



# GULF OIL India Limited

TWENTIETH ANNUAL REPORT 2000-2001

## Board of Directors

(As on 26th July 2001)

Mr. K. N. Venkatasubramanian, Chairman  
 Mr. S. G. Hinduja, Co-Chairman  
 Mr. R. P. Hinduja  
 Mr. B. D. Punjabi  
 Mr. H. C. Asher  
 Dr. E. G. Mahadevan  
 Mr. A. K. Das (Alternate to Mr. S. G. Hinduja)  
 Mr. S. S. Pramanik (Alternate to Mr. R. P. Hinduja)  
 Mr. S. K. Asher (Alternate to Mr. H. C. Asher)

## Executive Team

Mr. R. Venkataraman .....	Vice President — Finance & Secretarial
Mr. K. S. Phalak .....	Vice President — Manufacturing & Materials
Mr. S. N. Raina .....	Senior General Manager — Retail & Marketing
Mr. D. Rao .....	Senior General Manager — Industrial
Mr. A. K. Sumithran .....	General Manager — Personnel & Administration

<b>Company Secretary</b>	Mr. S. B. Joshi
<b>Bankers</b>	State Bank of India The Jammu & Kashmir Bank Limited Vysya Bank Limited HDFC Bank Limited
<b>Auditors</b>	Shah & Company, Mumbai
<b>Internal Auditors</b>	Sharp & Tannan Associates, Mumbai
<b>Solicitors</b>	Crawford Bayley & Company, Mumbai
<b>Registered Office</b>	Hinduja House, 171, Dr. A. B. Road, Worli, Mumbai - 400 018.
<b>Corporate Office &amp; Share Department</b>	IN Centre, 49/50, M.I.D.C., 12th Road, Marol, Andheri (East), Mumbai - 400 093.

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**GULF OIL India Limited****Notice**

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of GULF OIL INDIA LIMITED will be held at Hall of Harmony, Nehru Centre, Worli, Mumbai-400 018 on Wednesday, 19th September, 2001 at 11.30 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 year ended 31st March, 2001 and to consider the Report of the Directors and the Auditors.
2. To declare Dividend on Equity Shares.
3. To appoint a director in place of Mr. Hemraj 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 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.

**By Order of the Board of Directors**

S. B. Joshi  
**Company Secretary**

**Registered Office:**

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

Date: 26th July 2001

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A proxy form 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. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2001 to 21st September, 2001 (both days inclusive).

3. Dividend on equity shares for the year ended March 31, 2001, will be paid to those Members whose names appear on the Company's Register of Members at the close of working hours of the Company, on Friday, September 14, 2001 to the extent eligible. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
4. Members are requested to inform the Company of any change in their addresses immediately so as to enable the Company for any future communication at their correct addresses.
5. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrant as per the applicable regulations of the Depositories and the Company will not receive or attend to direct request from such member for change/deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be applicable automatically to the dividend to be paid on shares held by them in electronic form. Members, may, therefore, if they so desire, give fresh instructions regarding bank account in which they wish to receive dividend, to their Depository Participant.
6. With a view to safeguarding themselves against fraudulent encashment of dividend warrants, members holding shares in physical form 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. Members will appreciate that the Company will not be responsible for any loss arising out of any fraudulent encashment of dividend warrants.
7. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Department to enable the Company to consolidate their holdings in one folio.

