

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

<b>PART I</b>							
<b>Statement of Standalone Unaudited Results for the Quarter and Six Months Ended on September 30, 2012</b>							
Sr. No.	Particulars	Unaudited for three Months			Unaudited Year to date figures		Audited standalone for the Year
		Ended on 30.09.2012	Ended on 30.09.2011	Ended on 30.06.2012	Current Period 30.09.2012	Previous Period 30.09.2011	Ended on 31.03.2012
<b>1</b>	<b>Income From Operations</b>						<b>Rupees in Lacs</b>
a)	Net Sales / Income from Operations (See Note 3 & 4)	2,533.56	3,098.05	2,680.37	5,213.93	9,271.78	15,139.23
b)	Other Operating Income					-	
c)	(Decrease) / Increase in Stock of Crude Oil, Condensate and Natural Gas	128.97	(1,048.82)	(167.36)	(38.39)	(872.23)	(739.23)
	<b>Total Income From Operations (Net)</b>	<b>2,662.53</b>	<b>2,049.23</b>	<b>2,513.01</b>	<b>5,175.54</b>	<b>8,399.55</b>	<b>14,400.00</b>
<b>2</b>	<b>Expenses</b>						
a)	Purchase of Stock in Trade						
b)	(Increase) / Decrease in inventories of stock-in-trade						
c)	Employee Benefit Expenses	257.23	239.25	<b>255.06</b>	512.29	479.98	1,083.06
d)	Other Expenses						
	- Operating Expenditure	954.46	917.34	<b>957.19</b>	1,911.65	2,721.94	5,349.31
	- Administrative and other Expenses (See Note 8)	224.04	311.10	543.86	629.90	522.23	885.32
e)	- Recovery of Expenses	(503.59)	(263.74)	(552.72)	(1,056.31)	(633.36)	(1,471.52)
f)	Depreciation, Depletion and Amortisation (See Note 5)	1,117.26	694.63	1,154.95	2,272.21	2,770.75	5,545.98
	<b>Total Expenses</b>	<b>2,049.40</b>	<b>1,898.58</b>	<b>2,358.34</b>	<b>4,269.74</b>	<b>5,861.54</b>	<b>11,392.15</b>
3	Profit from Operations before Other Income, Finance Cost and Exceptional Items ( 1-2 )	613.13	150.65	154.67	905.80	2,538.01	3,007.85
4	Other Income (Net)	332.34	642.50	<b>298.69</b>	493.03	957.18	2,501.26
5	Profit from Operations before Finance Cost and Exceptional Items ( 3+4 )	945.47	793.15	453.36	1,398.83	3,495.19	5,509.11
6	Finance cost	258.19	261.95	285.70	543.89	522.46	1,089.82
7	Profit from Operations after Finance Cost but before Exceptional Items ( 5-6 )	687.28	531.20	167.66	854.94	2,972.73	4,419.29
8	Exceptional Items						
<b>9</b>	<b>Profit from Ordinary Activities before Tax ( 7-8 )</b>	<b>687.28</b>	<b>531.20</b>	<b>167.66</b>	<b>854.94</b>	<b>2,972.73</b>	<b>4,419.29</b>
10	Tax Expenses						
a)	Provision for Current Income Tax	120.00	40.00	10.00	130.00	500.00	690.00
b)	Provision for Deferred Tax	210.00	120.00	20.00	230.00	860.00	1,070.00
c)	MAT Credit Entitlement (Net)	(120.00)	(40.00)	(10.00)	(130.00)	(500.00)	(690.00)
<b>11</b>	<b>Net Profit from Ordinary Activities after Tax (9-10)</b>	<b>477.28</b>	<b>411.20</b>	<b>147.66</b>	<b>624.94</b>	<b>2,112.73</b>	<b>3,349.29</b>
12	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-
<b>13</b>	<b>Net Profit for the Period (11-12)</b>	<b>477.28</b>	<b>411.20</b>	<b>147.66</b>	<b>624.94</b>	<b>2,112.73</b>	<b>3,349.29</b>
14	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93	13,050.93
15	Reserves excluding Revaluation Reserve as per Balance Sheet of Previous Accounting Year						104,373.90
16	Basic and Diluted EPS (Rs.) - Not Annualised - before Extraordinary Items	<b>Rs. 0.37</b>	<b>Rs. 0.32</b>	<b>Rs. 0.11</b>	<b>Rs. 0.48</b>	<b>Rs. 1.62</b>	<b>Rs. 2.57</b>
17	Basic and Diluted EPS (Rs.) - Not Annualised - after Extraordinary Items	<b>Rs. 0.37</b>	<b>Rs. 0.32</b>	<b>Rs. 0.11</b>	<b>Rs. 0.48</b>	<b>Rs. 1.62</b>	<b>Rs. 2.57</b>

<b>PART II</b>							
<b>A* PARTICULARS OF SHAREHOLDING</b>							
<b>1</b>	<b>Public Shareholding</b>						
	Number of Shares	68,924,155	68,924,155	68,924,155	68,924,155	68,924,155	68,924,155
	Percentage of Shareholding	52.82%	52.82%	52.82%	52.82%	52.82%	52.82%
<b>2</b>	<b>Promoters and Promoter Group Shareholding (See Note 9)</b>						
a)	<b>Pledged / Encumbered</b>						
	Number of shares	-	-	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
b)	<b>Non - encumbered</b>						
	Number of shares	61,569,134	61,569,134	61,569,134	61,569,134	61,569,134	61,569,134
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of shareholding (as a % of the total share capital of the company)	47.18%	47.18%	47.18%	47.18%	47.18%	47.18%

Particulars		Six Months Ended September 30, 2012
<b>B INVESTOR COMPLAINTS</b>		
Pending at the beginning of the quarter		0
Received during the quarter		5
Disposed of during the quarter		5
Remaining unresolved at the end of the quarter		0

**Notes:**

- 1 Statement of Assets and Liabilities as per clause 41(1)(ea) of the Listing Agreement for the half year ended September 30, 2012 on standalone basis.

