

# Hindustan Oil Exploration Company Limited

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17th ANNUAL GENERAL MEETING			
<b>Date</b>	:	<b>September 17, 2001</b>	
<b>Day</b>	:	<b>Monday</b>	
<b>Time</b>	:	<b>10.30 A.M.</b>	
<b>Place</b>	:	<b>"Tropicana Hall"</b> <b>Holiday Inn</b> <b>Hotel &amp; Convention Centre</b> <b>Akota</b> <b>Vadodara - 390 020</b>	

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## BOARD OF DIRECTORS

- |                    |   |
|--------------------|---|
| Dr. I. G. Patel    | <i>Chairman</i>                                 |
| * Deepak S. Parekh |   |
| * Vimal Bhandari   |   |
| B. R. Sule         |   |
| C. K. Mehta        |   |
| Rasesh N. Mafatlal |   |
| Hasmukh Shah       |   |
| * R. Vasudevan     |   |
| Manu R. Shroff     |   |
| * Steven Holliday  |   |
| * Ronald S. Somers |   |
| R. Boyd Montgomery |   |
| * Ajit C. Kapadia  | <i>Managing Director</i>                        |
| Ronald Bryans      | <i>Alternate Director to Steven Holliday</i>    |
| Todd A. Brown      | <i>Alternate Director to R. Boyd Montgomery</i> |
- \* *Members of Executive Committee*

## COMPANY SECRETARY

Surendra U. Tamboli

## AUDITORS

S. B. Billimoria & Co., Chartered Accountants, Mumbai

## PRINCIPAL BANKERS

ABN AMRO Bank  
HDFC Bank Limited  
State Bank of India

## REGISTERED OFFICE

'HOEC House', Tandalja Road, Off Old Padra Road, Vadodara-390 020 (India)  
Visit us at: [www.hoec.com](http://www.hoec.com) • Email: [contact@hoec.com](mailto:contact@hoec.com)

## MUMBAI OFFICE

Anand House, 13th Road, Off Linking Road, Khar (West), Mumbai-400 052 (India)  
Email: [hoecmumbai@hoec.com](mailto:hoecmumbai@hoec.com)

## REGISTRAR AND SHARE TRANSFER AGENT (w.e.f. 1-8-2001)

Intime Spectrum Registry Ltd., 260, Shanti Industrial Estate,  
Sarojini Naidu Road, Mulund (West), Mumbai-400 080 (India)

## MANAGEMENT TEAM

Vipul Bhatt	General Manager	(Engg. & Production)
Dr. Vipul Desai	General Manager	(Corporate Services)
Dr. Udayan Das Gupta	General Manager	(Exploration)
Haren D. Parekh	Dy. General Manager	(Business Development)
Amit Shah	Dy. General Manager	(Finance & Accounts)



HINDUSTAN OIL EXPLORATION COMPANY LIMITED

**NOTICE**

NOTICE IS HEREBY given that the 17th Annual General Meeting of the Members of Hindustan Oil Exploration Company Limited will be held on Monday, 17th September, 2001 at 10:30 a.m. at "Tropicana Hall", Holiday Inn, Hotel & Convention Centre, Akota, Vadodara - 390 020 to transact the following business:

**ORDINARY BUSINESS :**

1. To consider and adopt the Audited Balance Sheet as at March 31, 2001 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Deepak S. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. B. R. Sule, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. C. K. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

**SPECIAL BUSINESS :**

7. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.  
"RESOLVED that Mr. Manu R. Shroff, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**By Order of the Board of Directors**

Place : Mumbai **Surendra U. Tamboli**  
Date : June 28, 2001 Company Secretary

**Registered Office :** 'HOEC House', Tandalja Road,  
Off Old Padra Road, Vadodara - 390 020.

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 4th September, 2001 to Monday, 17th September, 2001 (both days inclusive).
4. Members desirous of obtaining any information concerning the accounts and operations of the Company, are requested to send their queries to the Company Secretary at least seven days before the Meeting, so that the information required by the members may be made available at the Meeting.
5. The Company's equity shares are traded in the stock exchanges compulsorily in the dematerialised form. Shareholders have the option to hold the shares in physical form or dematerialised form.