**By Order of the Board of Directors**

S. B. Joshi  
**Company Secretary**

**Registered Office:**

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

Date: 26th July 2001



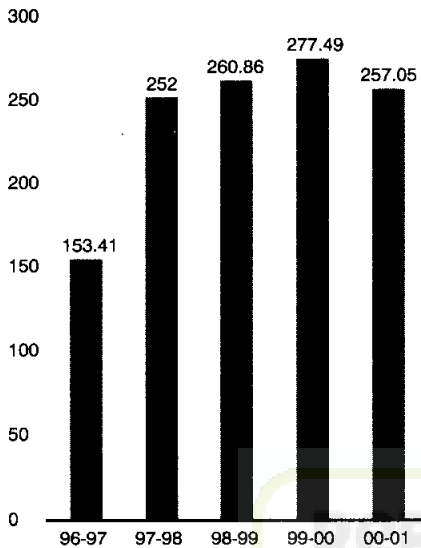
## Directors' Report

To the Members,

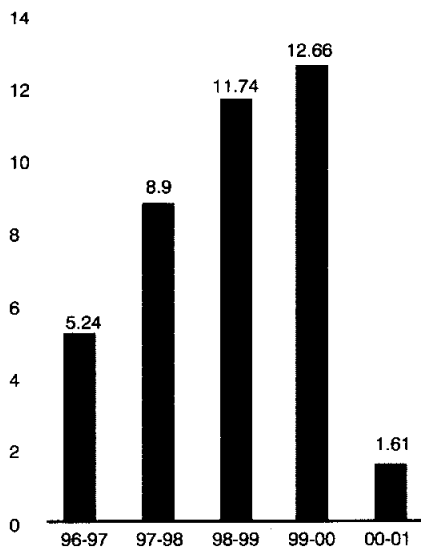
The Directors have pleasure in presenting their 20th Annual Report for the year ended 31st March, 2001:

### FINANCIAL RESULTS

**Sales Income**  
Rs. in Crores



**Profit Before Tax**  
Rs. in Crores



	Year ended 31st March 2001 (Rs. in lacs)	Year ended 31st March 2000 (Rs. in lacs)
Sales/Income from operations	25,705.49	27,749.55
Other Income	86.78	84.92
<b>Total Income</b>	<b>25,792.27</b>	<b>27,834.47</b>
Profit before Depreciation and Taxation	431.58	1,518.01
Depreciation	270.70	251.16
Provision for Taxation	1.70	20.50
Profit after depreciation and taxation	159.18	1,246.35
Add/(Less): Prior period adjustments	(35.52)	19.31
<b>Net Profit for the year</b>	<b>123.66</b>	<b>1,265.66</b>
Add: Surplus brought forward from previous year	557.52	413.12
Profit available for appropriation	681.18	1,678.78
<b>Appropriations:</b>		
Proposed Equity Dividend	176.10	—
Interim Equity Dividend	—	469.60
Tax on dividend	17.96	51.66
Transfer to General Reserve	10.00	600.00
Surplus carried to Balance Sheet	477.12	557.52

### PERFORMANCE

The year 2000-2001 was a very difficult and trying year for the Company, since inception. For the first time the total sales decreased and so did the profit before tax. The profit after tax dipped to Rs. 123.66 lacs from Rs. 1,265.66 lacs in the previous year.

This situation arose out of sharp increase in the input cost by almost 35% and the inability of the industry in passing on the same to its customers. The recessionary trends in the economy, particularly with the slow down in the Automobile sector adversely affected the working of the Company.

The total sales of lubricants, and greases during the period were 57790 KL as against 62183 KL in the previous year. The Company continued its efforts on the industrial sales front.

Accordingly, sales to institutional customers, railways, coalfields and others showed increase during the year. The Company's products continued to find better acceptance and your Company was able to tap new markets.

### DIVIDEND

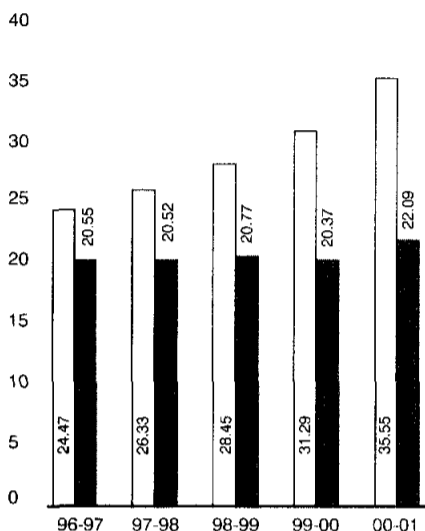
The Board recommends the payment of dividend of 15% (Rs. 1.50 per Equity share) for the financial year ended 31st March 2001.