Particulars	Rupees in Lacs	
	Unaudited As at Sep 30, 2012	Audited As at March 31, 2012
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
a. Share Capital	13,050.93	13,050.93
b. Reserves and Surplus	108,348.16	107,723.21
<b>Sub-total - Shareholders funds</b>	<b>121,399.09</b>	<b>120,774.14</b>
<b>2 Non - current liabilities</b>		
a. Long-term borrowings	50,658.65	52,411.19
b. Deferred tax liabilities (net)	4,538.52	4,308.52
c. Long-term provisions	9,357.36	9,081.36
<b>Sub-total - Non-current liabilities</b>	<b>64,554.53</b>	<b>65,801.07</b>
<b>3 Current liabilities</b>		
a. Trade payables	2,455.39	1,820.11
b. Other current liabilities	24,406.95	10,802.87
c. Short-term provisions	11.45	17.19
<b>Sub-total - Current liabilities</b>	<b>26,873.79</b>	<b>12,640.17</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>212,827.41</b>	<b>199,215.38</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
a. Fixed assets	189,196.13	165,856.35
b. Non-current Investment	50.00	50.00
c. Long-term loans and advances	10,764.03	10,401.22
d. Other bank balances	3,300.08	3,708.13
e. Other non-current assets	24.16	39.89
<b>Sub-total - Non - current assets</b>	<b>203,334.40</b>	<b>180,055.59</b>
<b>2 Foreign Currency Monetary Item Translation Difference Account</b>	<b>46.19</b>	<b>41.19</b>
<b>3 Current assets</b>		
a. Current investments	1,892.43	7,129.08
b. Inventories	3,951.47	4,688.94
c. Trade receivables	1,075.01	1,996.53
d. Cash and Bank Balances	1,110.34	4,236.84
e. Short-term loans and advances	1,215.19	1,017.73
f. Other current assets	202.38	49.48
<b>Sub-total - Current assets</b>	<b>9,446.82</b>	<b>19,118.60</b>
<b>TOTAL ASSETS</b>	<b>212,827.41</b>	<b>199,215.38</b>

- 2 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".
- 3 Production from PY-3 Field, operated by Hardy Exploration & Production (India) Inc., remained shut since July 31, 2011.
- 4 During the quarter ended September 30, 2012, the production from PY-1 Field was shut down for a cumulative of 36 days as Gail India Limited, the buyer of PY-1 Gas, was not able to off-take the gas supply due to shut down of downstream user plant.
- 5 Consequent to intermittent production shut downs in PY-1 Field (refer note 4 above), the Company has charged additional depreciation of Rs. 132 lacs for the quarter ended September 30, 2012 (over and above the Unit of Production "(UOP)" method) in line with the Company's Accounting Policy to comply with minimum rates of depreciation under Schedule XIV of the Companies Act, 1956.
- 6 As per the Company's Accounting Policy, the survey costs are initially capitalized as "Exploration Expenditure" and subsequently either expensed if the exploration activity is determined as unsuccessful or transferred to "Producing Properties" in case the activities are determined to be successful.

The Auditors, for the first time have observed in their Audit Report for FY 2011-12 and subsequently in their Limited Review Reports for the quarter ended September 30, 2012, non-adherence of Guidance Note (Accounting for Oil and Gas Producing Activities, issued by Institute of Chartered Accountants of India in 2003) requirement that costs of surveys relating to exploration activities is to be expensed in the year incurred. In this regard the Company has to state that:

(a) the aforesaid Guidance Note is not mandatory and only recommendatory in nature;

(b) the Company's Accounting Policy, which has been followed consistently during the earlier quarters in the Financial Year 2011-12 and in the Financial Years prior to 2011-12 with reference to treatment of survey cost, is in compliance with international Oil and Gas Industry accounting practices and International Financial Reporting Standards (IFRS) , and has been accepted by the auditors in the past without modification; and

(c) the accounting for the cost of surveys is in compliance with the terms of the Production Sharing Contract signed with the Government of India.

This may be treated as our response to the observations in the Auditor's Limited Review Report for the quarter ended September 30, 2012.

- 7 The Government of India, vide circular no. 25/2012 dated August 9, 2012, has confirmed that para 4(e) of AS-16 shall not apply to a company which is applying clause 46A of Accountant Standard 11. Accordingly, the accounting treatment of foreign exchange fluctuations as considered by Company is in compliance with AS-11 and AS-16 and the earlier observation as made in the Auditor's Limited Review Report for the quarter ended June 30, 2012 no longer holds good. Thus no qualification on this matter is observed in the Auditors Limited Review report for the quarter ended September 30, 2012.
- 8 The Company has netted off an amount of Rs. 138 lacs on account of Foreign Exchange gain for the quarter ended September 30, 2012 against Foreign Exchange loss for the quarter ended June 30, 2012.

- 9 The details of Promoters Shareholding is based on their declarations giving the status that no share has been pledged for respective periods.
- 10 Figures for the previous period / year have been regrouped / reclassified to make them comparable with the current period, wherever necessary.
- 11 The above results and notes thereto were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 26, 2012.

BY ORDER OF THE BOARD  
For Hindustan Oil Exploration Company Limited

Manish Maheshwari  
Managing Director  
Place : New Delhi  
Date : October 26, 2012