**INSPECTION OF DOCUMENTS**

Copies of the Documents referred to in the notice are available for inspection at the Registered Office of the Company between 09.30 a.m. to 5.30 p.m. during working days (except Saturdays, Sundays and holidays) until the date of Annual General Meeting.

**ANNEXURE TO THE NOTICE**

Explanatory Statement under Section 173(2) of the Companies Act, 1956 for item No. 7 of the Notice is as under:

**Item No. 7**

Mr. Manu R. Shroff was appointed as an Additional Director by the Board of Directors of the Company at the Board Meeting held on 29th March, 2001. In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr. Shroff shall hold office upto the date of the ensuing Annual General Meeting. The Company has received valid notice and requisite deposit from a member of the Company under Section 257 of the Act, proposing the name of Mr. Shroff for the office of Director. Mr. Shroff is an eminent economist educated at the London School of Economics having deep knowledge of the Indian Economy and held key positions like India's Executive Director on the World Bank, Economic Advisor in Ministry of Finance, Advisor - Planning Commission, Professor at IIM Ahmedabad and is on the Board of many corporates. The Board considers that it would be in the interest of the Company to appoint him as a rotational director and commends the resolution for his appointment.

Your Directors commend the resolution for approval of the members.

No other Director of the Company except Mr. Manu R. Shroff is concerned or interested in the above resolution.

**By Order of the Board of Directors**

Place : Mumbai **Surendra U. Tamboli**  
Date : June 28, 2001 Company Secretary

**Registered Office :** 'HOEC House', Tandalja Road,  
Off Old Padra Road, Vadodara - 390 020.

## DIRECTORS' REPORT

### TO THE MEMBERS OF HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Your Directors have pleasure in placing before you the 17th Annual Report and Audited Statement of Accounts for the year ended 31st March 2001.

### ANNUAL RESULTS

For the Company as a whole, the financial performance for this year is satisfactory. The production from PY-3 field continues as we expected and the international crude oil price remained attractive, which has maintained the profitability of the Company. The Second Phase Development Programme of PY-3 field is in progress, which is expected to increase recoverable reserves to 17.5 Million Barrels of crude oil as compared to 11.4 Million Barrels of crude oil. The life of the field is expected to be enhanced to the end of 2006.

For the Financial Year 2000-2001, the profit before tax and provisions stood at Rs. 2522 lacs as compared to Rs. 1820 lacs for the previous year. After providing for provisions for contingencies, doubtful debts and taxes, the net profit available for the year comes to Rs. 1892 lacs. After adjusting the past losses of Rs. 1230 lacs and appropriation for the proposed dividend, the surplus of Rs. 337.92 lacs is carried forward.

### FINANCIAL HIGHLIGHTS

	(Rs. in Lac)	
	2000-2001	1999-2000
Net Sales	4051.73	4686.66
Other income	1020.36	918.05
Gross Profit after interest but before Depreciation/Depletion/Taxation	2854.62	3136.31
Less: Depreciation and Depletion	332.72	1316.61
<b>Profit before:</b>		
Expenses Written off/Provision for Contingencies/Taxation	2521.90	1819.70
Add: Provision not required for Investment Allowance Reserve	0.25	—
<b>Less:</b>		
Expenses Written off/Provision for Contingencies	348.88	
Doubtful debts/Advances	130.97	
Taxation	150.58	748.90
<b>Profit for the year</b>	<b>1891.72</b>	<b>1070.80</b>
Appropriation:		
Less: Loss brought forward	1230.12	2300.92
Dividend on Equity Shares	293.72	—
Corporate Dividend Tax	29.96	—
Balance carried to Balance Sheet	337.92	(1230.12)

Depletion has been lower due to lower production and revision of estimate of oil reserves from 10 million barrels to 11.4 million barrels.

### DIVIDEND

Considering the improved performance during the year under review, your Directors are happy to recommend a maiden dividend @ 5% on the equity shares of the Company for the year ended 31st March 2001. The proposed dividend including corporate dividend tax will absorb Rs.324 lacs.

### OPERATIONS REVIEW

For the year in consideration, oil industry in general remained buoyant with OPEC exercising control over production and therefore, oil prices remaining stable in the predictable band of 22-29 \$/barrel. The industry as a whole benefited and exploration and production activities in both new and old areas are on the rise.

Review of operations in all the three areas of Company's operations, namely, production, development and exploration are described below.