## GULF OIL India Limited

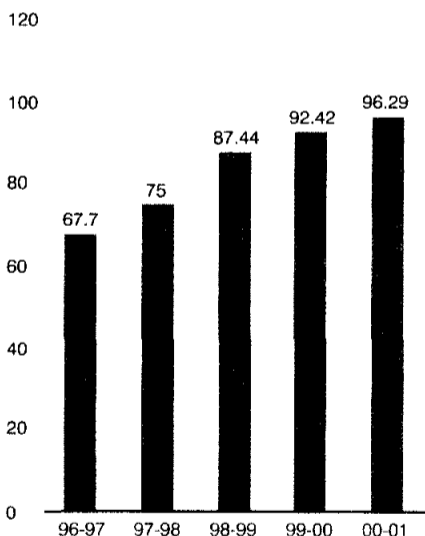


**Fixed Assets**  
Rs. in Crores

□ Gross Block  
■ Net Block



**Net Current Assets**  
Rs. in Crores



### Marketing

In spite of the severe competition it was satisfying to witness the continued acceptance of the GULF branded products throughout India.

The Company was also able to strengthen its ties with reputed Industrial organizations like Ashok Leyland, Eicher, HMT, Punjab Tractors and Mahindra & Mahindra as major Original Equipment Manufacturers (OEM). This has helped widen the sales base.

### Distribution

In the competitive scenario that the lubricant industry is operating today, distribution plays a critical role. The Company continued to enjoy this advantage of its good distribution network. The Company strengthened its distribution network by appointing 15 additional distributors.

### Production

The 96000 KL lubricant blending plant at Silvassa was augmented by the installation of high speed filling and palletizing machine. During the period, the plant achieved a throughput of 40320 KL.

The Company started manufacturing lubricants which are eco friendly and meet EURO-I and EURO-II emission control norms. Various measures were taken for conserving energy.

### Personnel and Administration

Various training and management workshops were held with a view to provide continuous training and to sharpen the skills of the employees. The Company continued to enjoy cordial Industrial relations at all locations throughout the year.

### OUTLOOK FOR THE CURRENT YEAR

The Base oil prices, which had peaked in the previous year, have now shown a weakening trend. Your Company expects this alongwith the various other measures of cost reduction, tightening of credit norms and other controls will improve Company's performance during current year.

The Company is also focusing attention on building its export market presence and has already made forays in Bangladesh. Plans are being formulated to enter other nearby markets utilizing the strength of the GULF brand.

### CORPORATE GOVERNANCE

Your Company has always practiced appropriate accounting standards and has formal Audit Committee of the Board for good corporate governance.

The Company is taking adequate steps that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges are complied with. A report on current status on governance is annexed at Annexure 'A' of this report.

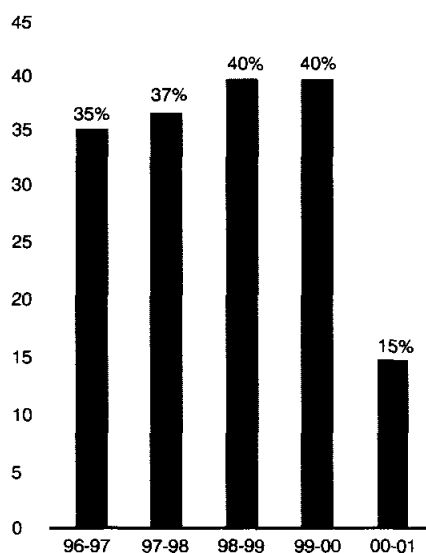
### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that to the best of their knowledge and belief and according to information and explanation available to them,

- (1) in the preparation of the annual accounts, the applicable accounting standards had been followed.
- (2) appropriate accounting policies have been selected and applied consistently and have made judgements that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2001 and of the profit of the Company for the year April 1, 2000 to March 31, 2001.
- (3) proper and sufficient care has been taken 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;
- (4) the annual accounts have been prepared on a going concern basis.



### Equity Dividend In %age



### DIRECTORS

During the month of May 2001 the Company suffered an irreparable loss due to the sad demise of Mr. K. Das Gupta, the Managing Director of the Company. He was associated with the Company for last 4 years. Mr. Das Gupta played an important part in development of the Company and a key role in formation of an association for lube industry viz. Indian Lubricant Manufacturers and Marketeers Association (ILMMA). The Directors wish to place on record the contribution made by Late Mr. Das Gupta during his tenure with the Company.

Mr. H. C. Asher and Dr. E. G. Mahadevan retire by rotation and are eligible for re-appointment.

### SUBSIDIARY COMPANY

During the year under review, the Company has achieved sales of Rs. 2.78 lacs (previous year Rs. 548.14 lacs) and a profit of Rs. 1.29 lacs (previous year Rs. 20.61 lacs).

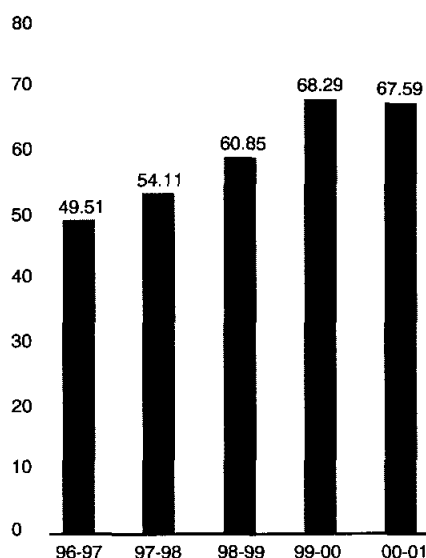
The Company was informed that reference made to the Board of Industrial and Financial Reconstructions (BIFR) was not required since provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, were not applicable to the Company.

Various proposals for revenue generation are under active consideration. Your Directors have assured to provide a continued support in future to the subsidiary company and necessary steps in this direction are being taken.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the relevant data pertaining to Conservation of Energy, Technology Absorption are given in Annexure 'B' forming part of this Report. For the details of Foreign Exchange earnings and outgo, members are requested to refer to Note No. 10 to 13 of Schedule 14 forming part of the Balance Sheet and Profit and Loss Account for the year ended March 31, 2001.

### Net Worth Rs. in Crores



### PARTICULARS OF EMPLOYEES

As required by the provisions of Sub-Section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in Annexure 'C' forming part of this Report.

### AUDITORS

M/s. Shah & Company, Chartered Accountants, Mumbai, the Auditors of the Company hold the office until the conclusion of the forthcoming Annual General Meeting, being eligible offer themselves for re-appointment, if made, by the Company for the year 2001-2002.

### ACKNOWLEDGMENT

The Board wishes to thank the bankers, dealers, consignment stockists, customers shareholders, financial institutions and Gulf Oil International (Mauritius) Inc. for their continued support during the year. The Board wishes to place on record the support and co-operation received from the Administration of Union Territories of Dadra & Nagar Haveli, Daman and Diu during the year.

Your Directors also wish to place on record their appreciation of the services rendered and co-operation extended by employees at all locations.

Mumbai,  
26th July, 2001

For and on behalf of the Board,  
**K. N. Venkatasubramanian**  
Chairman



## Annexure "A" to the Directors' Report

### Report on Corporate Governance

The SEBI Committee on Corporate Governance submitted its report and the SEBI accepted the report alongwith recommendations of the Committee in December 1999. The recommendations of the Committee are mandatory for some companies effective from the current year. Your Company is required to comply with the requirements during the financial year 2001-2002 but before 31.3.2002. Ahead of mandatory deadline, your Company has implemented/complied all major mandatory recommendations made by the SEBI Committee, as highlighted in this section:

#### 1. BOARD OF DIRECTORS

##### (a) Composition

The existing Board of Directors comprises of six members (excluding Managing Director whose vacancy has yet to be filled up caused by death and three alternate directors) all of whom are Non-Executive Directors (NED). Of the six NED's three are independent directors viz. Mr. K. N. Venkatasubramanian, Mr. H. C. Asher and Dr. E. G. Mahadevan.

The only Executive Director during the year under review was Mr. K. Das Gupta, Managing Director of the Company, the office of Managing Director is vacant due to sad demise of Mr. K. Das Gupta on 25th May 2001. The Board has appointed Operation Committee to manage the day-to-day affairs of the Company comprising of senior executives under guidance from Chairman till the Board appoints new Managing Director.

