Hindustan Oil Exploration Company Limited
'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai - 600 018. INDIA.
✆ : 91 (044) 66229000 • Fax : 91 (044) 66229011 / 66229012
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February 14, 2014
By Courier /Fax/Email

The Listing Department
The National Stock Exchange of India Ltd.,
"EXCHANGE PLAZA", Bandra Kurla Complex
Bandra (East), MUMBAI – 400 051
FAX # 022–26598237 / 38 / 66418125 / 26

The Corporate Relationship Department
BSE Limited
1st Floor, P. Jeejeebhoy Towers
Dalal Street, MUMBAI – 400 001 **Fax # 022-22723121 /2037/2041/2061**

SUBJECT: STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013 AND LIMITED REVIEW REPORT.

Dear Sir,

In compliance with Clause 41 and other applicable provisions, if any, of the Listing Agreement entered into with your stock exchange, please find enclosed herewith the Statement of Standalone Unaudited Results for the Quarter and Nine months ended December 31, 2013 and the Limited Review Report thereon issued by the Statutory Auditors of the Company.

The said results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held February 14, 2014.

Kindly take note of the said results and circulate the same amongst the members of your stock exchange.

Thanking you

Yours faithfully,
For **Hindustan Oil Exploration Company Limited**

Minesh Bhatt
Assistant Company Secretary

Encl: a.a.

Registered Office : 'HOEC House', Tandalja Road, Off Old Padra Road, Vadodara - 390 020. INDIA
✆ : 91 (0265) 2330766, 2333568 • Fax : 91 (0265) 2333567
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S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

6th & 7th Floor- "A" Block
Tidel Park, (Module 601, 701 & 702)
No. 4, Rajiv Gandhi Salai, Taramani
Chennai-600 113, India
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Limited Review Report

Review Report to
The Board of Directors
Hindustan Oil Exploration Company Limited

1. We have reviewed the accompanying statement of unaudited financial results of Hindustan Oil Exploration Company Limited ('the Company') for the quarter ended December 31, 2013 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. The Company's proportionate share in the Unincorporated Joint Ventures where the Company is having participating interest has been considered in the unaudited standalone financial results and has been incorporated by the Company on the basis of the information obtained from the Operator of the respective Unincorporated Joint Ventures or the information available with the Company.

4. *As more detailed in Note 5 of the statement, the Company follows "Successful Efforts Method" method of accounting for its exploration and production activities, the Company has capitalised costs of INR 504.31 million (including INR 501.03 million to September 30, 2013 and INR 342.29 million to March 31, 2013), incurred in respect of surveys and studies relating to exploration activities.*

   The "Guidance Note on Accounting for Oil and Gas Producing Activities" (Guidance Note) issued by the Institute of Chartered Accountants of India requires costs of surveys and studies relating to exploration activities to be expensed when incurred under the "Successful Efforts Method" of accounting. Had the Company followed the recommendation of the Guidance Note, survey costs of INR 504. 31 million (including prior period charge of INR 501.03 million to September 30, 2013 and INR 342.29 million to March 31, 2013) would have been written off as an expense and the net loss for the quarter/year and reserves and surplus after considering the related tax effects would have been higher and lower by INR 504.31 million respectively. Our review opinion on the financial results for the quarter ended September 30, 2013, the quarter ended June 30, 2013 and our audit opinion on the financial statements for the year ended March 31, 2013 was also qualified in respect of the above matter.

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

5. Based on our review conducted as above, *except for the effect of the matter stated in paragraph 4 above,* nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" (notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013), and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W

per Subramanian Suresh
Partner
Membership No.: 083673

Place: Chennai
Date: February 14, 2014

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

PART I

Statement of Standalone Unaudited Results for the Quarter and Nine Months Ended December 31, 2013

(Rupees in Lacs)

