



Hindustan Oil Exploration Company Limited

'Lakshmi Chambers', 192, St. Mary's Road, Alwarpet, Chennai - 600 018, INDIA.

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May 29, 2013  
By Fax / Courier

**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**

Bombay Stock Exchange Limited  
1st Floor, P. Jeejeebhoy Towers  
Dalal Street, MUMBAI – 400 013  
**Fax # 022-22723121 / 2037/2041/2061**

**SUB: AUDITED FINANCIAL RESULTS**

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 Audited Standalone Results for the Quarter Ended March 31, 2013 and Audited Standalone and Consolidated Results for the Year Ended March 31, 2013 and Auditors' Report thereon, duly reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 29, 2013.

Kindly take note of the above results and circulate the same amongst your members.

Thanking you,

Yours faithfully,

For Hindustan Oil Exploration Company Limited

**Minesh Bhatt**

**Assistant Company Secretary**

Encl : Audited Financial Results.

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

| <b>PART I</b>                                                                                                                                                   |                                                                                                      |                                             |                           |                     |                                 |                     |                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------|---------------------|---------------------------------|---------------------|-----------------------------------|---------------------|
| Statement of Audited Standalone Results for the Quarter Ended March 31, 2013 and Audited Standalone and Consolidated results for the Year Ended March 31, 2013. |                                                                                                      |                                             |                           |                     |                                 |                     |                                   |                     |
| Sr. No.                                                                                                                                                         | Particulars                                                                                          | (Rupees in Lacs)                            |                           |                     |                                 |                     |                                   |                     |
|                                                                                                                                                                 |                                                                                                      | Audited for the Quarter                     | Unaudited for the Quarter |                     | Audited Standalone for the Year |                     | Audited Consolidated for the Year |                     |
|                                                                                                                                                                 |                                                                                                      | Ended on 31.03.2013                         | Ended on 31.12.2012       | Ended on 31.03.2012 | Ended on 31.03.2013             | Ended on 31.03.2012 | Ended on 31.03.2013               | Ended on 31.03.2012 |
| 1                                                                                                                                                               | <b>Income From Operations</b>                                                                        |                                             |                           |                     |                                 |                     |                                   |                     |
| a)                                                                                                                                                              | Net Sales / Income from Operations (See Note 3 & 4)                                                  | 3,336.57                                    | 2,310.87                  | 2,597.42            | 10,861.38                       | 15,139.23           | 12,875.82                         | 16,926.86           |
| b)                                                                                                                                                              | Other Operating Income                                                                               |                                             |                           |                     |                                 |                     |                                   |                     |
| c)                                                                                                                                                              | (Decrease) / Increase in Stock of Crude Oil, Condensate and Natural Gas                              | 100.72                                      | (45.37)                   | 17.71               | 16.96                           | (739.23)            | 16.96                             | (739.23)            |
|                                                                                                                                                                 | <b>Total Income From Operations (Net)</b>                                                            | <b>3,437.29</b>                             | <b>2,265.50</b>           | <b>2,615.13</b>     | <b>10,878.34</b>                | <b>14,400.00</b>    | <b>12,892.78</b>                  | <b>16,187.63</b>    |
| 2                                                                                                                                                               | <b>Expenses</b>                                                                                      |                                             |                           |                     |                                 |                     |                                   |                     |
| a)                                                                                                                                                              | Purchase of Stock in Trade                                                                           | -                                           | -                         | -                   | -                               | -                   | 1,068.83                          | 1,015.57            |
| b)                                                                                                                                                              | (Increase) / Decrease in Inventories of stock-in-trade                                               | -                                           | -                         | -                   | -                               | -                   | 30.87                             | (147.15)            |
| c)                                                                                                                                                              | Employee Benefit Expenses                                                                            | 248.05                                      | 236.01                    | 367.44              | 994.35                          | 1,083.06            | 1,191.67                          | 1,263.73            |
| d)                                                                                                                                                              | Other Expenses                                                                                       |                                             |                           |                     |                                 |                     |                                   |                     |