##### (b) Attendance of each Director at the Board Meetings and the last AGM

Total five Board Meetings were held during the year under review i.e. 25th May 2000, 6th June 2000, 28th July 2000, 30th October 2000 and 23rd January 2001. The gap between any two meetings was not more than 3½ months. Agenda papers were circulated to the members well in advance of each meeting. The Company places before the Board the working of all divisions and statements containing status of various matters pursuant to Corporate Governance practices as recommended by the SEBI Committee on Corporate Governance and as required by Clause 49 of the Listing Agreement. The details of each directors' capacity, membership in Committee and Chairmanship of other companies, attendance of Board and General Meetings are as under:

Name	Category	Attendance Particulars		Number of other Directorship and Committee Membership/Chairmanship (as on 26th July, 2001)		
		Board Meeting	AGM	Other Directorship	Total Committee Memberships	Total Committee Chairmanship
Mr. K. N. Venkatasubramanian	C & NED	5	Yes	8	3	2
Mr. S. G. Hinduja	CC & NED*	1	Yes	None	None	None
Mr. R. P. Hinduja	NED	1	No	5	1	None
Mr. K. Das Gupta	MD (Late)	5	Yes	1	None	None
Mr. B. D. Punjabi	NED	4	No	4	4	None
Mr. E. G. Mahadevan (Dr.)	NED	3	Yes	3	3	2
Mr. H. C. Asher	NED	4	Yes	13	4	1
Mr. A. K. Das	AD*	3	N.A.	9	1	None
Mr. S. S. Pramanik	AD**	3	Yes	4	1	None
Mr. S. K. Asher	AD***	0	N.A.	10	—	—

C: Chairman, CC: Co-Chairman, MD: Managing Director, NED: Non-Executive Director, AD: Alternate Director (\* for Mr. S. G. Hinduja, \*\* for Mr. R. P. Hinduja, \*\*\* for Mr. H. C. Asher)

#### 2. AUDIT COMMITTEE

##### (a) Composition

The Company has an active Audit Committee, comprising of following three Non-Executive Directors out of which two are independent Directors:

1. Mr. K. N. Venkatasubramanian — Independent Director — Chairman of the Committee
2. Mr. B. D. Punjabi — Member
3. Dr. E. G. Mahadevan — Independent Director — Member

The terms of reference of the Audit Committee includes various matters in conformity with the statutory guidelines as per the Companies (Amendment) Act, 2000 and Clause 49 of the Listing Agreement.

##### (b) Total No. of Audit Committee Meetings held during the year

During the year three meetings of Audit Committee were held on 6th June 2000, 15th September 2000 and 23rd January 2001

Name of the Member	Category	No. of Meetings Attended
Mr. K. N. Venkatasubramanian	C & NED & Independent	3
Mr. B. D. Punjabi	NED	2
Mr. E. G. Mahadevan (Dr.)	NED & Independent	2



### 3. INVESTORS' GRIEVANCE COMMITTEE

#### (a) Composition

The Company has an active Committee for matters related to shareholders, comprising of following Non-Executive Directors:

- |                                    |    |                           |
|------------------------------------|----|---------------------------|
| 1. Mr. K. N. Venkatasubramanian    | -- | Chairman of the Committee |
| 2. Mr. B. D. Punjabi               | -- | Member                    |
| 3. Mr. S. G. Hinduja/Mr. A. K. Das | -- | Member/Alternate Director |

The Investors Grievance Committee specifically looks into issues related to shareholders including share transfer and redressing of shareholders complaints, if any.

#### (b) Total No. of Investors' Grievance Committee Meetings held during the year

During the year 24 meetings of the Committee were held at the average of one meeting per 15 days. The attendance of directors is as under:

Name of the Member	Category	No. of Meetings Attended
Mr. K. N. Venkatasubramanian	C & NED	14
Mr. B. D. Punjabi	NED	20
Mr. S. G. Hinduja/A. K. Das	NED / AD	20

#### (c) Compliance Officer and Shareholders' Grievances

The Company has appointed Mr. S. B. Joshi, DGM (Legal) & Company Secretary as Compliance Officer of the Company. During the year the Company received 36 complaints from shareholders/investors with regards to non-receipt of dividend warrants/revalidation of dividend warrants/loss of shares etc. The Company has resolved all complaints except one request for issue of duplicate shares pending documentation from investor/member. The average period taken by the Company to resolve complaints is 10 days. The Company received one complaint from SEBI for non-receipt of dividend warrant which was resolved immediately. During the year none of the complaint was received from Stock Exchanges or CLB or DCA.

