

HINDUSTAN OIL EXPLORATION COMPANY LIMITED
Registered Office: 'HOEC HOUSE' Tandalja Road, Off Old Padra Road, Vadodara 390 020

AUDITED FINANCIAL RESULTS FOR THE YEAR 2008-2009

Rupees in Lacs

Sr. No.	Particulars	Audited Stand alone		Consolidated	
		For the year	For the year	For the year	For the year
		Ended on 31.03.2009	Ended on 31.03.2008	Ended on 31.03.2009	Ended on 31.03.2008
1	a) Net Sales / Income from Operations	8,517.84	8,334.69	9,869.08	9,627.67
	b) Other Operating Income	-	-	-	-
	c) (Decrease) / Increase in Stock of Crude Oil (See Note 10)	(224.37)	13.07	(224.37)	13.07
2	Total Income	8,293.47	8,347.76	9,644.71	9,640.74
3	Expenditure and Charges				
	a) Field Operating Expenses (See Note 2)	4,300.57	3,108.35	4,300.57	3,108.35
	b) Cost of Goods for Resale	-	-	600.90	484.51
	c) Marketing and Distribution Expenses	-	-	417.24	408.55
	d) Corporate Expenses				
	- Staff Expenses	905.35	651.10	1,053.73	781.73
	- Legal and Professional Expenses	403.67	320.79	394.37	323.54
	- Other Expenses	473.47	486.57	559.64	527.89
	- Recovery of Expenses	(1,728.64)	(1,059.95)	(1,728.64)	(1,059.95)
	e) Depreciation, Depletion and Amortisation	1,181.85	526.14	1,186.46	530.54
	f) Provisions and Write offs (See Note 5)	-	1,663.94	3.18	1,669.40
		5,536.27	5,696.94	6,787.45	6,774.56
4	Profit / (Loss) from Operations before Other Income, Interest and Exceptional Items (2-3)	2,757.20	2,650.82	2,857.26	2,866.18
5	Other Income (See Note 3 and 4)	4,623.66	2,015.34	4,653.25	2,049.64
6	Profit / (Loss) from Operations before Interest and Exceptional Items (4+5)	7,380.86	4,666.16	7,510.51	4,915.82
7	Interest and Financing Charges	1,037.72	756.12	1,040.18	758.74
8	Profit / (Loss) from Operations after Interest but before Exceptional Items (6-7)	6,343.14	3,910.04	6,470.33	4,157.08
9	Exceptional Items	-	-	-	-
10	Profit / (Loss) from Ordinary Activities before Tax (8-9)	6,343.14	3,910.04	6,470.33	4,157.08
11	Tax Expenses				
	a) Provision for Current Income Tax	323.50	350.00	358.70	433.25
	b) Provision for Deferred Tax	950.00	1,130.00	946.11	1,125.86
	c) Provision for Wealth Tax	2.00	2.00	2.00	2.00
	d) Provision for Fringe Benefit Tax	21.00	18.00	25.30	17.65
	e) MAT Credit Entitlement	(310.00)	-	(310.00)	-
12	Net Profit / (Loss) from Ordinary Activities after Tax (10-11)	5,356.64	2,410.04	5,448.22	2,578.32
13	Extraordinary Items (net of tax expenses)	-	-	-	-
14	Net Profit / (Loss) for the Period (12-13)	5,356.64	2,410.04	5,448.22	2,578.32
15	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	13,050.93	13,050.93	13,050.93	13,050.93
16	Reserves excluding Revaluation Reserve	92,955.51	87,764.10	93,335.81	88,052.81
17	Basic and Diluted EPS (Rs.) - Not Annualised - before and after Extraordinary Items	Rs. 4.10	Rs. 2.47	Rs. 4.18	Rs. 2.64
18	Public Shareholding				
	Number of Shares	68,924,155	95,039,610	68,924,155	95,039,610
	Percentage of Shareholding	52.82%	72.83%	52.82%	72.83%
19	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	Number of shares	-	N.A.	-	N.A.
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	-	N.A.	-	N.A.
	Percentage of shareholding (as a % of the total share capital of the company)	-	N.A.	-	N.A.
	b) Non - encumbered				
	Number of shares	61,569,134	N.A.	61,569,134	N.A.
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100.00%	N.A.	100.00%	N.A.
	Percentage of shareholding (as a % of the total share capital of the company)	47.18%	N.A.	47.18%	N.A.

