

August 21, 2017

Hindustan Oil Exploration Company Limited

Summary of Rated Instruments

Instrument*	Rated Amount (in crore)	Rating Action
Long-term proposed facility	100.0	[ICRA]BBB+(stable) withdrawn

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long term rating of [ICRA]BBB+(pronounced ICRA triple B plus) outstanding on Rs. 100.0 crore long term proposed facility of Hindustan Oil Exploration Company Limited (“HOEC”, “the Company”). The outlook on the long-term rating is Stable.

Rationale

The ratings on the proposed facility have been withdrawn at the request of the Company

Analytical approach:

For withdrawal of ratings, ICRA has followed its withdrawal policy as indicated below

Links to applicable Criteria

[ICRA’s policy on withdrawal and suspension of credit rating](#)

[Corporate Credit Rating – A Note on Methodology](#)

About the company:

Promoted in 1983, Hindustan Oil Exploration Company (HOEC) is a public limited company involved in the exploration, development and production of crude oil and natural gas in India through a mix of onshore and offshore assets. After a series of shareholding changes, ENI S.p.A of Italy became the promoter group and held 47.18% stake in the company through its subsidiaries. However, during 2015-16 the ENI Group offloaded ~24.8% stake to Mr. Ashok Goel and Mr. Rohit Dhoot, who acted together and acquired a stake as a financial deal in their individual capacity. Subsequently, during Q2 FY2017 the ENI Group further divested its remaining stake in the company and has only nominal shareholding (less the 0.1%) and the nominee directors in the board also resigned. The day to day operations are now handled by professional management under oversight of the board of directors. Currently, the company has participating interest in 8 oil / gas fields, which includes pre NELP fields in the Cambay Basin, the Cauvery Basin and the Assam Arakan Basin. The company also had interests in two blocks in Rajasthan, which were awarded under the NELP VII, however, the blocks have been surrendered during 2015-16. The Company is the operator in five out of the eight blocks. The Company has also won rights to develop two marginal discovered fields in Arunachal Pradesh and near Bombay, in the auction conducted in 2016.

For FY 2016-17, HOEC (standalone) reported a PAT of Rs. 36.4 crore on an operating income of Rs. 25.0 crore as against a PAT of Rs. 3.5 crore on an operating income of Rs. 28.3 crore in FY 2015-16. At the consolidated level, the Company reported PAT of Rs. 36.1 crore on an operating income of Rs. 25.6 crore as against PAT and OI of Rs. 5.0 crore and Rs. 51.6 crore respectively for FY2015-16.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

**Rating history for last three years:
Table:**

S.No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years		
		Type	Rated amount (Rs. Crore)	Month-year & Rating	Month- year & Rating in FY 2017	Month- year & Rating in FY 2016	Month- year & Rating in FY 2015
				August 2017	July 2016	May 2015	August 2014
1	Proposed	Long Term	100.0	[ICRA]BBB+ (Stable) withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-
2	Term Loans	Long Term	USD 1.6 million	-	-	[ICRA]BBB+ (stable) withdrawn	[ICRA]BBB+ (stable)

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Details of Instrument

Name of the instrument	Date of issuance	Coupon rate	Maturity Date	Size of the issue (Rs. Cr)	Current Rating and Outlook
Proposed Facilities	-	-	-	100.0	[ICRA]BBB+ (Stable) withdrawn

Source: HOEC



Name and Contact Details of the Rating Analyst(s):

Mr. K Ravichandran

+91 44 4596 4301

ravichandran@icraindia.com

Mr. Sai Krishna

+91 44 4596 4304

sai.krishna@icraindia.com

Name and Contact Details of Relationship Contacts:

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

© Copyright, 2017, ICRA Limited. All Rights Reserved

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500