



Gulf Oil Corporation Limited

53rd

ANNUAL REPORT

2014



LUBRICANTS
(Demerged from April 1, 2014)



INDUSTRIAL EXPLOSIVES

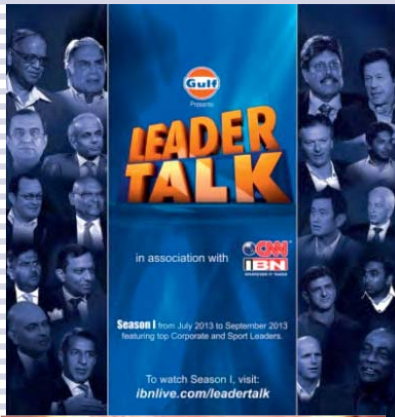


MINING & INFRASTRUCTURE



REALTY

EVENTS OF THE YEAR



Gulf sponsored 'Leader Talk' show on CNN IBN



Winner of "Super King Size consumer offer" getting bike keys from cricketer R Ashwin



Formula GX, a fully synthetic passenger car motor oil, Launch by MS Dhoni



Mahindra-Gulf Co-branded product launch



Mr. Ravi Chawla, COO - Lubricants Division awarding Man-of-the-match at IPL



Stall at prestigious CII Excon event for construction sector



CSK Meet & Greet event organised for lubricants customers & consumers



Brand Building



Young Leader conclave, MS Dhoni sharing his leadership mantras



Dhoom-3 Meet & Greet event. 1250 counters across India decked with the movie

Product Launches



Launch of Co-branded Genuine Hydraulic oils for Toshiba Machines



Mr. Ravi Chawla addressing at ICIS Indian Base Oils & Lubricants Conference



Gulf "Supercross" bike event at Nashik



"Foster a child" A CSR initiative by Gulf for under privileged children

New Company Listing on BSE

Listing ceremony at Bombay Stock Exchange. Bell ringing by Chairman, Mr. S. Hinduja in the presence of Company directors / senior functionaries



ISO 9000, ISO 14001 and ISO TS 16949 2009: Quality standard recognised by global automotive OEMs



Gulf Oil Corporation Limited

FIFTY THIRD ANNUAL REPORT 2013 - 2014

Board of Directors

(As on 11th August, 2014)

Chairman	Directors		
Sanjay G. Hinduja	K.N. Venkatasubramanian	Ms. Kanchan Chitale	Ajay P. Hinduja <i>(w.e.f. 11th August, 2014)</i>
Vice Chairman	M S Ramachandran	Ms. Vinoo S.Hinduja	V. Ramesh Rao <i>(upto 11th August, 2014)</i>
Ramkrishan P. Hinduja	Ashok Kini	S.Pramanik, <i>Managing Director</i>	H C Asher <i>(upto 14th June, 2013)</i>
	Prakash Shah	K.C. Samdani, <i>Alternate to Ms. Vinoo S. Hinduja</i>	

Board Committees

Audit	Ms.Kanchan Chitale, <i>Chairperson</i>	K.N. Venkatasubramanian	Ashok Kini
Stakeholders Relationship	Ashok Kini, <i>Chairman</i>	S.Pramanik	V. Ramesh Rao <i>(upto 11th August, 2014)</i>
Nomination & Remuneration	Prakash Shah, <i>Chairman</i>	Sanjay G. Hinduja	M.S. Ramachandran Ms. Kanchan Chitale
Safety Review	V. Ramesh Rao, <i>Chairman</i> <i>(upto 11th August, 2014)</i>	K.N. Venkatasubramanian	Ashok Kini
Investment Appraisal & Project Review	M.S.Ramachandran, <i>Chairman</i>	Ms. Vinoo S. Hinduja	Ashok Kini
Corporate Social Responsibility	Prakash Shah, <i>Chairman</i>	Sanjay G. Hinduja	K.N. Venkatasubramanian

Company Secretarial A. Satyanarayana *Company Secretary*

Executive Team:

(As on 31st March, 2014)

Corporate	Manish Gangwal P. Divakaran Ravi Chawla	<i>Chief Financial Officer</i> <i>General Manager (Finance)</i> <i>President & CEO- Lubricants Division</i>	V. Satish Kumar Amrish Kathane	<i>Vice President (Internal Audit)</i> <i>Sr. General Manager - Technical Services (B2B & QC)</i>
Lubricants Division	Sunil S. Jambavdekar Satyabrata Das Cletus Colaco Anand Sathaye C. Jaykumar	<i>Vice President - Supply Chain & New Projects</i> <i>Vice President-OEM Business Operations</i> <i>General Manager-Channel Sales - West</i> <i>General Manager- HR & Administration</i> <i>General Manager - Channel Sales - Central & East</i>	Somesh Sabhani M.P.Sajeev Ranjit Kumar Dipnarayan K. Tiwari	<i>Head - Industrial Sales</i> <i>General Manager-Technical Services</i> <i>General Manager-Channel sales -North</i> <i>General Manager - Infrastructure, Mining&Feet</i>
Energetics Division	A.M. Kazmi	<i>Chief Operating Officer</i>	Ch. V. Murali Krishna	<i>General Manager (Hyderabad works)</i>
Mining & Infrastructure	T.T. Das	<i>Associate Vice President</i>		

Bankers State Bank of India State Bank of Maruritus Ltd
State Bank of Hyderabad IDBI Bank Limited
ICICI Bank Limited Karur Vysya Bank Ltd

