

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3365
ANSWERED ON:15.12.2005
AGREEMENT BETWEEN IOC AND GULF OIL
Veerendra Kumar Shri M.P.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Indian Oil Corporation (IOC) has entered into an agreement with Gulf Oil for selling Gulf car care products through IOC retail outlets;
- (b) if so, the details thereof; and
- (c) the benefits likely to be derived by IOC from the agreement?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): While the Indian Oil Corporation Limited (IOC) have not signed any agreement, as such, with Gulf Oil for the sale of Gulf car care products through their retail outlets, they have formalized an arrangement with Gulf Oil for the sale of such products through some of their select retail outlets. The current arrangement, which is for a period of three months on a pilot basis, covers five cities, namely, Mumbai, Delhi, Bangalore, Chandigarh and Ahmedabad. In each of these cities, about 10 to 15 retail outlets have been selected for trial marketing of M/s Gulf Oil's car care products. The products being sold on a trial basis include AC neutralizers, various types of car polishes, and tyre repair products. IOC plan to review this pilot arrangement in the month of January, 2006. The decision to enter into a formal agreement will depend on the commercial success of the pilot arrangement, both for IOC and Gulf Oil.

(c): The sale of car care products is part of the additional services proposed to be rendered at IOC's retail outlets, with a view to improving customer service and retaining customer loyalty. The sale is also likely to be a source of additional revenue to the dealers.

Therefore, if IOC signs an agreement with Gulf Oil consequent upon the success of the pilot project, it is expected to lead to a higher retention of customers as well as the generation of additional income to dealers, thereby benefiting IOC in the long run.