

HINDUSTAN OIL EXPLORATION COMPANY LIMITED
Registered Office: 'HOEC HOUSE' Tandalja Road, Off Old Padra Road, Vadodara 390 020.
AUDITED FINANCIAL RESULTS FOR THE YEAR 2007-2008

Rupees in Lacs

Sr. No.	Particulars	Unaudited for the Quarter		Audited Stand alone		Consolidated	
		Ended on	Ended on	For the year	For the year	For the year	For the year
		31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
1	Net Sales / Income from Operations (See Note 2)	3,621.07	2,478.81	8,334.69	11,553.13	9,664.68	12,657.56
2	Other Income	869.20	658.81	2,015.34	1,489.92	2,049.80	1,318.56
3	Increase / (Decrease) in Stock of Crude Oil	(1,476.42)	(62.37)	13.07	(436.20)	13.07	(436.20)
4	Total Income	3,013.85	3,075.25	10,363.10	12,606.85	11,727.55	13,539.92
5	Expenditure and Charges						
	a) Field Operating Expenses (See Note 3)	899.53	391.14	3,108.35	1,677.60	3,108.35	1,677.60
	b) Cost of Goods for Resale	-	-	-	-	484.51	383.32
	c) Marketing and Distribution Cost	-	-	-	-	443.92	310.46
	d) Corporate Expenses						
	- Staff Expenses	142.58	50.75	651.10	531.28	781.73	606.26
	- Legal and Professional Expenses	92.17	83.18	320.79	305.00	323.54	306.26
	- Other Expenses	130.96	20.17	486.57	483.49	529.69	513.63
	- Recovery of Expenses	(264.93)	(255.33)	(1,059.95)	(1,037.04)	(1,059.95)	(1,037.04)
	e) Depreciation, Depletion and Amortisation	108.96	84.06	526.14	764.92	530.54	770.31
	f) Provisions and Write offs (See Note 4)	179.75	4,237.68	1,663.94	9,303.69	1,669.40	9,305.41
6	Interest and Financing Charges	1,289.02	4,611.65	5,696.94	12,028.94	6,811.73	12,836.21
7	Exceptional Items	141.17	205.54	756.12	558.54	758.74	560.06
8	Profit / (Loss) from Ordinary Activities before Tax (4-5-6-7)	1,583.66	(1,741.94)	3,910.04	19.37	4,157.08	143.65
9	Tax Expenses						
	a) Provision for Current Income Tax	(790.00)	490.00	350.00	2,860.00	433.25	2,967.99
	b) Provision for Deferred Tax	1,622.00	(1,260.00)	1,130.00	(3,110.00)	1,125.86	(3,112.22)
	c) Provision for Wealth Tax	0.50	2.00	2.00	2.00	2.00	2.00
	d) Provision for Fringe Benefit Tax	6.00	8.00	18.00	20.00	17.65	26.55
10	Net Profit / (Loss) from Ordinary Activities after Tax (8-9)	745.16	(981.94)	2,410.04	247.37	2,578.32	259.33
11	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-
12	Net Profit / (Loss) for the Period	745.16	(981.94)	2,410.04	247.37	2,578.32	259.33
13	Paid up Equity Share Capital (See Note 6) (Face Value of Rs. 10/- each)	13,050.93	7,832.87	13,050.93	7,832.87	13,050.93	7,832.87
14	Reserves excluding Revaluation Reserve			87,764.10	31,200.53	88,052.81	31,320.97
15	Basic and Diluted EPS (Rs.) - Not Annualised - before and after Extraordinary Items (See Note 6)	Rs. 0.59	Rs.(1.12)	Rs. 2.47	Rs. 0.31	Rs. 2.64	Rs. 0.33
16	Public Shareholding						
	Number of Shares	95,039,610	57,040,460	95,039,610	57,040,460	95,039,610	57,040,460
	Percentage of Shareholding	72.83%	72.84%	72.83%	72.84%	72.83%	72.84%

Notes :