Auditors Deloitte Haskins & Sells, Chartered Accountants, Secunderabad
Shah & Co., Chartered Accountants, Mumbai (Branch Auditors)
Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Cost Auditors)

Registered/Corporate Office Kukatpally, Hyderabad - 500 072 Telangana
Registrar & Share Transfer Agents Karvy Computershare Private Limited
Plot No. 17-24, V1thal Rao Nagar, Madhapur, Hyderabad - 500 081

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A TEN YEAR REVIEW

(₹ Lakhs)

Year	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
INCOME & DIVIDENDS										
Turnover	109838.53	108195.16	100930.40	100102.35	106565.94	99588.84	83321.52	66865.64	50724.65	47340.47
Profit Before Tax	7882.62	7321.72	7031.23	6702.03	5430.23	3875.41	2970.6	3183.37	2543.43	2215.07
Profit After Tax	5833.62	5298.62	6211.23	5419.03	4507.23	2904.38	2513.17	2300.59	2278.6	2003.07
Profit After Tax as a percentage of Sales	5.31%	4.90%	6.15%	5.41%	4.23%	2.92%	3.02%	3.44%	4.49%	4.23%
Earnings Per Share (Rs.)	5.88#	5.34#	6.26#	6.11#	6.06#	3.91#	3.42#	16.58	16.43	14.44
Dividend per fully paid Equity Share (Rs.)	2.50 \$ #	2.20#	2.20 #	2.00#	1.80#	1.70#	1.50#	7.50	7.00	6.50
Dividend	2478.62	2181.19	2181.19	1982.90	1338.46	1264.10	1115.38	1115.38	971.02	901.66

Year	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
CAPITAL EMPLOYED										
Net Fixed Assets	100219.56	101213.49	101877.61	43011.36	58103.87	60676.59	200424.32	15647.14	11367.26	10560.95
Net Working Capital	38412.94	32023.67	26850.55	10230.27	11388.15	17835.12	22592.43	14451.81	9597.43	8130.11
Other Assets	3379.71	5549.18	5530.73	8768.26	3204.01	3595.94	6992.93	7980.24	5278.71	4839.49
Total Capital Employed	131311.19	138786.34	134258.90	62009.89	72696.03	82107.65	230009.68	38079.19	26243.40	23530.55

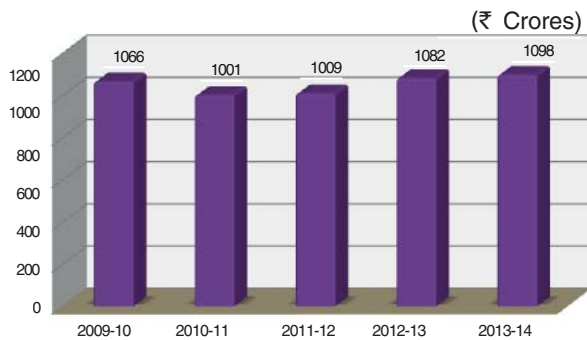
Year	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
NETWORTH & LOANS										
Shareholders' Funds:										
Capital	1982.90	1982.90	1982.90	1982.90	1487.17	1487.17	1487.17	1387.17	1387.17	1387.17
Reserves	111396.38	108462.62	105715.88	42297.79	40789.77	39794.17	203901.39	14388.71	13393.06	12221.67
Tangible Networth	113379.28	110445.52	107698.78	44280.69	42276.94	41281.34	204717.18	15237.06	14284.78	12827.12
Secured Loans	5035.57	9815.49	8457.85	10204.43	17074.51	17122.63	13457.72	15547.27	8147.69	8243.71
Unsecured Loans	12896.37	18523.33	18102.28	7524.77	13344.58	23703.68	11163.40	6251.04	2810.48	1678.00
Debt Equity	0.16	0.26	0.25	0.40	0.72	0.99	0.12	1.43	0.77	0.77
No. of Shareholders at year end	60839	64291	65289	66661	61276	59476	56218	43790	43840	45893

Note : Sales figure includes Excise Duty

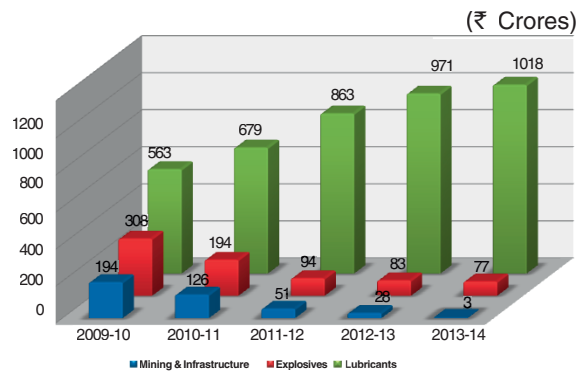
Equity Shares of face value of ₹ 2 each. Previous years face value of ₹ 10 each

\$ Interim Dividend

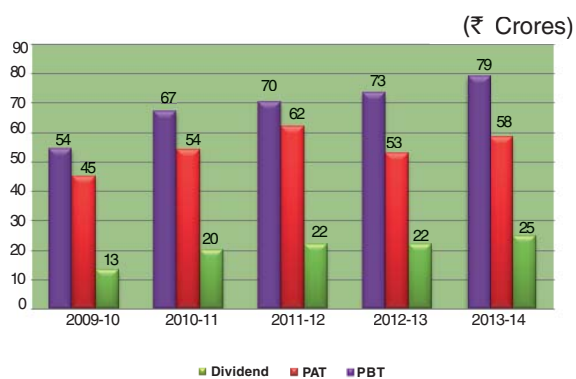
Turnover



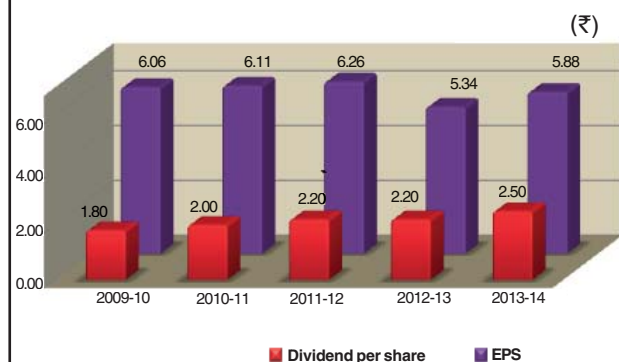
Segment-wise Turnover



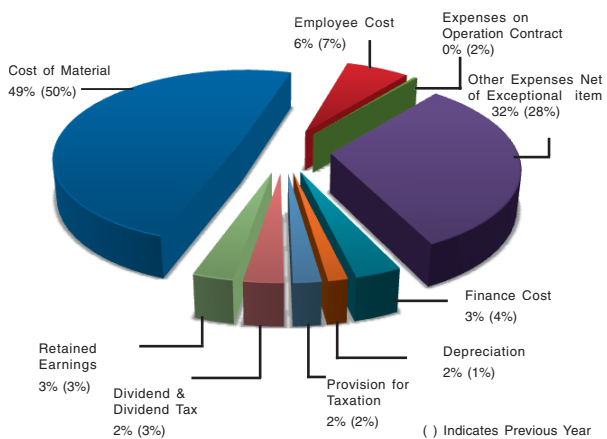
PBT, PAT and Dividend payout



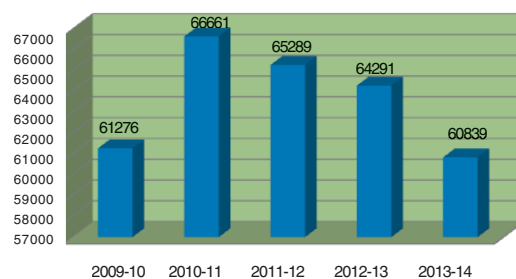
Dividend per share and EPS



Disposal of Revenue - F2014



Number of Shareholders





Chairman's Letter

Dear Shareholders,

I welcome you all to the 53rd Annual General Meeting of the Company.

As you are aware with effect from 1st April, 2014, the Lubricants business has been demerged into a separate company, Gulf Oil Lubricants India Limited (GOLIL).

As per the Scheme of Arrangement, approved by the Hon'ble High Court of Andhra Pradesh, we have been able to complete all the formalities and get the listing of the new Company, GOLIL, on the BSE and the NSE on 31st July, 2014. With the listing, we have completed a major phase in delivering enduring value for shareholders.

The Indian economy expanded by 4.7%, slightly higher than the previous year but, much lower than the growth expected. The growth in the manufacturing, mining, automotive and infrastructure segments were in most cases negative and, therefore, the effect on your Company has led to stagnancy in the sales and revenue. However, I am happy to state that with the close monitoring of our businesses, we have been able to bring in a higher level of efficiency coupled with cost reduction and thereby, maintained the revenue and bottom-line growth.

Before I proceed further with the discussion on the businesses of the 3 divisions of the Company, I would like to mention that we have gone through the experience of demerger which we have been discussing over the last 2 years at a time when the economy under the new Government, is poised for recovery and as a good possibility of growth in the mining, infrastructure and reality businesses. At the same time, the economic scenario with regard to automotive, transportation and mining sectors bode well for the new Company engaged in lubricants.

Lubricants Business

The growth of the Division has been satisfactory in the background of the negative performance of the automotive and transportation sectors of the economy. We have been able to maintain our growth trajectories in the bazaar trade and in fact improved our positioning and market share. The initiatives in the new generation diesel engine oils, long drain oils, new OEM tie ups besides increase in bazaar sales have been instrumental in keeping the growth picture vibrant.

Brand building exercises which we had undertaken a few years ago was further strengthened and the Gulf Brand was highlighted in Television programmes such as Leader Talk and during the National Election Campaigns throughout India. The visibility gained through these programmes, besides sponsoring the IPL team Chennai Super Kings has helped to bring new markets to Gulf Lubricants.

Based on the projections of market demand, which is expected to emerge over the next year, we have decided to increase the capacity of our Silvassa plant from 75000 KL to 90000 KL. In order to cater to the additional demand, expected over the next 2 – 3 years, we have planned a new plant at an investment of Rs. 125 crores. The land for this expansion has already been acquired. The growth story of Gulf Lubricants, and the new Company Gulf Oil Lubricants India Limited, remains strong.

The AGM for 2013 – 14 of the Gulf Oil Lubricants India Limited in the normal course was held on 4th June, 2014, therefore, the Agenda before you at the Meeting is focused on the affairs of the residual business in GOCL.

Residual Businesses:

Energetics and Mining & Infrastructure Divisions

The residual businesses with Gulf Oil Corporation Limited namely Energetics, Mining & Infrastructure and Realty (Property Development) are also showing growth projections. With the improvement in the mining and infrastructure sectors of the economy since the formation of the new Union Government, the products and services of the Energetic Division and the Mining & Infrastructure Division are expected to increase substantially.