Notes :

- 1 The Company is primarily engaged in a single business segment of "Hydrocarbons and other incidental services". All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. Hence, there are no separate reportable segments as per AS-17 "Segmental Reporting".
- 2 The Field Operating Expenses for the year ended March 31, 2009 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 with effect from July 28, 2007 and higher exchange rates during the year.
- 3 Other Income mainly includes Interest and Dividend on Investment of surplus funds.
- 4 As per the terms of the Production Sharing Contract 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 being declared by the Unincorporated Joint Venture at the end of the Exploration Period, the Contract Area CY-OSN-97/1 was relinquished on March 15, 2008. During the year ended March 31, 2009, the Company has settled its ongoing dispute with DIOG Limited which was a subject matter of arbitration initiated by DIOG Limited (Joint Venture Partner) before London Court of International Arbitration (LCIA). With the relinquishment of the Area and settlement of dispute with DIOG Limited, the accounts of the Joint Venture have been formally closed and the assets and liabilities of the Joint Venture has been consolidated 100% in the Company's Accounts. Further, a net amount of Rs. 32.47 Lacs has been written back based on the audited accounts of the said Joint Venture and included in Other Income.
- 5 For the year ended March 31, 2008, Provisions and Write-off includes write off of exploration cost of Rs. 83.60 Lacs for CY-OSN-97/1 Block as the Contract Area was relinquished in the absence of any Discovery during the Exploration Period as per terms of the Production Sharing Contract (See Note 4 above) and Rs. 1,580.34 Lacs for North Ledo -1 Exploratory Well drilled in Block AAP-ON-94/1.
- 6 The Operator of the Unincorporated Joint Venture CB-ON-7 has sought extension for conducting additional exploration in certain areas of the Block. While the additional work programme has been considered, the final regulatory consents are awaited. The exploration expenses amounting to Rs. 532.35 Lacs as at March 31, 2009 will be appropriately dealt with based on final regulatory consents inline with the Company's Accounting Policy.
- 7 The Operator has declared Commercial Discovery in CB-OS/1 Block and is pursuing with the authorities for necessary approvals. Exploration Expenses amounting to Rs. 1,845.43 Lacs as at March 31, 2009 will be appropriately dealt with based on final regulatory consents inline with the Company's Accounting Policy.
- 8 Effective April 1, 2008, consequent to the exercise of the option available as per the new paragraph 46 of the Accounting Standard 11 – The Effects of Changes in Foreign Exchange Rates notified by the Ministry of Corporate Affairs vide Notification dated March 31, 2009 on Companies (Accounting Standards) Amendment Rules, 2009 (G.S.R. 225 (E) dated 31.3.2009), the Company has capitalised a net amount of Rs. 1,337.93 Lacs to fixed assets (Development Expenditure) and transferred a net amount of Rs. 171.79 Lacs to Foreign Currency Monetary Item Translation Difference Account, as of March 31, 2009. Had the Company not changed the Accounting Policy, the Profit before Tax for the year ended March 31, 2009 would have been lower by Rs. 1,731.17 lacs.
- 9 With reference to the observations made in the Auditors' Report for Financial Year 2008-09 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 year ended March 31, 2009.
- 10 Closing stock of crude oil is valued at the estimated Net Realisable Value and the increase / (decrease) in stock of crude oil is grouped under Total Income in line with the audited accounts of the Company.
- 11 The Company commenced commercial production from the SPD-1 well located in SPD Development Area in Block CB-ON-7 on December 3, 2008.
- 12 Figures for the previous periods have been regrouped / reclassified to make them comparable with the current period, wherever necessary.
- 13 Details of Investors' Complaints for the quarter ended on March 31, 2009

Unresolved at the beginning of the quarter	Nil
Received during the quarter	14
Replied / Resolved during the quarter	14
Unresolved at the end of the quarter	Nil
- 14 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 11, 2009.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

Place : New Delhi
Date : June 11, 2009

Manish Maheshwari
Joint Managing Director