

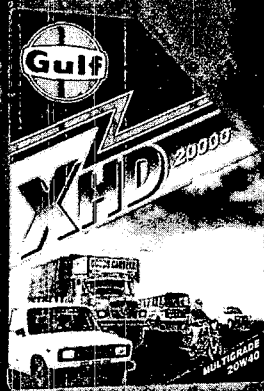


GULF OIL India Ltd.

ANNUAL REPORT 1997-98



HINDUSTAN
PETROLEUM
CORPORATION
LIMITED



XHD 20000

Long drain
mixed fleet
engine oil



SXC

Super performance
diesel engine oil



SDMO

Premium grade
diesel engine oil



MULTI G

Premium grade
car engine oil



LCV SPECIAL

Optimum
performance
engine oil



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GULF OIL India Limited

SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of GULF OIL India Limited will be held at Rang Sharda Auditorium, Bandra Reclamation, Bandra (West), Mumbai - 400 050 on Wednesday, the 9th September, 1998 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet and the Profit and Loss Account for the period ended 31st March, 1998 and to consider the Report of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. H.C. Asher, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. E.G. Mahadevan, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Nasr E.A.A. Megahed, who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

7. REVISION IN TERMS OF REMUNERATION OF THE MANAGING DIRECTOR :

To consider, and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution :

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 of the Companies Act, 1956 (the "Act") read with Schedule XIII of the Act, the Company hereby approves the increase in remuneration payable to Mr. K. Das Gupta, Managing Director of the Company with effect from 1st October, 1997 by increasing the Company's contribution to Provident Fund and Superannuation Fund from the present twenty five percent of the remuneration to twenty seven percent of the remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, for the remainder tenure of the contract with Mr. K. Das Gupta as Managing Director."

8. To consider, and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution :

To appoint a Director in the place of Mr. J. Joseph who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12th June, 1998 under Article 86 of the Articles of Association of the Company and who holds office under Section 260 of the Companies Act, 1956, (the "Act") only upto the date of the meeting, and is eligible for appointment in respect of whom the Company has received a notice in writing from some members under the provisions of Section 257 of the Act, proposing his candidature for the office of Director.



GULF OIL India Limited

**SEVENTEENTH
ANNUAL
GENERAL MEETING**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Registrar of Members and Share Transfer Books of the Company will be closed from 21st August, 1998 to 9th September, 1998 (both days inclusive) in connection with the ensuing Annual General Meeting and the payment of dividend.
4. The dividend for the period ended 31st March, 1998 as recommended by the Board, if sanctioned at the meeting, will be payable to those members whose name appears on the Company's Register of Members on 9th September, 1998.
5. Members are requested to inform the Company of any change in their addresses immediately so as to enable the Company to despatch dividend warrants and any future communication at their correct addresses.
6. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
7. With a view to providing protection against fraudulent encashment of dividend warrants, the members were requested in the past to provide their bank account numbers, names of the banks and addresses of the branches to enable the Company to incorporate the said details in the dividend warrants. Those members who have not yet provided such information are again requested to provide these details quoting their folio numbers, to reach the Company latest by 3rd September, 1998 to enable the Company to incorporate this information in the dividend warrants for the year 1997-98.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Department enclosing their share certificates to enable the Company to consolidate their holdings in one folio.

Registered Office :
Hinduja House,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018

Mumbai,
 June 12, 1998

By Order of the Board of Directors
For GULF OIL India Limited

S.B. Joshi
Company Secretary



GULF OIL India Limited

**SEVENTEENTH
ANNUAL
GENERAL MEETING**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7 of the Notice :

The Board of Directors appointed Mr. K. Das Gupta, as Managing Director of the Company for 3 years w.e.f. 26th June, 1997. The approval of the shareholders of the Company was sought at the 16th Annual General Meeting held on 4th September, 1997 for the appointment and remuneration payable to Mr. K. Das Gupta.

As per contract, the Company was required to contribute to recognised Provident Fund @10% of Salary. However, the rate of contribution has been increased to 12% of Salary w.e.f. 1.10.97 in terms of circular no.17 of 1997 dated 22.9.97 issued by the Central Government in this respect. The said increase has also increased the perquisite value of Company's contribution to Provident Fund and Superannuation Fund from 25% to 27% w.e.f. 1.10.1997. The revised limit is permitted under the Income Tax Act, 1961.

It is therefore, necessary to obtain approval of the members to the modification in the perquisite value, in clause D (III) of the resolution passed at the 16th Annual General Meeting of the Company which was as follows :

D (III) Company's contribution to Provident Fund and Superannuation Fund shall be 25% of the remuneration. These, however, shall include Salary and Commission for computation of the Company's contribution.

Other terms and conditions of his appointment remaining the same.

No Director of the Company other than Mr. K. Das Gupta is concerned or interested in this item.

Item No. 8 of the Notice :

Mr. J. Joseph was appointed as an Additional Director of the Company from 12th June, 1998. As per the provisions of Section 260 of the Companies Act, 1956, (the "Act") he will hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice from some members alongwith deposit of Rs. 500/- proposing the candidature of Mr. J. Joseph for the office of Director, under the provisions of Section 257 of the Act.

Mr. J. Joseph has 45 years of experience of which he has senior positions in the Ministry of Finance/ Ministry of Defence, Government of India; Finance Directorship of Hindustan Petroleum Corporation Ltd. and Indian Oil Corporation Ltd; and was the Deputy Managing Director of Ashok Leyland Ltd. Currently he is the Director-in-charge of Ennore Foundries Ltd. Chennai.

The Board of Directors recommend that he be appointed as a Director of the Company.

No other Director other than Mr. J. Joseph is concerned or interested in this item.

Registered Office :
Hinduja House,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018

Mumbai,
June 12, 1998

By Order of the Board of Directors
For GULF OIL India Limited

S.B. Joshi
Company Secretary



Seventeenth Annual Report 1997-98

GULF OIL India Limited

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	NA
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Board of Directors

K.N. Venkatasubramanian – *Chairman*

K. Das Gupta - *Managing Director*

S.G. Hinduja

R.P. Hinduja

B.D. Punjabi

H.C. Asher

Dr. E.G. Mahadevan

Nasr E.A.A. Megahed

J. Joseph

A.K. Das

(Alternate to S.G. Hinduja)

S.K. Asher

(Alternate to H.C. Asher)

Company Secretary

S.B. Joshi

Bankers

State Bank of India
IndusInd Bank Limited

Auditors

Shah & Company, Mumbai

Solicitors

Crawford Bayley & Co., Mumbai

Registered Office

Hinduja House,
171, Dr. Annie Besant Road,
Worli,
Mumbai 400 018.

Share Department

IN Centre, 49/50 M.I.D.C.
12th Road, Marol,
Andheri (East),
Mumbai 400 093.

REPORT AND ACCOUNTS 1997-98

DIRECTORS' REPORT

The Directors present their Seventeenth Annual Report and Audited Accounts for the year ended 31st March, 1998.

2. FINANCIAL HIGHLIGHTS

	Year ended 31st March, 1998 (Rupees in Lacs)	10-month period ended 31st March, 1997 (Rupees in Lacs)
Sales	251,00.76	152,84.07
Other Income	99.27	57.46
	252,00.03	153,41.53
Profit before Depreciation	11,09.56	6,44.46
Profit before Tax	8,90.72	5,24.42
Provision for Taxation	21.50	21.00
Net Profit for the year	8,69.22	5,03.42
Add: Surplus brought forward from previous year and taken over on amalgamation	2,29.11	2,74.72
Profit available for Appropriation	10,98.33	7,78.14
Appropriations :		
- Proposed Equity Dividend (including tax)	3,86.24	3,13.39
- Proposed CCPS Dividend (including tax)	22.28	35.64
- Transfer to General Reserve	4,50.00	2,00.00
Surplus carried to Balance Sheet	2,39.81	2,29.11

3. DIVIDEND

Your Directors are pleased to recommend payment of dividend of 37% for the year ended 31st March, 1998. The payment will be subject to approval of Shareholders at the Annual General Meeting.

4. TRANSFER OF UNPAID DIVIDEND TO GENERAL REVENUE ACCOUNT OF CENTRAL GOVERNMENT

As per the provisions of Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, unpaid interim dividends for the year 1994-95 in respect of the erstwhile Company amounting to Rs. 24,509.40 have been transferred to the General Revenue Account of the Central Government. Members of the Company whose interim dividend for the year 1994-95 remain unclaimed are individually requested to approach the Registrar of Companies, Maharashtra for claiming the same.