#### (d) Share Department

The Company has an In House Share Department at Corporate Office, Andheri (East), and has all modern facilities like Enhira share accounting software, scanned images of old Transfer Deeds and polite manpower to promptly attend/resolve grievances, if any, of shareholders/investors.

#### (e) Dematerialisation status

SHARES UNDER DEMATERIALISED FORM AND PHYSICAL FORM AS ON 31ST MARCH 2001

Mode	No. of Shares	%age
Dematerialised with NSDL	5051838	43.03
Dematerialised with CDSL	1400	0.01
Physical Form	6686762	56.96
<b>TOTAL</b>	<b>11740000</b>	<b>100</b>

Out of the total physical shareholding of 57%, the foreign collaborator viz. Gulf Oil International (Mauritius) Inc. holds shares representing 49% of total capital, hence only 8% of shares are held by shareholders in physical form.

#### (f) Last Annual General Meeting

During the year the 19th Annual General Meeting was held on 15th September 2000 at Rang Sharda Auditorium, Bandra (West), Mumbai-400 050 and share transfer books were closed during September 15, 2000 to September 22, 2000.

#### (g) Means of communications

The quarterly results are informed to the Stock Exchanges immediately after Board Meeting where the same is taken on record. The results are also published in newspapers as per statutory requirements. The results are also uploaded immediately on the website of the Company viz. [www.gulfoillndia.com](http://www.gulfoillndia.com).

#### (h) Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2001				
No. of equity shares held	Folios		Shares	
	Nos.	%age	Nos.	%age
Upto 500	3111	91.99	519496	4.42
501 to 1000	151	4.47	123525	1.05
1001 to 2000	40	1.18	59694	0.51
2001 to 3000	16	0.47	39590	0.34
3001 to 4000	8	0.24	28090	0.24
4001 to 5000	17	0.50	83200	0.71
5001 to 10000	17	0.50	122009	1.04
10001 and above	22	0.65	10764396	91.69
<b>TOTAL</b>	<b>3382</b>	<b>100</b>	<b>11740000</b>	<b>100</b>

**GULF OIL India Limited****(i) Monthly High and Low Market Price**

THE MONTHLY HIGH AND LOW MARKET PRICE FOR THE YEAR 2000-2001 ON BSE ARE AS UNDER			
Month	Highest Rate (Rs.)	Lowest Rate (Rs.)	Volume of shares traded
April 2000	69.90	59.00	3200
May 2000	63.50	55.10	700
June 2000	72.90	60.10	2710
July 2000	71.25	63.00	1056
August 2000	70.00	62.65	1211
September 2000	65.00	54.45	1015
October 2000	59.00	55.00	150
November 2000	60.00	50.75	6452
December 2000	59.60	50.00	2003
January 2001	51.05	43.00	5667
February 2001	51.00	39.70	10559
March 2001	42.95	35.00	125281

**(j) General Shareholders Information**

GENERAL SHAREHOLDERS INFORMATION / INVESTORS HELPDESK	
1. Name of the Company	GULF OIL INDIA LIMITED
2. Registered Office	Hinduja House, 171 Dr. A. B. Road, Worli, Mumbai 400 018 Tel: 4960707 Fax: 4952313
3. Share Department (In-house) & Corporate Office	IN Centre, 49/50, MIDC, Marol, Andheri (East), Mumbai – 400 093 Tel: 8390789 Fax: 8376179 Contact Person for grievances, if any: : Mr. Jatin Papat or Mr. Sanjay Sawant Email:jatin@gulfoil.co.in or sanjay@gulfoil.co.in
4. Company's Website	www.gulfoilindia.com
5. Annual General Meeting	Wednesday, 19th September 2001 at 11.30 A.M. Venue: Hall of Harmony, Nehru Centre, Worli, Mumbai – 400 018
6. Book Closure Dates	14.9.2001 to 21.9.2001 (both days inclusive)
7. Listing	The Stock Exchange, Mumbai — BSE — Code : 11026 National Stock Exchange — NSE — Code : GULF-EQ
8. Depositories for Dematerialisation	National Securities Depository Ltd. [NSDL] and Central Depository Services (India) Limited [CDSL]
9. ISIN No. for Dematerialisation	812A01010
10. Dividend Trend	2000-2001 : 15 % 1999-2000 : 40 % 1998-1999 : 40 % 1997-1998 : 37 %
11. Earning Per Share	Rs. 1.05
12. Book Value per Share	Rs. 57.16
13. Nomination Facility	Available for any shareholder wishes to opt for this facility may communicate the same to Share Department for necessary procedure.
14. Quarterly Unaudited Results Declared at Board Meeting held on	1st Quarter — 28.07.2000 2nd Quarter (Half Yearly) — 30.10.2000 3rd Quarter — 23.01.2001 4th Quarter (Full Year Audited) — 11.06.2001
15. Publishing of Results in Newspapers	1st Quarter — Business Standard, Financial Express, Free Press and Navshakti 2nd Quarter — Economic Times, Free Press and Navshakti 3rd Quarter — Economic Times, Financial Express, Free Press and Navshakti 4th Quarter — Free Press and Navshakti
16. Uploading of results at website	Immediately
17. Pending Investors' Complaints	DCA / CLB / SEBI : NIL Stock Exchanges : NIL Others : NIL



EPS : Rs. 1.05. 9  
Book Value Rs. 57.18.

## (K) Shareholding Pattern

SHAREHOLDING PATTERN AS ON MARCH 31, 2001			
Category	No. of shareholders	No. of shares held	% to paid up capital
(i) Foreign Collaborator	1	5750000	48.98
(ii) Overseas Corporate Bodies	2	55950	0.48
(iii) Financial Institutions	2	987889	8.41
(iv) Banks	1	12100	0.10
(v) Bodies Corporate — Domestic	89	4016839	34.21
(vi) Individuals — Domestic	3283	910631	7.76
(vii) Directors	4	6591	0.06
<b>T O T A L</b>	<b>3382</b>	<b>11740000</b>	<b>100</b>

## 4. REMUNERATION PAID TO DIRECTORS

## A. Remuneration to Non-Executive Directors

The Company has not paid any remuneration to non-executive directors other than payment of sitting fees paid to them for attending Board and Committee meetings. The Company pays fees for professional services rendered by a firm of Solicitors and Advocates of which a non-executive director is a partner.

## B. Remuneration to Executive Director

Paid to (Late) Mr. K. Das Gupta during the year 2000-2001 as per terms of appointment:

Salary	—	Rs. 8.10 lacs
Perquisites & Allowances	—	Rs. 4.02 lacs
Commission	—	—
PF / Superannuation	—	Rs. 7.43 lacs

## 5. BRIEF PARTICULARS OF DIRECTORS RETIRING BY ROTATION

(a) Name : Mr. H. C. Asher	(b) Name : Dr. E. G. Mahadevan
Age : 67 years	Age : 62 years
Qualifications : LL.B. & Solicitor	Qualifications : M.Sc. (Physical Chemistry), Ph.D.
Expertise : Leading Solicitor and a Senior Partner of M/s. Crawford Bayley & Co., a firm of Solicitors & Advocates. He specialises in a broad spectrum of corporate laws. Presently he is the Director of the following public limited companies.	Expertise : Chairman of IDL Industries Ltd. and expertise in the field of explosives, Pyrotechnics and have industry experience in plastics, agrochemicals, leather chemicals, specialty chemicals and explosives.

Directorships of Mr. H. C. Asher in other Public Limited Companies:

Sr.	Name of the Company
1.	Ashok Leyland Properties Ltd.
2.	ARI Consolidated Investment Ltd.
3.	German Remedies Ltd. (Alternate)
4.	Hind Filters Limited
5.	Hind Syntex Limited
6.	The Indian Card Clothing Co. Ltd.
7.	Ingersoll- Rand (India) Limited
8.	IIT Capital Services Limited
9.	Mandovi Pellets Limited
10.	Monsanto Chemicals of India Ltd.
11.	Industrial Investment Trust Limited
12.	KELTECH Energies Ltd.
13.	Hinduja TMT Limited
14.	Lakshmi Synthetic Machinery Mfrs. Ltd.

Directorships of Dr. E. G. Mahadevan in other Public Limited Companies:

Sr.	Name of the Company
1.	IDL Industries Ltd.
2.	IDL-Arom International Ltd.
3.	Gulf Carosserie India Ltd.