Already with the revival of the Mining activities in the Country, the Mining & Infrastructure Division has been able to restart its mining services with a large corporate. Further activities in this Division are expected as several major organizations are approaching for business links over longer periods. We expect that with the restart of this Division, we would be in a position to undertake large mine development contracts of durations greater than 5 – 7 years. Our services which we were rendering to infrastructure segment have also restarted and we have started utilizing the idling equipment for this sector.

Domestic production of coal is expected to increase at CAGR of 6.8% in projections till 2020. The growing coal demand from domestic end users rising production targets by coal mining companies and proposed investments in the coal sector are positive signals. The iron ore, limestone and bauxite mining are expected to follow the same growth trajectories.

In this background, the Energetics Division along with the Company's wholly owned subsidiary IDL Explosives Limited are also experiencing enquiries from large mining projects, and, therefore, would be in a position to record better performance in the years ahead.

Realty Division

The development of the 40 acres property at Yelahanka in Bangalore was started in April 2012. As of date the first building in the SEZ Block comprising of 10.46 lakhs sq.ft. and the multilevel car park of 4.06 lakhs sq.ft. are nearing completion. The revenue streams from the listing of this first building are expected to flow from Q3 / Q4 of the current year. With the start of the first block, the basic infrastructure for the SEZ portion of the project would enable us to start two more buildings with total built up area of 15.39 lakhs sq.ft. These buildings are also expected to be ready by December 2015 / June 2016 and add to the revenue stream during 2015-16.

The development of 76 acres in Kukatpally, Hyderabad is in the final stages with a renowned architect in Dubai. With the 100 feet road completed through the project site, the mixed development project is now in a position to be started on receipt of the approvals from the Government of Telangana, and should be capable of commencing additional revenue streams progressively from 2016.


In Conclusion

In my earlier communications to you last year, I had mentioned that “the Company Management is focused on delivering enduring value for shareholders”. We have been organizing and developing our businesses in line with this objective. The first phase of delivery with the listing of Gulf Oil Lubricants Limited is now complete. The focus which we have been trying to achieve for the lubricants business has now happened with the listing of a separate Company, Gulf Oil Lubricants India Limited.

Property development and infrastructure will be the new focus areas of your Company and work in this direction has started in right earnest, by the Realty Division and the Mining & Infrastructure Division.

I now look forward to your support to the two Companies of which you are shareholders for further growth and prosperity.

August 11, 2014



S. G. Hinduja
CHAIRMAN



NOTICE OF THE FIFTY THIRD ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Third Annual General Meeting of the Company will be held at 2.30 p.m. on Thursday, the 25th day of September 2014 at Kohinoor, Hotel Taj Deccan, Banjara Hills, Hyderabad – 500034 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramkrishan P. Hinduja (DIN 00278711), who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.

3. To consider, and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration No.008072S) be and are hereby appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors and that such remuneration as may be agreed upon between the Auditors and the Board of Directors, in addition to actual out-of-pocket expenses incurred by them for the purpose of audit”.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62, 71 and all other applicable provisions, if any, of the Companies Act, 2013, the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with the rules made thereunder, and all the applicable laws, Rules, Guidelines, Regulations, Notifications and Circulars, if any, issued by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), the Government of India (GOI), the Foreign Investment Promotion Board (FIPB), and other concerned and relevant authorities, and other applicable Indian laws, rules and regulations, if any, and relevant provisions of Memorandum and Articles of Association of the Company and the Listing Agreement(s) entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to such approval(s), consent(s), permission(s) and/ or sanction(s) as may be required from GOI, FIPB, RBI, SEBI and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction which may be agreed by the Board of Directors of the Company (“the Board”) (which term shall be deemed to include ‘Offering Committee’ or any other Committee constituted or hereafter be constituted for the time being exercising the powers conferred on the Board by this Resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the consent and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, Securities (as defined below) in the form of Equity or other Shares, Warrants, Bonds or Debentures, Depository Receipts, (whether Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Indian Depository Receipts (IDRs) or any other form of Depository Receipts), or any other debt instrument either convertible or nonconvertible into Equity or any other Shares whether optionally or otherwise, including Foreign Currency Convertible Bonds representing any type of securities (FCCBs), whether expressed in Foreign Currency or Indian Rupees (all or any of which are hereinafter referred to as “Securities”) whether secured or unsecured, and further the Board be and is hereby authorised, subject to applicable laws and regulations, to issue the Securities to investors (including but not limited to Foreign Banks, Financial Institutions, Foreign Institutional Investors, Qualified Institutional Buyers, Qualified Foreign Investors (QFIs) Mutual Funds, Companies, other Corporate Bodies, Non-Resident Indians, Foreign Nationals and other eligible investors as may be decided by the Board (hereinafter referred to as “Investors”) whether or not such Investors are members, promoters or directors of the company or their relatives or associates, by way of one or more private and/ or public offerings (and whether in any domestic and/ or international market(s), through a public issue(s), private placement(s), Qualified Institutional Placement(s) (QIP), preferential issue(s) or a combination thereof in such manner and on such terms and conditions as the Board deems appropriate at its absolute discretion provided that the issue size shall not exceed US\$100 million or ₹ 600 crores inclusive of such premium as may be payable on the Equity Shares or any other Security, at such time or times and at such price or prices and in such tranche or tranches as the Board in its absolute discretion deem fit.

RESOLVED FURTHER THAT in the event of a QIP or issuance of ADRs/GDRs/FCCBs as above mentioned, the ‘Relevant Date’ for determining the price of the Specified Securities to be allotted, if any, shall mean, in case of allotment of equity shares, the date of the meeting in which the Board or a Committee thereof decides to open the proposed issue and in case of allotment of convertible securities, either the date of the meeting in which the Board or Committee thereof decides to

open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as provided under applicable law, or such other time as may be prescribed by applicable law from time to time.