### PRODUCTION

During the year under review the Consortium has produced 1.62 million barrels of oil (Company's share being about 0.34 million barrels) from PY-3 oil field in the Cauvery Offshore area with a daily average production of 4438 barrels from four wells. A total of about 8.56 million barrels of oil has been delivered to Chennai Petroleum Corporation from inception until 31st March 2001. The PY-3 Consortium has commenced execution of Phase-II work program for extending the field life and recovering additional oil from the field.

Asjol oil field in Gujarat, where the Company is Operator, has produced about 23 thousand barrels of oil (Company's share about 11.5 thousand barrels), with a daily average production of 63 barrels from three wells. While the Company continues to receive provisional price, settlement of outstanding pricing related issues is expected to have a positive effect.

### DEVELOPMENT

The Company along with Consortium partners continues its efforts to develop PY-1 gas field. The critical activity is Gas Sales Agreement for which negotiations are ongoing. Agreement has been reached on majority of issues and the remaining few are expected to be resolved shortly.



Production Sharing Contracts (PSC) have been signed with Government of India for the six small size fields in Gujarat awarded to the Company along with the Consortium partners. The Company has submitted applications for Mining Lease to the Government of Gujarat for two of these fields (North Balol & Unawa) for which the Company is Operator. Heramec, the Consortium partner and operator for the balance four blocks, has submitted applications for Mining Lease to the Government of Gujarat for those blocks.

#### EXPLORATION

The year began on a good note. Production Sharing Contracts for three exploration blocks namely CB-ON-2, CB-ON-7 and CY-OSN-97/1 [NELP-I] were signed by your Company. Your Company also participated in NELP-II round but was unsuccessful.

In Block CB-OS-1, Gulf of Cambay, Gujarat, three more wells are to be drilled. After pursuing environmental clearance for over a year, clearance has been obtained for one well. Final nod from Ministry of Environment and Forest for the remaining two wells is expected soon. Consortium is receiving all the support from Ministry of Petroleum in getting clearance for drilling the wells. Long lead items such as well tangibles have started arriving in the base camp near Vadodara. Well services contracts and contract for drilling rig are in place. The drilling will commence as soon as the above environmental clearances are obtained.

Exploration activities have started in AAP-ON-94/1 block after receipt of Petroleum Exploration Licence (PEL) in January 2001. The Phase-I is mainly an interpretation phase with modelling based seismic reprocessing and geochemical survey is to be carried out. HOEC is the operator of the block.

Exploration work has also started in CB-ON-2 (Tarapur) block after receiving mandatory clearances in January 2001. Your Company has received PEL and other State Government clearances for the CB-ON-7 (Palej) block in March, 2001. HOEC is the operator of the Block. Apart from other activities, an extensive well testing programme is being finalised to realise the potential of the existing wells in the block.

In Cauvery offshore block CY-OSN-97/1 (NELP-I), the PSC has been signed in January 2001. The PEL was granted in June 2001 and preliminary work has begun.

Regarding relinquishment of Pranhita-Godavari basin block, as no response has been received from GOI, it has been decided to pursue arbitration.

#### RISK MANAGEMENT

Your Company's philosophy is to have a balanced portfolio between exploration and production for sustained growth. After a thorough review of the blocks, your Company has relinquished its interest in the Cachar (CR-ON-90/1) block.

#### HEALTH, SAFETY AND ENVIRONMENTAL PRACTICES (HSE)

Both at the sites where the Company operates and where the Company is joint venture partner, the management assures that HSE practices are consistent with national and international standards.

#### INVESTMENT OF SURPLUS FUNDS

The Board has framed broad guidelines for investing the surplus funds of the Company. Under the guidance of the Executive Committee the surplus funds are invested in inter-corporate and bank deposits with AAA ratings assuring safety of the funds so invested. During the year, Company has invested Rs. 337.5 Million on Debt/Income funds of various Mutual Funds with a view to get tax free returns. Investment in Mutual Funds held at the year end is valued at cost or their realisable value whichever is lower as per AS 13. This has resulted in provision for diminution in the value of Current Investment of Rs. 4.5 Million as against tax free income of Rs. 8 million giving net yield of around 11% per annum.