| -                                                                                                                                                               | Operating Expenditure                                                                                | 145.48                                      | 1,166.54                  | 1,517.41            | 3,223.67                        | 5,349.31            | 3,223.67                          | 5,349.31            |
| -                                                                                                                                                               | Net (Gain) / Loss on Foreign Exchange                                                                | 33.82                                       | 380.74                    | (50.05)             | 585.32                          | 193.58              | 594.69                            | 200.49              |
| -                                                                                                                                                               | Administrative and other Expenses                                                                    | 747.14                                      | 281.29                    | 202.79              | 1,487.57                        | 695.74              | 1,948.34                          | 1,180.30            |
| e)                                                                                                                                                              | Recovery of Expenses                                                                                 | (361.28)                                    | (439.54)                  | (472.65)            | (1,857.13)                      | (1,471.52)          | (1,857.13)                        | (1,471.52)          |
| f)                                                                                                                                                              | Depreciation, Depletion and Amortisation (See Note 6)                                                | 5,366.86                                    | 1,085.93                  | 988.05              | 8,745.00                        | 5,545.98            | 8,752.73                          | 5,554.21            |
|                                                                                                                                                                 | <b>Total Expenses</b>                                                                                | <b>6,199.08</b>                             | <b>2,710.96</b>           | <b>2,552.99</b>     | <b>13,178.78</b>                | <b>11,392.15</b>    | <b>14,953.67</b>                  | <b>12,944.94</b>    |
| 3                                                                                                                                                               | <b>Profit / (Loss) from Operations before Other Income, Finance Cost and Exceptional Items (1-2)</b> | <b>(2,760.79)</b>                           | <b>(445.46)</b>           | <b>62.14</b>        | <b>(2,300.44)</b>               | <b>3,007.85</b>     | <b>(2,060.89)</b>                 | <b>3,242.69</b>     |
| 4                                                                                                                                                               | <b>Other Income (Net)</b>                                                                            | <b>189.43</b>                               | <b>480.90</b>             | <b>1,231.24</b>     | <b>1,163.36</b>                 | <b>2,501.26</b>     | <b>814.71</b>                     | <b>2,514.43</b>     |
| 5                                                                                                                                                               | <b>Profit / (Loss) from Operations before Finance Cost and Exceptional Items (3+4)</b>               | <b>(2,571.36)</b>                           | <b>35.44</b>              | <b>1,293.38</b>     | <b>(1,137.09)</b>               | <b>5,509.11</b>     | <b>(1,246.18)</b>                 | <b>5,757.12</b>     |
| 6                                                                                                                                                               | <b>Finance cost</b>                                                                                  | <b>262.02</b>                               | <b>251.40</b>             | <b>297.88</b>       | <b>1,057.30</b>                 | <b>1,089.82</b>     | <b>1,060.30</b>                   | <b>1,102.92</b>     |
| 7                                                                                                                                                               | <b>Profit / (Loss) from Operations after Finance Cost but before Exceptional Items (5-6)</b>         | <b>(2,833.38)</b>                           | <b>(215.96)</b>           | <b>995.40</b>       | <b>(2,194.38)</b>               | <b>4,419.29</b>     | <b>(2,306.48)</b>                 | <b>4,654.20</b>     |
| 8                                                                                                                                                               | <b>Exceptional Items-Impairment Loss/Additional Depletion (See Note 6)</b>                           | -                                           | 57,197.44                 | -                   | 57,197.44                       | -                   | 57,197.44                         | -                   |
| 9                                                                                                                                                               | <b>Profit / (Loss) from Ordinary Activities before Tax (7-8)</b>                                     | <b>(2,833.38)</b>                           | <b>(67,413.40)</b>        | <b>995.40</b>       | <b>(69,391.82)</b>              | <b>4,419.29</b>     | <b>(59,603.92)</b>                | <b>4,654.20</b>     |
| 10                                                                                                                                                              | <b>Tax Expenses</b>                                                                                  |                                             |                           |                     |                                 |                     |                                   |                     |
| a)                                                                                                                                                              | Provision for Current Income Tax                                                                     | -                                           | (130.00)                  | 160.00              | -                               | 600.00              | 64.04                             | 818.52              |
| b)                                                                                                                                                              | Provision for Deferred Tax                                                                           | -                                           | (4,538.52)                | 240.00              | (4,308.52)                      | 1,070.00            | (4,308.92)                        | 1,071.52            |
| c)                                                                                                                                                              | MAT Credit Entitlement (Net)                                                                         | -                                           | 130.00                    | (160.00)            | -                               | (690.00)            | -                                 | (690.00)            |