Sr. No.	Particulars	For the quarter			Year to date		For the year
		Ended on 31.12.2013 (Unaudited)	Ended on 30.09.2013 (Unaudited)	Ended on 31.12.2012 (Unaudited)	Current Period ended on 31.12.2013 (Unaudited)	Previous Period ended on 31.12.2012 (Unaudited)	Ended on 31.03.2013 (Audited)
1	**Income From Operations**						
	a) Net Sales / Income from Operations (See Note 3)	1,699.53	1,411.27	2,310.87	4,661.21	7,524.81	10,861.38
	b) Other Operating Income	-	-	-	-	-	-
	c) (Decrease) / Increase in Stock of Crude Oil, Condensate and Natural Gas	75.68	69.13	(45.37)	(211.49)	(83.77)	16.96
	Total Income From Operations (Net)	**1,775.21**	**1,480.40**	**2,265.50**	**4,449.72**	**7,441.04**	**10,878.34**
2	**Expenses**						
	a) Purchase of Stock in Trade	-	-	-	-	-	-
	b) (Increase) / Decrease in Inventories of stock-in-trade	-	-	-	-	-	-
	c) Employee Benefit Expenses	265.45	288.67	230.01	793.52	748.29	994.35
	d) Other Expenses						
	- Operating Expenditure	608.87	1,208.48	1,166.54	2,412.86	3,078.19	3,223.87
	- Net (Gain) / Loss on Foreign Exchange	(57.61)	505.19	380.74	689.60	551.49	585.32
	- Administrative and other Expenses	248.28	275.53	261.29	755.09	740.43	1,487.57
	e) - Recovery of Expenses	(316.22)	(335.64)	(439.54)	(1,002.13)	(1,495.85)	(1,857.13)
	f) Depreciation, Depletion and Amortisation	2,422.17	2,577.04	1,065.93	6,976.69	3,356.14	8,745.00
	Total Expenses	**3,171.94**	**4,619.27**	**2,710.97**	**10,625.63**	**6,980.69**	**13,178.78**
3	Profit / (Loss) from Operations before Other Income, Finance Cost and Exceptional Items (1-2)	(1,396.73)	(3,038.87)	(445.47)	(6,175.91)	460.35	(2,300.44)
4	Other Income (Net)	155.18	139.33	460.99	462.50	973.93	1,163.36
5	Profit / (Loss) from Operations before Finance Cost and Exceptional Items (3+4)	(1,241.55)	(2,899.54)	35.43	(5,713.41)	1,434.28	(1,137.08)
6	Finance Cost	261.41	292.07	251.40	814.94	796.28	1,057.30
7	Profit / (Loss) from Operations after Finance Cost but before Exceptional Items (5-6)	(1,502.96)	(3,191.61)	(215.97)	(6,528.35)	638.99	(2,194.38)
8	Exceptional Items-Impairment Loss/Additional Depletion (See Note 4)	-	-	57,197.44	-	57,197.44	57,197.44
9	**Profit / (Loss) from Ordinary Activities before Tax (7-8)**	**(1,502.96)**	**(3,191.61)**	**(57,413.41)**	**(6,528.35)**	**(56,558.45)**	**(59,391.82)**
10	Tax Expenses						
	a) Provision for Current Income Tax	-	-	(130.00)	-	-	-
	b) Provision for Deferred Tax	-	-	(4,538.52)	-	(4,308.52)	(4,308.52)
	c) MAT Credit Entitlement (Net)	-	-	130.00	-	-	-
	d) Write-back of provision for income tax (See Note 6)	-	(5,650.00)	-	(5,650.00)	-	-
11	**Net Profit / (Loss) from Ordinary Activities after Tax (9-10)**	**(1,502.96)**	**2,458.39**	**(52,874.89)**	**(878.35)**	**(52,249.93)**	**(55,083.30)**
12	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-
13	**Net Profit / (Loss) for the Period (11-12)**	**(1,502.96)**	**2,458.39**	**(52,874.89)**	**(878.35)**	**(52,249.93)**	**(55,083.30)**
14	Paid up Equity Share Capital (Face Value of INR 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**						52,632.90
16	Basic and Diluted EPS (INR) - Not Annualised - before Extraordinary Items	Rs.(1.15)	Rs. 1.88	Rs.(40.51)	Rs.(0.67)	Rs.(40.04)	Rs.(42.21)
17	Basic and Diluted EPS (INR) - Not Annualised - after Extraordinary Items	Rs.(1.15)	Rs. 1.88	Rs.(40.51)	Rs.(0.67)	Rs.(40.04)	Rs.(42.21)

PART II

A	**PARTICULARS OF SHAREHOLDING**						
1	Public Shareholding						
	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%
2	Promoters and Promoter Group Shareholding (See Note 7)						
	a) Pledged / Encumbered						
	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) Non - encumbered						
	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	Quarter Ended December 31 2013
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	5
	Disposed of during the quarter	5
	Remaining unresolved at the end of the quarter	Nil