#### GUJARAT EARTHQUAKE RELIEF

The earthquake that struck Gujarat on 26th January 2001 caused extensive damage to property and loss of life and suffering to thousands of people. As a part of its social responsibility HOEC family quickly responded with first-aid medicines, relief articles and extended a helping hand to the affected people.

#### HUMAN RESOURCES

Your Company has a team of competent professionals who are regularly imparted with special training in all aspects of Company's activities to keep them abreast of the rapidly changing technologies. All efforts are being made to create environment both in terms of facilities and organization culture for employees to discharge their responsibilities with maximum efficiency. Your Company is privileged to have such dedicated, enthusiastic and expert professionals, which is a real asset.

**HOEC BARDAHL INDIA LIMITED (WHOLLY OWNED SUBSIDIARY OF HOEC)**

During the year, HOEC Bardahl India Limited (HBIL) had incurred a loss of Rs. 2 million which is mainly attributable to the amortization of sales promotion expenses. HBIL has a cash profit in the absence of the amortization expenses.

HBIL's accumulated loss of Rs. 17.94 million as on March 31, 2001 has been provided in the accounts of HOEC. The provision has been made as "Investments Written Down" of Rs. 5 million and a 'Provision for Doubtful Loan' of Rs. 12.94 million. HBIL Management is taking all corrective measures for cost control and appropriate marketing plan so as to make a viable independent profit center.

**AUDITORS' REPORT**

With reference to the observation made in Auditors' Report regarding unaudited joint ventures' accounts, we have to state that as per PSCs signed with GOI, the operators have been allowed time upto 30th September to submit audited accounts. Considering this, some of the operators have not submitted audited accounts till the Company's accounts are audited. Hence, the statements of expenditure submitted by those operators have been incorporated.

**DIRECTORS**

In accordance with the provisions of Articles of Association of the Company and Provisions of the Companies Act, 1956, Mr. Deepak S. Parekh, Mr. B. R. Sule, and Mr. C. K. Mehta will retire by rotation at the ensuing Annual General Meeting and they, being eligible offer themselves for re-appointment.

The Board of Directors has at their meeting held on 29th March 2001 appointed Mr. Manu R. Shroff as Additional Director of the Company. Under Articles 111 of Articles of Association of the Company, he will hold office up to the date of ensuing Annual General Meeting. Notice has been received from member pursuant to the provisions of Section 257 of the Companies Act, 1956, intimating his intention to move resolution for the appointment of Mr. Manu R. Shroff as Rotational Director.

During the year, Mr. Ashok M. Bhatt, Joint Managing Director has discontinued his services. Due to internal reorganization at Unocal Corporation, their Nominee Director Mr. Arun K. Metre was replaced by Mr. Neeraj Nityanand. Mr. Nityanand has been replaced by

Mr. Ronald S. Somers with effect from 29th December 2000. Apart from this Mr. Andrew Crossley, Alternate Director to Mr. R. Boyd Montgomery was replaced by Mr. Todd A. Brown.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO**

Your Company has been adopting modern technology to conserve energy both in field operation as well as in office.

In order to equip ourselves with state of art techniques, the Company has been deputing its executives to external training programmes as well as inviting both Indian and international specialists for in-house training. Particulars regarding foreign exchange appear in Schedule 15 of the accounts.

**PARTICULARS OF EMPLOYEES**

The particulars of employees required to be furnished pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are attached hereto and form part of the Report.

**AUDITORS**

The Auditors M/s. S. B. Billimoria & Co., Chartered Accountants, will retire at the forthcoming Annual General Meeting. As recommended by the Audit Committee, the Board at its Meeting held on 28th June, 2001 proposed their appointment as Statutory Auditors to audit the accounts of the Company for the financial year 2001-2002. You are requested to consider their appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the



HINDUSTAN OIL EXPLORATION COMPANY LIMITED

state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

### CONCLUSION AND ACKNOWLEDGEMENT

Your Directors place on record their gratitude for the support and co-operation received from Government of India's agencies namely, Ministry of Petroleum & Natural Gas, Government of Gujarat and Consortium Partners. We express our sincere appreciation to our dedicated and committed team of employees who have contributed in the growth of the organization.

For and on behalf of the Board

Place : Mumbai  
Date : June 28, 2001

Dr. I. G. Patel  
Chairman

## ANNEXURE TO THE DIRECTORS' REPORT

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2001.