RESOLVED FURTHER THAT in the event of a QIP, in terms of Chapter VIII of the SEBI Regulations, in accordance with Regulation 86(1) (a) of the SEBI Regulations, a minimum of 10% of the Specified Securities shall be allotted to Mutual Funds and if the Mutual Funds do not subscribe to the said minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIBs, and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

RESOLVED FURTHER THAT in case of a QIP, in terms of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Board may at its absolute discretion issue equity shares (including upon conversion of the Securities) at a discount of not more than five per cent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009."

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issuance of the Securities shall be subject to such terms or conditions as are in accordance with prevalent market practices and applicable Laws and Regulations, including but not limited to, the terms and conditions relating to payment of interest, dividend, premium on redemption, the terms for issue of additional Shares or variations in the price or period of conversion of Securities into Equity Shares or terms pertaining to voting rights or options for redemption of Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to seek, at its absolute discretion, listing of Securities issued and allotted in pursuance of this resolution, on any Stock Exchanges in India, and / or Luxembourg / London / Nasdaq / New York Stock Exchanges and/or any other Overseas Stock Exchanges.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred above as may be necessary in accordance with the terms of offering, and that the Equity Shares so allotted shall rank in all respects pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT subject to the approval(s), consent(s), permission(s) and/ or sanction(s) stated above, the Company be and is hereby authorized to retain oversubscription/ green-shoe issue option up to 25% of the amount issued and the Board be authorised to decide the quantum of oversubscription to be retained as also any other matter relating to or arising therefrom.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including, if necessary, creation of such mortgages and/or charges in respect of the Securities on the whole or any part of the undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013 or otherwise and to execute such documents or writings as it may consider necessary or proper and incidental to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to decide upon, as it may at its discretion deem necessary, expedient or desirable in relation to all or any of aforesaid purpose including without limitation to the utilization of issue proceeds, finalizing the pricing, terms and conditions relating to the issue of aforesaid Securities including amendments or modifications thereto as may be deemed fit by them, to sign, execute and issue consolidated receipt(s) for the Securities, listing application, various agreements such as Subscription Agreement, Depository Agreement, Trustee Agreement, undertakings, deeds, declarations, Letters and all other documents or papers and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid offering of Securities or anything in relation thereto, including but not limited to the post issue formalities and with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such creation, issuance, offer or allotment of the Securities as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such arrangements/ agreements as may be required for appointing Managers (including lead managers), merchant bankers, underwriters, financial and/or legal advisors, tax advisors, consultants, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and/ or all such agencies as may be involved or concerned in such offerings of Securities, whether in India or abroad and to remunerate all such agencies including the payment of commissions, brokerage, fees or the likes and also to seek the listing of such Securities or Securities representing the same in one or more stock exchanges whether in India or outside India, as it may be deem fit.



Notice (Contd...)

RESOLVED FURTHER THAT:

- i the Specified Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.
- ii the Equity Shares that may be issued and allotted on conversion of the Specified Securities issued through the Qualified Institutions Placement as aforesaid shall rank pari passu with the then existing Equity Shares of the Company in all respects including dividend; and
- iii. The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of the Specified Securities that may be issued through the Qualified Institutions Placement shall be appropriately adjusted in accordance with the SEBI Regulations for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Specified Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets and the Board, subject to applicable laws, regulations and guidelines, be and is hereby authorised to dispose off such Specified Securities that are not subscribed in such manner as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to finalisation and approval of the preliminary as well as final offer document(s), determining the form, manner and timing of the issue, including the investors to whom the Specified Securities are to be issued and allotted, the number of Specified Securities to be allotted, issue price, face value, premium amount on issue/conversion of Specified Securities, if any, rate of interest, execution of various agreements/deeds/documents/undertakings, creation of mortgage/charge/encumbrance in addition to the existing mortgages, charges and hypothecation by the Company as may be necessary on such of the assets of the Company both present and future, in such manner as the Board may direct, in accordance with Section 180(1)(a) of the Companies Act, 2013, in respect of any of the Specified Securities issued through the Qualified Institutions Placement, either on pari passu basis or otherwise, and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the Specified Securities and utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members to that end and intent that the Members shall be deemed to have given their approval thereto expressly by virtue of this resolution.”

5. To consider, and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms.Kanchan Chitale (DIN 00007267) who was appointed by the Members as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from the date of this Annual General Meeting of the Company, not being liable to retire by rotation.”
6. To consider, and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr.K.N.Venkatasubramanian (DIN 00007392) who was appointed by the Members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from the date of this Annual General Meeting of the Company, not being liable to retire by rotation.”
7. To consider, and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr.M.S.Ramachandran (DIN 00943629) who was appointed by the Members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing along with the deposit of the requisite amount under Section

160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from the date of this Annual General Meeting of the Company, not being liable to retire by rotation.”