| 11                                                                                                                                                              | <b>Net Profit / (Loss) from Ordinary Activities after Tax (9-10)</b>                                 | <b>(2,833.38)</b>                           | <b>(67,413.40)</b>        | <b>755.40</b>       | <b>(65,083.30)</b>              | <b>3,349.29</b>     | <b>(65,259.04)</b>                | <b>3,464.16</b>     |
| 12                                                                                                                                                              | <b>Extraordinary Items (net of tax expenses)</b>                                                     |                                             |                           |                     |                                 |                     |                                   |                     |
| 13                                                                                                                                                              | <b>Net Profit / (Loss) for the Period (11-12)</b>                                                    | <b>(2,833.38)</b>                           | <b>(67,413.40)</b>        | <b>755.40</b>       | <b>(65,083.30)</b>              | <b>3,349.29</b>     | <b>(65,259.04)</b>                | <b>3,464.16</b>     |
| 14                                                                                                                                                              | <b>Paid up Equity Share Capital (Face Value of Rs. 10/- each)</b>                                    | <b>13,050.93</b>                            | <b>13,050.93</b>          | <b>13,050.93</b>    | <b>13,050.93</b>                | <b>13,050.93</b>    | <b>13,050.93</b>                  | <b>13,050.93</b>    |
| 15                                                                                                                                                              | <b>Reserves excluding Revaluation Reserve as per Balance Sheet of Previous Accounting Year</b>       |                                             |                           |                     | <b>107,723.21</b>               | <b>104,373.90</b>   | <b>108,585.90</b>                 | <b>105,131.73</b>   |
| 16                                                                                                                                                              | <b>Basic and Diluted EPS (Rs.) - Not Annualised - before Extraordinary Items</b>                     | <b>Rs. (2.17)</b>                           | <b>Rs. (40.51)</b>        | <b>Rs. 0.58</b>     | <b>Rs. (42.21)</b>              | <b>Rs. 2.57</b>     | <b>Rs. (42.34)</b>                | <b>Rs. 2.65</b>     |
| 17                                                                                                                                                              | <b>Basic and Diluted EPS (Rs.) - Not Annualised - after Extraordinary Items</b>                      | <b>Rs. (2.17)</b>                           | <b>Rs. (40.51)</b>        | <b>Rs. 0.58</b>     | <b>Rs. (42.21)</b>              | <b>Rs. 2.57</b>     | <b>Rs. (42.34)</b>                | <b>Rs. 2.65</b>     |
| <b>PART II</b>                                                                                                                                                  |                                                                                                      |                                             |                           |                     |                                 |                     |                                   |                     |
| A                                                                                                                                                               | <b>PARTICULARS OF SHAREHOLDING</b>                                                                   |                                             |                           |                     |                                 |                     |                                   |                     |
| 1                                                                                                                                                               | <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                        | 68,924,155          |
|                                                                                                                                                                 | Percentage of Shareholding                                                                           | 52.82%                                      | 52.82%                    | 52.82%              | 52.82%                          | 52.82%              | 52.82%                            | 52.82%              |
| 2                                                                                                                                                               | <b>Promoters and Promoter Group Shareholding (See Note 8)</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                        | 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%                           | 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%                            | 47.18%              |
| <b>B</b>                                                                                                                                                        |                                                                                                      |                                             |                           |                     |                                 |                     |                                   |                     |
| <b>INVESTOR COMPLAINTS</b>                                                                                                                                      |                                                                                                      | <b>For the Quarter ended March 31, 2013</b> |                           |                     |                                 |                     |                                   |                     |
| Pending at the beginning of the period                                                                                                                          |                                                                                                      | Nil                                         |                           |                     |                                 |                     |                                   |                     |
| Received during the period                                                                                                                                      |                                                                                                      | 8                                           |                           |                     |                                 |                     |                                   |                     |
| Disposed of during the period                                                                                                                                   |                                                                                                      | 8                                           |                           |                     |                                 |                     |                                   |                     |
| Remaining unresolved at the end of the period                                                                                                                   |                                                                                                      | Nil                                         |                           |                     |                                 |                     |                                   |                     |