Name & Qualification	Age	Designation	Remuneration received Rs.	Experience (No. of years)	Date of joining	Last employment	
						Name of the Co.	Designation
Ajit C. Kapadia B.Sc. (Hons.), M.E., (Chem.), Business Management Certificate, Sr. Course	59	Managing Director	1,351,000	38	30.03.1987	Gas Authority of India Ltd.	Director (Planning)
Ashok M. Bhatt B.E. (Mechanical)	61	Jt. Managing Director	1,385,293*	40	28.10.1995	Oil & Natural Gas Corpn. Ltd.	Regional Director

\* For part of the year.

- Notes:** (1) Gross remuneration as above includes salary, taxable allowances, Company's Contribution to Provident Fund and Superannuation Fund, Gratuity paid (but excludes Company's contribution to Gratuity Fund), reimbursement of medical expenses, personal accident & mediclaim insurance premium, leave travel assistance and monetary value of perquisites calculated in accordance with the provisions of the Income Tax Act, 1961 and the Rules thereunder.
- (2) The above mentioned employees are not relatives of any Director of the Company.
- (3) The nature of employment is contractual.

## CORPORATE GOVERNANCE REPORT

### HOEC'S MISSION

#### MANAGING EXPLORATION AND CONTINUOUSLY ENHANCEMENT OF STAKEHOLDERS' VALUE

Late Shri H T Parekh, founder Chairman of HOEC could visualize as early as late 70's that unless Indian Private Sector brought additional investments into the upstream oil sector, India could face serious economic crisis. In his wisdom, with support from Indian private sector companies and financial institutions, he formed HOEC with a mission to enhance oil exploration efforts in the Indian basin by Indian private sector. Such efforts, as they succeed, would substantially boost India's economic progress. HOEC's mission is to manage exploration risk and enhance stakeholders' values. Success of our mission would contribute towards India's economic progress.

Late Shri Parekh was a firm believer in protecting shareholders' interests and good Corporate practices, being part of it, appropriates service culture has been established right from the inception. Corporate Governance is essentially a self-discipline code. Given below is the report of the Directors' Corporate Governance in accordance with the provisions of listing agreement.

### BOARD COMPOSITION

The Board has 13 directors; all except Managing Director are non-executive directors. Amongst them 9 directors are independent and 3 directors are represented by major Shareholders i.e. one by British Borneo (U.K.), and the remaining two are represented by Unocal Bharat Ltd. (Mauritius).

### BOARD MEETINGS

During the year under review, Six Board meetings were held one each on 20th June, 2000, 18th July, 2000, 20th October, 2000, 29th December, 2000, 30th January, 2001 and 29th March, 2001.

Attendance of each director at the Board Meetings and their directorships in other companies is as follows:

Name of Director	Attendance at the Company's Board Meetings	Directorships of other Companies
Dr. I. G. Patel ( <i>Chairman</i> )	5	1
Ajit C. Kapadia ( <i>Managing Director</i> )	6	3

Name of Director	Attendance at the Company's Board Meetings	Directorships of other Companies
Rasesh N. Mafatlal	1	7
Deepak S. Parekh	3	14
Vimal Bhandari	5	10
B. R. Sule	3	8
C. K. Mehta	4	4
Hasmukh Shah	3	7
R. Vasudevan	4	4
Ronald S. Somers (w.e.f. 29.12.2000)	3	—
R. Boyd Montgomery	—	—
Steven Holliday	—	—
Manu R. Shroff (w.e.f. 29.03.2001)	—	7

During the year Mr. Ashok M. Bhatt, Joint Managing Director has discontinued his services with the Company. He attended 3 Board Meetings of the Company. Mr. Arun K. Metre nominee director of Unocal was replaced by Mr. Niraj Nityanand; both of them attended one board meeting each during the year. Mr. Niraj Nityanand was replaced by Mr. Ronald S. Somers. Mr. Andrew Crossley, Alternate Director to Mr. R. Boyd Montgomery was replaced by Mr. Todd A. Brown.

Dr. I. G. Patel, Mr. Ajit C. Kapadia, Mr. Ashok M. Bhatt, Mr. Vimal Bhandari, Mr. C. K. Mehta, Mr. Hasmukh Shah and Mr. R. Vasudevan were present at the Annual General Meeting held on 18th August, 2000.