8. To consider, and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr.Ashok Kini (DIN 00812946) who was appointed by the Members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from the date of this Annual General Meeting of the Company, not being liable to retire by rotation.”
9. To consider, and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr.Prakash Shah (DIN 00120671) who was appointed by the Members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from the date of this Annual General Meeting of the Company, not being liable to retire by rotation.”
10. To consider, and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:
“RESOLVED that subject to the approval of the shareholders and pursuant to the provisions of Sections 196 to 198, 203 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ((including any statutory modification(s) or re-enactment thereof for the time being in force), as amended from time to time, approval of the Company be and is hereby accorded to the re-appointment of Mr.Subhas Pramanik (DIN 00020414) as the Managing Director of the Company, for a period of 3 (three) years with effect from 8th July, 2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr.Subhas Pramanik, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”
11. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 197, 198 of the Companies Act, 2013 and all other applicable provisions of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), as amended from time to time, in addition to sitting fees, there shall be paid to such directors who are neither in the whole-time employment of the Company nor the managing director and whose remuneration does not include anything by way of monthly or other periodic payment, commission on net profits of the Company for each financial year, for a period of five years commencing from 1st April, 2014, of an aggregate amount not exceeding the maximum limit permitted under the applicable provisions as may be decided by the Nomination & Remuneration Committee of the Board or the Chairman of the Board of Directors of the Company to be distributed amongst such Directors in such manner and to such extent to each director as may be decided by the Nomination & Remuneration Committee of the Board or the Chairman of the Board of Directors.”
12. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”), for borrowing from time to time, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed ₹ 4,000 crores (Rupees Four Thousand Crores only).



Notice (Contd...)

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

13. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") to hypothecate/mortgage and/or charge and/or encumber in addition to the hypothecations/mortgages and/or charges and/or encumbrances created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the Company wherever situated both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company and the whole or any part of the undertaking(s) of the Company, together with power to take over the management of the business and concern of the Company in certain events of default, in favour of the Company's Bankers/Financial Institutions/ other investing agencies and trustees for the holders of Debentures/Bonds/other instruments/securities to secure any Rupee/ Foreign currency Loans, Guarantee assistance, Standby Letter of Credit/Letter of Credit, and/or any issue of Non-Convertible Debentures, and/or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/or Bonds, and/or any other Non-Convertible and/or other Partly/Fully Convertible instruments/securities, whether availed by the Company or by others, within the overall ceiling prescribed by the members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

14. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company be amended by replacing clause 64 with the following Article and heading:-

"Copies of documents to be sent by the Company

64. Any Member, beneficial owner, debenture holder, security holder or beneficial owner or any other person entitled to copies of any documents / registers / records to be kept or maintained by the Company in physical or electronic form under the provisions of the Companies Act, 2013 or the Rules thereunder or any earlier enactment or rules, shall be provided copies thereof upon request on payment of fee of ₹10 per page or such other fee as may be prescribed from time to time and as may be determined by the Board."

15. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there-under, the Equity Listing Agreement (as amended from time to time by the Securities and Exchange Board of India and the Stock Exchanges), and the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the Company to enter into various transactions with IDL Explosives Limited, IDL Buildware Limited, HGHL Holdings Limited, wholly owned subsidiaries of the Company and Gulf Oil Lubricants India Limited, as indicated in the explanatory statement, on such terms and conditions as may be agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

16. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Sanjay G. Hinduja (DIN 00291692), Director liable to retire by rotation, who does not offer himself for re-appointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up."

By Order of the Board

Hyderabad,
August 11, 2014.

A.Satyanarayana
Company Secretary

Registered office:
Kukatpally, Post Bag No.1
Sanathnagar (IE) PO
Hyderabad-500018, India
CIN: L24292AP1961PLC000876
Email: secretarial@gulfoilcorp.com

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Relevant documents referred to in the accompanying Notice and Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during the business hours up to the date of the Meeting.
6. The Company has notified that the Register of Members and Share Transfer Books will be closed from 23rd September, 2014 to 25th September, 2014 (both days inclusive) in connection with the ensuing Annual General Meeting.
7. In terms of Sections 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund. Accordingly, in the year 2014-15, the Company would be transferring the unclaimed dividend for the year 2006-07 to the Investor Education and Protection Fund. Members who have not encashed their dividend warrant for the year ended March 31, 2007 or thereafter are requested to write to the Company/Registrars and Share Transfer Agents.
8. Details of Unclaimed Shares:

The details of shares remaining unclaimed in the unclaimed suspense account are given below:

	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – 1 st April, 2013	16	1020
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- 31 st March, 2014	16	1020

9. Members holding shares in dematerialized mode are requested to instruct their respective Depository Participants regarding Bank Accounts in which they wish to receive the dividend. However, the Bank details as furnished by the respective Depositories to your Company will be used for the purpose of distribution of dividend and other entitlements through National Electronic Clearing Service (NECS) as directed by the Stock Exchanges. Your Company/Registrar and Share Transfer Agents will not act on any direct request from Members holding shares in dematerialized form for change/deletion of such Bank details.
10. Members holding shares in physical form, are requested to inform the Company/ Registrars and Share Transfer Agents (Karvy) of any change in their addresses immediately for future communication at their correct addresses and Members holding shares in demat form are requested to notify change of address and bank mandates to their Depository Participants.
11. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Transfer Agents to enable them to consolidate their holdings into one folio.



Notice (Contd...)

12. As required under Clause 49 of the Listing Agreement, brief information/resume, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, of Directors being appointed/reappointed, are annexed. Mr.Sanjay G. Hinduja, Mr.Ramkrishan P. Hinduja, Ms.Vinoo S. Hinduja and Mr.Ajay P. Hinduja may be treated as relatives of one another.
13. Members requiring any clarification/information on any report/statements, are requested to send their queries to the Registered Office of the Company, at least 10 days before the date of the AGM.
14. Members are requested to quote their folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Registrar and the Share Transfer Agent.
15. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by KARVY, on all resolutions set forth in this Notice.

Notice of the 53rd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same.