## Notes:

- 1 Statement of Assets and Liabilities as per clause 41(1)(eaa) of the Listing Agreement for the Year ended March 31, 2013 on Standalone and Consolidated basis.

| Particulars                           | (Rupees in Lacs)        |                         |                         |                         |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                       | Audited Standalone      |                         | Audited Consolidated    |                         |
|                                       | As at<br>March 31, 2013 | As at<br>March 31, 2012 | As at<br>March 31, 2013 | As at<br>March 31, 2012 |
| <b>A EQUITY AND LIABILITIES</b>       |                         |                         |                         |                         |
| 1 Shareholders' Funds                 |                         |                         |                         |                         |
| a. Share Capital                      | 13,050.93               | 13,050.93               | 13,050.93               | 13,050.93               |
| b. Reserves and Surplus               | 52,592.83               | 1,07,682.02             | 53,223.00               | 1,08,544.71             |
| Sub-total - Shareholders funds        | 65,643.76               | 1,20,732.95             | 66,273.93               | 1,21,595.64             |
| 2 Non - current liabilities           |                         |                         |                         |                         |
| a. Long-term borrowings               | 81,665.05               | 52,411.19               | 81,665.05               | 52,411.19               |
| b. Deferred tax liabilities (net)     | -                       | 4,308.52                | -                       | 4,296.85                |
| c. Long-term provisions               | 9,643.54                | 9,081.36                | 9,653.68                | 9,091.31                |
| Sub-total - Non-current liabilities   | 91,308.59               | 65,801.07               | 91,318.73               | 65,799.35               |
| 3 Current liabilities                 |                         |                         |                         |                         |
| a. Trade payables                     | 1,278.26                | 1,820.11                | 1,645.99                | 2,107.19                |
| b. Other current liabilities          | 16,533.57               | 10,802.87               | 16,571.29               | 10,824.49               |
| c. Short-term provisions              | 13.75                   | 17.19                   | 13.75                   | 20.06                   |
| Sub-total - Current liabilities       | 17,825.58               | 12,640.17               | 18,231.03               | 12,951.74               |
| <b>TOTAL - EQUITY AND LIABILITIES</b> | <b>1,74,777.93</b>      | <b>1,99,174.19</b>      | <b>1,75,823.69</b>      | <b>2,00,346.73</b>      |
| <b>B ASSETS</b>                       |                         |                         |                         |                         |
| 1 Non-current assets                  |                         |                         |                         |                         |
| a. Fixed assets                       | 1,41,773.50             | 1,65,856.35             | 1,41,808.61             | 1,65,896.60             |
| b. Non-current Investment             | 50.00                   | 50.00                   | 0                       | 0                       |
| c. Deferred tax assets (Net)          | -                       | -                       | 12.07                   | -                       |
| d. Long-term loans and advances       | 10,679.08               | 10,407.49               | 10,714.07               | 10,441.09               |
| e. Other bank balances                | 3,730.60                | 3,708.13                | 3,730.60                | 39.89                   |
| f. Other non-current assets           | 10.87                   | 39.89                   | 10.87                   | 3,708.13                |
| Sub-total - Non - current assets      | 1,56,244.05             | 1,80,061.86             | 1,56,276.22             | 1,80,085.71             |
| 2 Current assets                      |                         |                         |                         |                         |
| a. Current investments                | 2,710.49                | 7,129.08                | 3,014.47                | 7,717.03                |
| b. Inventories                        | 3,917.60                | 4,688.94                | 4,277.33                | 5,019.24                |
| c. Trade receivables                  | 1,488.76                | 1,996.53                | 1,785.80                | 2,176.83                |
| d. Cash and Bank Balances             | 8,727.06                | 4,236.84                | 8,751.94                | 4,271.71                |
| e. Short-term loans and advances      | 1,609.84                | 1,011.46                | 1,637.80                | 1,026.73                |
| f. Other current assets               | 80.13                   | 49.48                   | 80.13                   | 49.48                   |
| Sub-total - Current assets            | 18,533.88               | 19,112.33               | 19,547.47               | 20,261.02               |
| <b>TOTAL ASSETS</b>                   | <b>1,74,777.93</b>      | <b>1,99,174.19</b>      | <b>1,75,823.69</b>      | <b>2,00,346.73</b>      |



Notes to the Financial Results:

2. 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".
3. PY-3 Field, operated by Hardy Exploration & Production (India) Inc., remains shut since July 31, 2011. Operator has submitted a Full Field Development Plan during May 2013 for approval by Joint Venture Partners.
4. During the Year ended March 31, 2013, the PY-1 Field was shut in for a period of 135 days, primarily on account of the buyer, GAIL India Limited, not being able to off-take the gas supply due to shut-down of downstream consumer (115 days) and unplanned maintenance at PY-1 onshore processing terminal (20 days).
5. The figures for the quarters ended March 31, 2013 and March 31, 2012 are balancing figures between audited figures in respect of the full financial year ended March 31, 2013 and March 31, 2012 respectively and the un-audited published year-to-date figures upto December 31, 2012 and December 31, 2011 respectively, being the end of the third quarter of the respective financial years which was subject to limited review.
6. Pursuant to an independent third party certification of PY-1 Field reserves based on information available subsequent to the drilling of Surya Well in PY-1 Field, the estimate of Proved Reserves of PY-1 Field has been revised to 120.2 billion cubic feet.