### BOARD COMMITTEES

Currently the Board has four Committees, the Executive Committee, the Audit Committee, the Remuneration Committee and the Shareholders Investors/Grievance Committee.

#### A. The Executive Committee

The Executive Committee is constituted with a view to consider and approve the terms and conditions of all the Production Sharing Contracts with the Government, proposal for change in the level of the participating interest of the Company in exploration and development contracts, terms of services of employees and to look after the investment of surplus funds etc.


**HINDUSTAN OIL EXPLORATION COMPANY LIMITED**
**Composition of the Executive Committee**

1. Mr. Deepak S. Parekh — Chairman
2. Mr. Ronald S. Somers — Member
3. Mr. Vimal Bhandari — Member
4. Mr. R. Vasudevan — Member
5. Mr. Steven Holliday — Member
6. Mr. Ajit C. Kapadia — Member

**B. The Audit Committee**

The Audit Committee is constituted in compliance with Section 292A of the Companies Act 1956, and Clause 49 of the Listing Agreement. The description of terms of reference is as under:

To oversee the Company's financial reporting process, internal control systems, reviewing the accounting policies and practices, report of the Company's Internal Auditors, half-yearly and yearly financial statements so as to review the financial and risk management policy. It consists of three independent directors.

**Composition of the Audit Committee**

1. Mr. Manu R. Shroff — Chairman
2. Mr. Vimal Bhandari — Member
3. Mr. R. Vasudevan — Member

**C. The Remuneration Committee**

The Remuneration Committee is constituted to decide the terms of service and compensation of Managing Director and whole-time directors and to discharge such other functions as may be referred by the Board.

**Composition of the Remuneration Committee:**

1. Mr. Vimal Bhandari — Chairman
2. Mr. R. Vasudevan — Member
3. Mr. Ronald S. Somers — Member

**D. The Shareholders/Investors Grievance Committee:**

The Shareholders/Investors Grievance Committee is constituted to specifically look into redressal of complaints like transfer of shares, non-receipt of share certificates, dividend warrants, annual reports etc. received from shareholders/investors and to improve the efficiency in the investor service wherever possible.

**Composition of the Shareholders/Investors Grievance Committee:**

1. Mr. Ajit C. Kapadia — Chairman
2. Dr. Vipul Desai — Member
3. Dr. Udayan Das Gupta — Member

**DETAILS OF ANNUAL GENERAL MEETINGS:**
**1. Location and Time where last three AGMs were held**

Year	Location	Date	Time
1997-1998	Federation Building Vadodara	18th September, 1998	10:30 a.m.
1998-1999	Federation Building Vadodara	08th September, 1999	11:30 a.m.
1999-2000	Federation Building Vadodara	18th August, 2000	11:30 a.m.

2. Whether special resolutions were put through postal ballot last year? **NO**
3. Are votes proposed to be conducted through postal ballot this year? **NO**
4. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. **NONE**

**MEANS OF COMMUNICATION**

The quarterly and half yearly unaudited financial results were published in the Economic Times (English language), Ahmedabad edition and Vadodara Samachar (regional language) Vadodara edition. The results were also displayed on the Company's web site at [www.hoec.com](http://www.hoec.com)

**INFORMATION TO SHAREHOLDERS**

<b>FINANCIAL CALENDAR</b>	
<b>Financial year 1st April, 2000 to 31st March, 2001</b>	
Board Meeting for consideration of Accounts and recommendation of dividend. If any.	28th June, 2001
Book Closure dates	04.09.2001 to 17.09.2001 (Both days inclusive)
<b>Day, Date &amp; Time</b> of 17th Annual General Meeting	<b>Monday, 17th September, 2001, at 10.30 A.M.</b>
Board Meeting for considering unaudited result for first 3 quarters for FY 2001-2002.	By end of the month of the succeeding quarter.

**Equity Shares of the Company are listed at following stock exchanges:**

- (1) Ahmedabad (Code Hindoil) (2) Bangalore (Code Hindoilekp) (3) Calcutta (Code 18022 & 10018022)
- (4) Delhi (Code 8003) (5) Madras (Code HOL) and (6) Mumbai (BSE Code 186)

The Company has already paid listing fees to the above mentioned stock exchanges for the FY 2001-2002.