For members who have not registered their email address, physical copies of the Notice of the 53rd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

The instructions for e-voting are as under:

- a. Use the following URL for e-voting: <https://evoting.karvy.com>
- b. Enter the login credentials i.e., user id and password mentioned below:
User – ID for Members holding shares in Demat Form:-
 - a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
 - b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:-
Event no. followed by Folio Number registered with the company.
Password as e-mailed. In case of shareholders who have not registered their e-mail addresses, their Password has been communicated in the physical ballot form sent to them.
Captcha Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.
- c. After entering the details appropriately, click on LOGIN.
- d. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- e. You need to login again with the new credentials.
- f. On successful login, the system will prompt you to select the EVEN i.e., GULF OIL CORPORATION LIMITED.
- g. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click “FOR” / “AGAINST” as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option “ABSTAIN” in case you wish to abstain from voting. If you do not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- h. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.

Annexure to the Notice

- i. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
 - j. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authorisation letter etc. together with attested specimen signature of the duly authorised signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at secretarial@gulfoilcorp.com
 - k. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
 - l. The e-voting portal will be open for voting from Friday, September 19, 2014 (9.00 a.m. IST) to Sunday, September 21, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date (record date) August 16, 2014 may cast their vote electronically. The e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - m. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on August 16, 2014.
 - n. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. at 040-44655000 or at 1800 345 4001 (toll free).
 - o. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - p. The results of e-voting will be placed by the Company on its website: www.gulfoilcorp.com within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.
 - q. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
- Mr. A Ravi Shankar, a practicing Company Secretary (FCS:5335 CP : 4318) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Important Communication to Members

In an effort to make the Earth a better place to live, the green movement has been sweeping all over the globe. Not only are individuals doing things to help the environment, companies and governments are as well. The Companies Act, 2013 is a step forward in promoting "Green Initiative" by providing for service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement. To support this green initiative of the Government in full measure, in order to save the natural resources, Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos.4-16 of the accompanying Notice dated 11th August, 2014.

Item No.4

The global economy has been undergoing weakness in the last few years. In this background, conditions for raising of financial resources from overseas markets have not been conducive. Hence, the Company could not raise any amounts based on the similar resolution approved by the shareholders at the last Annual General Meeting. The validity period of the shareholders resolution is one year and hence the need to pass the resolution once again.

Following the outcome of recent general elections and the formation of stable Government in India, the capital markets have reacted positively opening up a new window of opportunity to raise capital. It is therefore proposed that the Board of Directors be authorised by way of enabling resolution to raise additional long term resources to part finance the Company's capital expenditure needs and / or for other general corporate purposes, including refinancing of expensive debt, expansion, diversification projects and other permissible uses, depending upon market dynamics, to raise an amount not exceeding US\$ 100 millions or ₹ 600 crores through issue of Foreign Currency Convertible Bonds (FCCBs) and / or American Depository Receipts (ADRs) or Global Depository Receipts (GDRs) and/or Qualified Institutions Placement, Qualified Foreign Investors (QFIs) and/or any other suitable financial instruments as contained in the Resolution.



Annexure to the Notice (Contd...)

The salient features are mentioned in the resolution and will be issued on such terms and conditions as may be appropriate at the time of issue.

The FCCBs/ADRs/GDRs/any other financial instruments including Qualified Institutions Placement, would be listed on the London and/or any other Stock Exchange within or outside India.

The Special Resolution gives adequate flexibility and discretion to the Board to finalise the terms of the issue in consultation with the lead managers, underwriters, legal advisers and experts or such other authorities as need to be consulted including in relation to the pricing of the issue.

The consent of the shareholders, is therefore, sought to authorise the Board of Directors as set out in the Resolution to issue in one or more tranches, the securities referred to therein in the Indian market to eligible investors or international market to Foreign Financial Institutions, to Foreign Investors/Collaborators/Companies and/or to Foreign Investment Institutions operating in India, whether shareholders of the Company or not, through a public issue or private placement basis and/or preferential basis or Qualified Institutions Placement.

The above proposal is in the interest of the Company and the Directors recommend the resolutions for approval by the Members.

None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested in the proposed resolution. Your Directors recommend the resolution for your approval.

Item Nos. 5 to 9

Ms.Kanchan Chitale retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Mr. K.N.Venkatasubramanian, Mr.M.S.Ramachandran, Mr.Ashok Kini and Mr.Prakash Shah are directors whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. All of the aforesaid Directors have held the positions as such for more than 5 (five) years.

Mr.K.N.Venkatasubramanian, Mr.M.S.Ramachandran, Mr.Ashok Kini and Mr.Prakash Shah and Ms.Kanchan Chitale being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors under Section 149 and all other applicable provisions of the Companies Act, 2013 to hold office for a term of 5 years.

Mr.K.N.Venkatasubramanian, Mr.M.S.Ramachandran, Mr.Ashok Kini and Mr.Prakash Shah and Ms.Kanchan Chitale are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr.K.N.Venkatasubramanian, Mr.M.S.Ramachandran, Mr.Ashok Kini and Mr.Prakash Shah and Ms.Kanchan Chitale for the office of Directors of the Company.

The Company has also received declarations from Mr.K.N.Venkatasubramanian, Mr.M.S.Ramachandran, Mr.Ashok Kini and Mr.Prakash Shah and Ms.Kanchan Chitale that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The aforesaid Independent Directors are eminent personalities in their respective fields. Your Board considers that their continued association with the Company would be of immense benefit to the Company. In the opinion of the Board, Mr.K.N.Venkatasubramanian, Mr.M.S.Ramachandran, Mr.Ashok Kini and Mr.Prakash Shah and Ms.Kanchan Chitale fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr.K.N.Venkatasubramanian, Mr.M.S.Ramachandran, Mr.Ashok Kini and Mr.Prakash Shah and Ms.Kanchan Chitale are independent of the management.