The Company has carried out an impairment assessment as at Dec 31, 2012, based on procedures consistent with Accounting Standard 28 (AS 28) and recognised an impairment loss to the extent of INR 45,939 lacs and additional depletion amounting to INR 11,258 lacs for the production upto the date of assessment of impairment. The aggregate amount of INR 57,197 lacs has been disclosed under exceptional items.

The following key assumptions have been used for determining the value-in-use of PY-1 Asset:

- a. Pre-tax cash flows have been projected for the life of the PY-1 Field based on the estimate of Proved Reserves as certified by the independent third party and considering cash flows necessary to maintain originally assessed standard of performance.
- b. Discount rate of 10% has been considered reflecting market assessment based on transactions for similar assets.



*Manish*

7. 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 FY 2012-13 and FY 2011-12 non-adherence of the Guidance Note (Accounting for Oil and Gas Producing Activities, issued by Institute of Chartered Accountants of India, 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:

- the aforesaid Guidance Note is not mandatory and only recommendatory in nature;
- the Company's Accounting Policy, which has been followed consistently during the earlier quarters in the Financial Year 2012-13 and in the Financial Years prior to 2011-12 with reference to treatment of survey costs, 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
- 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 Report for the year ended March 31, 2013.

8. The details of the Promoter's shareholding, Eni Group, are based on their declarations giving the status that no share has been pledged for the respective periods.
9. Figures for previous period/year have been regrouped / reclassified to make them comparable with the current period, wherever necessary.
10. 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 May 29, 2013.

BY ORDER OF THE BOARD

For Hindustan Oil Exploration Company Limited



*Manish*

**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement**

To

**Board of Directors of Hindustan Oil Exploration Company Limited,**

1. We have audited the quarterly financial results of Hindustan Oil Exploration Company Limited ('the Company') for the quarter ended March 31, 2013 and the financial results for the year ended March 31, 2013, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, 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 audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2013 and the published year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2013 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2012, the audited annual financial statements as at and for the year ended March 31, 2013, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2012 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2013; and the relevant requirements of Clause 41 of the Listing Agreement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements and other financial information as at March 31, 2013 include Company's share of net fixed assets, net current assets, expenses and cash flows aggregating to INR 220,618,926, INR 11,108,879, INR Nil and INR Nil respectively in respect of one of its unincorporated joint venture ('UJV') not operated by the Company, whose accounts and other financial information have been audited by the auditors of the respective UJV and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such UJVs are based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.



4. The financial statements and other financial information as at March 31, 2013 include Company's share of net fixed assets, net current assets, expenses and cash flows aggregating to INR 807,757,669, INR Nil, INR Nil and INR Nil respectively as at March 31, 2013 in respect of two of its UJV's not operated by the Company, the accounts of which have not been audited by the auditors of the respective UJV's. The financial statements and other financial information have been incorporated based on un-audited financial statements as provided by the Operator of respective UJV's and relied upon by us. Our opinion is not qualified in respect of this matter
5. As more detailed in Note 7 of the accompanying financial results, the Company follows "Successful Efforts Method" method of accounting for its exploration and production activities, the Company has capitalised costs of INR 342.29 million (including INR 277.63 million to December 31, 2012 and INR 64.49 million to March 31, 2012), 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 342.29 million (including prior period charge of INR 277.63 million to December 31, 2012 and INR 64.49 million to March 31, 2012) 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 342.29 million respectively. Our review opinion for the quarter ended December 31, 2012 and our audit opinion on the financial statements for the year ended March 31, 2012 was also qualified in respect of the above matter.*

6. In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in paragraph 5 above, these quarterly financial results as well as the year to date results:
- i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
  - ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2013 and for the year ended March 31, 2013.
7. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2013 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2013 and the published year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

8. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

*S.R. Batliboi & Associates LLP*

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's Registration Number: 101049W

*A. Suresh*

**per Subramanian Suresh**

Partner

Membership Number: 83673

Place of Signature:

Date:

