF SURVEY COST AS PER GUIDANCE NOTE

In compliance with SEBI directions relating to treatment of survey cost under the Guidance Note (Accounting for Oil and Gas Producing Activities, issued by Institute of Chartered Accountants of India), the Company has expensed off survey costs amounting to INR 446 million (INR 341 million pertaining to previous years) in the Statement of Profit and Loss.

17. UNINCORPORATED JOINT VENTURES

The financial statements of the Company reflect its share of assets, liabilities, income and expenditure of the Joint Venture operations which are accounted on the basis of available information on a line-by-line basis with similar items in the Company's Accounts to the extent of the participating interest of the Company as per various "Production Sharing Contracts". The financial statements of the Unincorporated Joint Ventures are prepared by the respective Operators in accordance with the requirements prescribed by the respective Production Sharing Contracts of the Unincorporated Joint Ventures.

18. FIXED DEPOSIT

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as at the balance sheet date.

19. DIRECTORS

Mr. Sergio Laura, Managing Director, Mr. Mukesh Butani, Independent Director, Mr. Luigi Ciarrocchi, Non-executive Director and Mr. Paolo Carmosino, Non-executive Director resigned from the Board of Directors of the Company. The Board places on record its appreciation for valuable services rendered by Mr. Sergio Laura, Mr. Mukesh Butani, Mr. Luigi Ciarrocchi and Mr. Paolo Carmosino to the Company.

In terms of the Articles of Association of the Company and provisions of the Companies Act, 2013, Mr. V.S. Rangan, Mr. Manish Maheshwari, Mr. Guido Papetti and Mr. Paolo Ceddia, Directors will retire by rotation and being eligible, have offered themselves for re-appointment as Directors.

Further, Mr. Manish Maheshwari has given his consent to be re-appointed as Managing Director. Upon recommendation by the Nomination & Remuneration Committee, the Board of Directors has, at its meeting held on July 26, 2014, recommended the appointment of Mr. Manish Maheshwari as Managing Director

of the Company for a period of 5 years from the conclusion of the ensuing Annual General Meeting.

Pursuant to the provisions of the Companies Act 2013, Mr. R. Vasudevan and Mr. Sunil Behari Mathur, Independent Directors retire at the ensuing Annual General Meeting. The Company has received requisite notices in writing from a member proposing appointment of Mr. R. Vasudevan and Mr. Sunil Behari Mathur as Independent Directors.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Dhruv S. Kaji was appointed as an Additional Director designated as an Independent Director w.e.f. February 14, 2014 and he shall hold office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member proposing the appointment of Mr. Dhruv S. Kaji as an Independent Director for a period of 5 consecutive years until the conclusion of the 35th Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board of Directors recommends aforesaid re-appointments / appointments at the ensuing Annual General Meeting.

The information on the particulars of Directors seeking re-appointment / appointment as required under Clause 49 of the Listing Agreement executed with the BSE Limited and National Stock Exchange of India Limited have been given in the Notice convening the 30th Annual General Meeting of the Company.

20. EMPLOYEES STOCK OPTION SCHEME

No stock options were granted during the Financial Year 2012-2013 and 2013-2014. Stock options aggregating to 17,680 and outstanding as at March 31, 2013 have been exercised during the year.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

A. Conservation of Energy:

(a) energy conservation measures taken:

During the year, Company continued to focus on minimizing the energy consumption and the measures taken are summarised below:

1. Due consideration has been given to energy consumption while procuring equipments with preference for BEE Star rated equipments, wherever feasible.

2. As a responsible Corporate Citizen and in adherence to climate change policy, Company is continuously taking effective steps to conserve energy and to reduce methane and other Green Houses Gases (GHG) emissions, wherever feasible.
3. Minimized environmental impact from its activity: Company continues with its initiatives on energy and resource conservation at its various Production Facilities and promoting use of renewable energy like solar panels at onshore/offshore locations.
4. The Company regularly monitored air emission sources and ambient air quality and ensured that emission levels at all times remain lower than the statutory limits.
5. Except the emergency lights, all lights and electrical gadgets are turned off after working hours and on holidays at office premises of the Company to help in minimising the energy consumption.

(b) additional investments and proposals, if any, being implemented for reduction of consumption of energy: NIL

(c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Reduction in emission of Green House Gases (GHGs) as a result of minimal use of air conditioning system and reduced consumption of power and fuel.

(d) total energy consumption and energy consumption per unit of production as per Form A of the annexure to the Rules in respect of industries specified in the schedule thereto:

The Company is neither part of the industries nor engaged in any activity specified in the Schedule to the Rules.

A miniscule fraction of gas production is being utilized for internal consumption at PY-1 and CB-ON-7 sites.

B. Research and Development (R&D): NIL

C. Technology absorption, adaptation and innovation: NIL during the year.

Technology imported during last five years: NIL during the last 5 years.

D. Foreign exchange earnings and outgo:

(a) activities relating to exports; initiatives taken to increase exports; development of new export markets for products

and services; and export plans: Company is engaged in the production of crude oil and natural gas; the existing Government policies and Production Sharing Contracts (PSCs), to which Company is a party, do not allow Company to export its production till India achieves self sufficiency in domestic production of hydrocarbons.

(b) total foreign exchange used and earned:

INR Million

Particulars	2013-2014	2012-2013
A. Foreign Exchange Earnings (See Note 1)	—	0.76
B. Foreign Exchange Used		
• Cash Call Payment to Joint Ventures	23.71	1,789.26
• Expenditure in Foreign Currency (See Note 2)	318.43	199.17
• Repayment of Foreign Currency Loan (See Note 3)	242.02	628.65
Total Foreign Exchange Used (B)	584.16	2,617.08
Net Foreign Exchange Used (B-A)	584.16	2,616.32

Note 1: The earnings represent Interest on Foreign Currency Deposits.

Note 2: The amount includes Interest on ECB loans paid in foreign currency.

Note 3: The amount excludes drawdown of ECB loan of INR 3,278.6 million (USD 60 million) in the previous FY 2012-2013.

22. HUMAN CAPITAL & MANAGEMENT

The Company continues to pursue best practices to develop its human capital. The Company has a 360 degree Performance Appraisal System (PAS) with focus on the organizational objectives aligned with KRAs of key personnel, objective performance measurement, and assessment of potential and identification of training needs for individual growth.

23. PARTICULARS OF EMPLOYEES

The particulars of employees required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are appended hereto and forms part of this Report.

24. AUDITORS

The Auditors, S. R. Batliboi & Associates LLP, (SRB), Chartered Accountants, will retire at the forthcoming Annual General Meeting and are eligible for reappointment. SRB have confirmed that their appointment, if made shall be within the limits as prescribed in the Companies Act, 2013. Based on the recommendation of the Audit Committee, the Board has, at its meeting held on July 26, 2014, recommend the appointment of SRB as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

25. MANAGERIAL REMUNERATION

Due to inadequate profit/loss during the year, the managerial remuneration paid to Mr. Manish Maheshwari, Managing Director, has been rendered in excess of the limits prescribed under the Companies Act, 1956. In terms of the provisions of Schedule XIII Part II of the Companies Act, 1956, such managerial remuneration requires the approval of the Shareholders and a proposal has been included as part of the agenda for the Annual General Meeting together with disclosures/details therein. The Board recommends the approval of the said proposal/special resolution.

26. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) that the Directors have selected such accounting policies and applied them consistently unless otherwise stated and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss account of the Company for the year ended on that date;

- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts on a 'going concern' basis.

27. ACKNOWLEDGEMENTS

Your Directors place on record their gratitude for the support and cooperation received from Government agencies namely, the Ministry of Defence, Ministry of Environment and Forests, Ministry of Petroleum & Natural Gas, Directorate General of Hydrocarbons, Government of Gujarat, Government of Tamil Nadu, Government of Assam, Government of Telangana, Government of Rajasthan and the authorities working under them. Your Directors express their gratitude to the Company's stakeholders, shareholders, business partners, and bankers for their understanding and support and look forward to their continued support in future. Your Directors value the professionalism, dedication and commitment of the HOEC team to overcome the present challenges.

For and on behalf of the Board

R. Vasudevan
Chairman

Date: July 26, 2014

ANNEXURE TO THE DIRECTORS' REPORT

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2014.

Name	Designation	Remuneration	Stock options granted during the year (No. of shares)	Nature of employment	Nature of duties of the employee	Qualifications of the employee	Experience of the employee (in years)	Date of commencement of employment	Age	The last employment held by such employee before joining the company	The number of equity shares held by the employee	The percentage of equity shares held by the employee	Period of Employment during the Financial year	
Mr. Manish Maheshwari	Managing Director	20,194,705	Nil	Permanent	Overall management of the Company	B.E. (Hons), MBA (UK)	26	1-Oct-03	46	Senior Investment Manager – Danish International Investment Fund	18,983	Negligible	1-Apr-13	31-Mar-14

Notes:

1. Gross remuneration as above includes salary, taxable allowances, Company's contribution to Provident Fund and Superannuation Fund, reimbursement of medical expenses, personal accident & health insurance premium, leave travel assistance and monetary value of perquisites calculated in accordance with the provisions of Income Tax Act, 1961 and the Rules there-under. No stock options were granted to the Managing Director.
2. Managing Director is not a relative to any Director of the Company.