5. PERFORMANCE

The Indian economy continued to remain sluggish throughout the year with industrial production registering a growth of 4.2% compared to 7.1% in 96-97.



While the automotive industry registered a marginal growth, Four Wheeler segment declined by 10%, Medium and Heavy Commercial Vehicles by 40% and Light Commercial Vehicles by 25%. Since the products of your Company are closely linked to the Four Wheeler Segment and particularly Medium and Heavy Commercial Vehicle and Light Commercial Vehicle segments, the market remained difficult throughout the year. In spite of this environment, your Company increased sales to 50,897 KL from 32,776 KL for the previous 10-month period.

Sales to Industrial/Institutional customers was 30% of the total sales. The Automotive (Retail) segment, which accounted for 70% of the year's sales showed a pre-dominant shift towards smaller packs. This has been a heartening feature since it indicates that the GULF brand has increased penetration in retail markets.

Marketing

Visibility campaigns, especially in Western India, were started. The encouraging results obtained through these campaigns have enabled your Company to formulate its marketing strategy on all-India basis. It is expected that the new campaigns would create more market "pull" for the Company's products.

We continued sales to Original Equipment manufacturers; a few more customers such as Ford New Holland were added to our list of OE customers.

Distribution

Our distribution system is dependent to a great extent on the efficiency of mother warehouses located strategically in major markets. In the current year, three more mother warehouses were commissioned in the Western Region at New Mumbai, Indore and Baroda.

In addition, the retail network was strengthened by the addition of more dealers. Exclusive Gulf Shopees were also added to our existing chain.

Production

During the year production of 48,629 KL was achieved at the 2 factories. The Silvassa factory, now certified under ISO 9002, achieved a production of 43,052 KL. The Calcutta factory operations have stabilised and supply of lubricants to the customers in Eastern region increased to 5,577 KL.

The raw material and packaging material position at both factories remained satisfactory throughout the year. Local vendors were developed and with better management of raw materials and packaging material stocks at the two factories, lower inventory levels could be achieved with resultant savings.

Quality

The Silvassa plant along with associated technical and materials supply groups have been certified under ISO-9002. The Company received the certificate in October 1997.

ISO certifications of Sales Regions, Marketing Departments, Personnel & Administration Departments and Calcutta factory are expected by end of 1998.

**REPORT
AND
ACCOUNTS
1997-98****Personnel and Administration**

Employee relations at all locations remained cordial throughout the year.

The Board wishes to place on record its appreciation of the contribution made by all employees for achieving growth in business under difficult market conditions.

6. OUTLOOK FOR THE CURRENT YEAR

With the presentation of Budget by the new Union Government for 1998-99, the Company is hopeful of growth in stagnant sectors of the economy. Revival is always a slow process and the Company is confident of meeting its targets through its growing distribution network and aggressive marketing.

Towards improving customer service and reducing costs, the Company is in the process of identifying locations for setting up more production facilities.

The Company is in the process of identifying locations for setting up more production facilities. This will help in improving customer service and reducing costs.

7. DIRECTORS

Your Company in line with the recommendations of the Cadbury Committee for Corporate Governance, has set up an Audit Committee consisting of the Chairman and two Non Executive Directors. The Committee will interact with internal Auditors, review accounting and operational policies and look at the implications of major transactions.

The Board of Directors of the Company at its meeting held on 12th June, 1998 appointed Mr. Joy Joseph as Additional Director of the Company to strengthen the Board. Mr. Joy Joseph has experience of 45 years in the capacity of Director/Senior Executive.

In accordance with Article 97 of the Articles of Association of the Company, Mr. Joseph will hold office as Director upto the conclusion of the Annual General Meeting of the Company and is eligible for election as Director of the Company. Notice together with necessary deposit under section 257 of the Companies Act, 1956 have been received from members intending to propose the appointment of Mr. Joy Joseph at the forthcoming Annual General Meeting.

In accordance with the Articles of Association of the Company, Mr. H. C. Asher and Dr. E. G. Mahadevan and Mr. Nasr E. Megahed retire by rotation and being eligible offer themselves for re-appointment.

8. EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting was held on 29th May, 1998 to give consent to the Board under Section 370 of the Companies Act and amend/add certain 'Other Object' clauses to enable the Company to prepare long range corporate plans.