## Annexure "B" to the Directors' Report

Information under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the period ended on 31st March 2001.

- A. (1) **Energy Conservation measures taken**  
 Energy conservation during the financial year has accrued as a result of —  
 (a) Overhauling of diesel generating set to ensure operation at optimum efficiency.  
 (b) Use of optimum thickness of insulation on pipelines, storage tanks and blending kettles to minimize heat losses.  
 (c) Commissioning of independent base oil dehydration facility.  
 (d) Measurement and analysis of stack outlet at regular intervals and monitoring of the exhaust of thermic fluid heaters continuously.
- (2) **Additional investments and proposal being implemented for reduction of energy consumption**  
 (a) Replacement of insulation of additives storage tanks and pipelines and vessels  
 (b) Fast filling machine for small packs  
 (c) Installation of jet mixers to reduce batch cycle time
- (3) **Impact of measures taken**  
 The above investments / measures will reduce fuel and electrical consumption as well as batch cycle time thereby reducing production cost.
- B. **Research and Development and Technology Absorption**
- (1) **Research and Development (R&D)**  
 The Company conducted Research and Development activities to improve quality of existing products and augment the product range especially in specialty products range like Rust Preventives, Synthetic Cutting oils, New cutting oils, Metal forming products, Knitting oils etc.
- (a) **Specific areas in which R&D is carried out by the Company**  
 The Research and Development was carried out to produce and offer range of Rust Preventives for various applications and nine products introduced in this category. R&D efforts were also focused on developing complete range of cutting oils for various metalworking applications with a view to offer complete range to our prestigious customers.  
 Trials of other new products, like long drain Engine oils, Special 2T oil, Metal working fluids, Degreaser fluid etc. are underway and are expected to complete soon. New products like specialty coolants and Mineral Hydraulic Buffer oil (OMHB) were developed for Defense requirements.  
 An array of new equipments was added to R&D facilities in Silvassa laboratory to assist these R&D activities. These addition have made progress possible in great strides.
- (b) **Benefits derived as a result of above R&D**  
 The company has approval for the new engines of a major automotive manufacturer like Ashok Leyland for their Euro I compliant engines.  
 Approvals from another major OEM has been received for new multi-grade gear oils. Engine oil and gear oils have received approval from Indian Institute of Petroleum.  
 New products can also be offered now to Defense and DGS&D affiliated customers. Cost reduction has been achieved in more than 50% of the existing products by replacement with cost effective raw materials.
- (c) **Future Action Plan**  
 The existing product range in the automotive range would be upgraded in performance and specifications. New generation engine oils, gear oils and metal working oils would be developed specifically in the synthetic range. Special emphasis would be given to the development of the bio-degradable/environmentally friendly lubricants.  
 The thrust will be on long life and cost effective products. Minimizing the danger to environment and to meet the technological challenges posed by future.
- (d) **Expenditure on R&D**
- |  |   |                 |
|--|---|-----------------|
| (i) Capital  | — | Rs. 115.78 lacs |
| (ii) Recurring   | — | Rs. 7.14 lacs   |
| (iii) Total  | — | Rs. 122.92 lacs |
| (iv) Total R&D expenditure as a percentage of total turnover | — | 0.478%          |
- (2) **Technology Absorption, Adaptation and Innovation**  
 The company adapted technology received from technical collaborators in launching Euro I compliant crankcase oils, gear oils and other products. The company procured the technology from an approved government agency for manufacture & supplying specialty coolants to Defense.

## Annexure "C" to the Directors' Report

Statement under 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 31st March, 2001

Name	Age	Qualification	Commence- ment of employment	Designation	Gross remunera- tion	Experience (total years)	Last employment held, Designation held and period for which held
K. Das Gupta	58	M.Sc., FGMS	26.6.1997	Managing Director	15,09,493	36	General Manager (Spare parts), Ashok Leyland Ltd. (19 years)

- Gross remuneration includes salary, allowances, taxable value of perquisites and Company's contribution to Provident Fund and Superannuation.
- The nature of employment of Mr. K. Das Gupta, Managing Director was contractual for a period of one year with effect from 26th June, 2000 and unfortunately Mr. K. Das Gupta passed away on 25.5.2001.
- None of the employee is related to any Director of the Company.