- 1 The Company is primarily engaged in a single business segment of Hydrocarbons. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segment other than India. There are no reportable segments as per AS-17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India.
- 2 Decrease in turnover is primarily on account of:
 - a Lower production in PY-3 Block since the Operator has temporarily shut-in PY-3-3RL Well, due to excessive water entering the Well.
 - b Increase in the Government share of Profit Oil from 25% to 40% in PY-3 Block as per terms of the Production Sharing Contract (PSC).
- 3 Field Operating Expenses has increased on account of increased charter hire charges of the offshore production facilities in PY-3 Block on renewal of charter hire contract by the Operator.
- 4
 - a During the year ended March 31, 2008, Exploratory Well North Ledo -1 drilled in Block AAP-ON-94/1 did not encounter hydrocarbons of commercial interest and the same has been plugged and abandoned. Consistent with the Company's Accounting Policies, the Company has written off the exploration expenditure of Rs. 1,580.34 Lacs associated with the drilling of the said Well.
 - b As per the terms of the PSC for CY-OSN-97/1 Block, if no Commercial Discovery is made in the Contract Area by end of the Exploration Period, the Contract Area shall be relinquished. In the absence of any discovery during the Exploration Period the Contract Area stands relinquished. Hence exploration expenditure pertaining to the CY-OSN-97/1 Block of Rs. 83.60 Lacs has been written off during the year ended March 31, 2008.
 - c Provisions and Write-offs for the year ended March 31, 2007 includes write-off of exploration cost of Rs. 9,434.87 Lacs for Vinayaka-1 and Subhan-1 Exploratory Wells in CY-OSN-97/1 Block, a write back of Rs. 43.82 Lacs in CB-ON-7 Block and a write back of Rs. 87.36 Lacs in AAP-ON-94/1 Block based on audited accounts of the respective Blocks.
- 5 The Company has sought extension for conducting additional exploration in certain areas of Block CB-ON-7 and the programme for the same has been decided by Directorate General of Hydrocarbons. The exploration expenses amounting to Rs. 550.49 Lacs will be appropriately dealt with based on final regulatory consents.
- 6 The Company's Rights Issue of 52,217,720 fully paid equity shares of Rs.10/- each at a premium of Rs.107/- per share aggregating to Rs.61,094.73 lacs closed on January 07, 2008. The Company has allotted 52,180,621 equity shares. EPS for the quarter / year ended March 31, 2007 has been restated as per Accounting Standard 20 "Earnings Per Share" to reflect the effect of the above Rights Issue.
- 7 Upto March 31, 2007, the Company had capitalised the exchange differences arising from foreign currency liabilities relating to fixed assets acquired from outside India. Effective April 1, 2007, consequent to the applicability of Accounting Standard (AS) 11 – The Effects of Changes in Foreign Exchange Rates, notified by the Government of India, the Company has accounted such exchange differences in the Profit and Loss Account. With respect to such transactions / liabilities, had there been no change in the said Accounting Policy, the profit before tax would have been lower by Rs. 136.13 Lacs.
- 8 With reference to the observations made in the Auditors' Report regarding the accounting for foreign exchange differences including the aforesaid change in policy (Refer note 7 above) in respect of the Company's share of the assets and liabilities in the Unincorporated Joint Ventures based on unaudited information relating to such foreign exchange differences, we have to state that since the audited financial statements of the Unincorporated Joint Ventures which are prepared in accordance with the requirements of the Production Sharing Contract do not separately reflect the details of the foreign exchange differences, the same have been obtained from the Operator of the respective Unincorporated Joint Ventures.
- 9 With reference to the observations made in the Auditors' Report regarding one unaudited Unincorporated Joint Ventures' accounts, we have to state that the Company has not received the Audited Accounts of Block GN-ON-90/3 (Pranhita-Godavari) being under arbitration. As the above joint venture has not entered the production phase there is no effect on the profit for the quarter / year.
- 10 Figures for the previous periods have been recast / regrouped to make them comparable with the current period, wherever necessary.
- 11 Details of Investors' Complaints for the quarter ended on March 31, 2008

Unresolved at the beginning of the quarter	Nil
Received during the quarter	36
Resolved during the quarter	36*
Unresolved at the end of the quarter	Nil

* Includes 6 complaints for which the Company has sought additional / relevant information from the complainants.
- 11 The Board has recommended a dividend of Rs. 1/- per equity Share of Rs. 10/- each for the financial year ended on March 31, 2008.
- 12 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on June 06, 2008.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

Place : New Delhi
Date : June 06, 2008

Manish Maheshwari
Joint Managing Director