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FOR IDENTIFICATION PURPOSES ONLY
S.R. BATLIBOI & ASSOCIATES LLP
CHENNAI
CHARTERED ACCOUNTANTS

Notes:

1 The Company is primarily engaged in a single business segment of "Hydrocarbons and Other Incidental Services". All the activities of the Company are 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 PY-3 Field, operated by Hardy Exploration & Production (India) Inc., remains shut since July 31, 2011. The Full Field Development Plan submitted by the Operator during May 2013 has been technically reviewed by all the JV Partners. Discussions are ongoing amongst the Joint Venture Partners with respect to the proposal to proportionately share cess and royalty on a cost recoverable basis.

3 PY-1 Field was shut in for a period of 3.65 days during Q3 FY 2014 as against 25 days during Q2 FY 2014 on account of non evacuation of gas by GAIL (Buyer). Following the Amendment to the Gas Sales Contract which had been executed in July 2013, GAIL has been evacuating gas through the low pressure pipeline connecting PY-1 Gas Terminal to alternate consumers on a nearly continuous basis.

4 Exceptional Item for the previous period ended December 31, 2012 and the previous year ended March 31, 2013 represented additional depletion and impairment loss aggregating to INR 57,197 lacs charged to the statement of profit and loss due to reduction in the Proved Reserves of PY-1 Field pursuant to an independent third party certification of PY-1 Field Reserves based on information available subsequent to the drilling of Surya Well. While estimating the future cash flows for determining the value-in-use of PY-1 Asset as per AS 28, the Company had considered a natural gas price of USD 5/MMBtu from 2015 onwards.

In accordance with the accounting policy followed by the Company, the impairment assessment has been reviewed as at December 31, 2013 and currently no revision seems to be necessary to the amounts recognised in the previous year in view of the following factors:

- As the update to the Reservoir Study is delayed, the Company continues to rely on the independent third party certification of PY-1 Field Reserves made in January 2013.

- Ministry of Petroleum & Natural Gas has issued the 'Domestic Natural Gas Pricing Guidelines, 2014' which shall be effective from April 1, 2014. However, as these guidelines have been challenged, pending judicial review, the gas prices considered in estimating cash flows for determining value in use have not been revised.

5 As per the Company's Accounting Policy, the survey costs are initially capitalized as 'Exploration Expenditure" and are retained in exploration expenditure-work-in-progress and subsequently transferred to "Producing Properties" when the well is ready to commence commercial production or expensed off if the exploration activity is determined to be unsuccessful.

The Auditors, have observed in their Audit Report for Financial Year 2012-2013 and subsequently in their Limited Review Reports for the quarters ended June 30, 2013, Sep 30, 2013 and Dec 31, 2013, non-adherence of the Guidance Note (Accounting for Oil and Gas Producing Activities, Issued by Institute of Chartered Accountants of India) 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 2013-14, 2012-2013 and in financial years prior to 2011-2012 with reference to treatment of survey costs, is in compliance with International Oil and Gas Industry accounting practices and has been accepted by the auditors in the past prior to FY 2011-12 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.

The above may be treated as our response to the observations in the Auditor's Limited Review Report for the quarter ended Dec 31, 2013.

6 The Hon'ble Mumbai ITAT had, vide its order dated September 17, 2013, passed a favorable order in relation to the Company's Income Tax Assessment Cases for the Financial Years 2004-05 and 2005-06 primarily relating to deduction under Section 80IB(9) of the Income Tax Act 1961. Since the deduction had been decided in favour of the Company (consistent with Financial Years 2002-03 and 2003-04), the excess Income Tax provision made for the Financial Years 2004-05 to 2006-07 amounting to INR 5,650 lacs had been written back during the previous quarter.

7 The details of Promoter's Shareholding is based on their declarations giving the status that no share has been pledged for respective periods.

8 Figures for previous period/year have been regrouped / reclassified to make them comparable with the current period, wherever necessary.

9 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 February 14, 2014.

BY ORDER OF THE BOARD
For Hindustan Oil Exploration Company Limited

Manish Maheshwari
Managing Director
Place : New Delhi
Date : February 14, 2014

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S.R. BATLIBOI & ASSOCIATES LLP
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