Brief details of Mr.K.N.Venkatasubramanian, Mr.M.S.Ramachandran, Mr.Ashok Kini and Mr.Prakash Shah and Ms.Kanchan Chitale, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, are provided in the statement giving details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed / re-appointed, annexed to this Notice.

None of the Directors or Key Managerial Personnel or their relatives other than the aforesaid Independent Directors and their relatives, are in any way concerned or interested in the proposed resolution.

Your Directors recommend the resolutions for your approval.

Item No. 10

The previous term of Mr. Subhas Pramanik as Managing Director of the Company was upto 7th July, 2014. On the approval and recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company, reappointed him as the Managing Director of the Company for a period three (3) years effective from 8th July, 2014. The Nomination & Remuneration Committee and the Board have approved the following terms of appointment and remuneration, subject to the approval of the Shareholders at a General Meeting:

- (I) **BASIC SALARY:** ₹ 4,33,200 per month on a grade of ₹ 4,25,000-5,25,000.
- (II) **PERQUISITES:** ₹ 38.99 lakhs per year, which will include housing either as a Company Lease or HRA not exceeding 60% of the salary, furnishings, gas, electricity and water, Leave Travel Concessions for self and family, Personal Accident Cover, Club Membership Fees and Special Allowance. The annual value of these perquisites shall be restricted to an amount not exceeding 75% of the annual basic salary of Mr. Pramanik each year.
- Contribution to Provident Fund and Superannuation Fund would be as per the Scheme of the Company.
- (III) Aggregate of Basic Salary and Perquisites as stated in (I) and (II) above shall not exceed the limit of ₹ 105 lakhs per annum.
- (IV) In addition to the above, Mr. Subhas Pramanik will be entitled for (i) Company owned and maintained car with driver for his official and personal local travel (ii) Adequate communication facilities at his residence, and (iii) Medical and other benefits as per the Company's policy applicable to members of senior management.
- (V) **COMMISSION:** The Managing Director will be entitled to a commission as may be decided by the Board / Nomination & Remuneration Committee, based on the Company performance and individual contribution.
- The annual increment to be decided by the Nomination & Remuneration Committee, based on the Company's performance and individual contribution, on the aforesaid scale.
- Gratuity would be payable as per the Company policy applicable to senior Management of the Company.
- In the year of inadequate profits, the Managing Director would be entitled to all the above remuneration except the commission. Mr. Subhas Pramanik shall be entitled to leave on full pay and allowances as per the Rules of the Company.
- The total remuneration payable to Mr. Subhas Pramanik including all the perquisites stated above will however be restricted to the limits allowed under the Companies Act 2013 read with Schedule V to the said Act, as amended from time to time.
- The above appointment will be terminable by 3 months notice from either side. The terms of his appointment as Managing Director would be non-rotational.

Statement of Information as required under Part-II of Schedule V to the Companies Act 2013:

I GENERAL INFORMATION:

- | | |
|--|---|
| (1) Nature of Industry. | Detonating Accessories, Industrial Explosives, Mining & Infrastructure Contracts and Realty/Property Development. |
| (2) Date or expected date of commencement of commencement of production. | N.A. |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | N.A. |
| (4) Financial performance based on given indicators. | As per the financial statements and other documents forming part of the Annual Report 2013-14. |
| (5) Foreign investments or collaborations, if any | As per the financial statements and other documents forming part of the Annual Report 2013-14. |

II INFORMATION ABOUT THE APPOINTEE:

- | | |
|---|--|
| (1) Background Details, Past Remuneration and Recognition or Awards | <p>Mr. Subhas Pramanik is a Bachelor of Chemical Engineering and obtained his Masters Degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai. He is a Certified Associate of the Indian Institute of Bankers, a Fellow Member of the Institute of Company Secretaries of India and the Institute of Cost Accountants of India.</p> <p>He worked as Group Vice President- Corporate Affairs in Universal Ferro and Allied Chemicals Limited and as Group Vice President (Finance) of Hinduja Group India Ltd. He was also Executive Director (Commercial), Gulf Oil India Ltd and Deputy Managing Director of IDL Industries Ltd.</p> <p>Details of past remuneration have been furnished elsewhere in the Corporate Governance Report forming part of this Report.</p> |
|---|--|



Annexure to the Notice (Contd...)

- | | |
|--|---|
| (2) Job profile and his suitability | Mr.Subhas Pramanik has been Managing Director of the Company for the last 15 years during which period, the turnover of the Company has grown from ₹142 crores (1998-99) to more than ₹1000 crores. The operations of the Company have been well diversified from a single line of business into multi lines. |
| (3) Remuneration Proposed | Has been furnished in the Explanatory Statement to the Resolution for appointment of the Managing Director. |
| (4) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The company being a diversified company, there is no comparable / identical company. |
| (5) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | To the extent of his shareholding in the Company. |

III OTHER INFORMATION

- | | |
|--|--------|
| (1) Reasons of loss or inadequate profits. | } N.A. |
| (2) Steps taken or proposed to be taken for improvement. | |
| (3) Expected increase in productivity and profits in measurable terms. | |

None of the Directors or Key Managerial Personnel or their relatives other than Mr.S.Pramanik and his relatives, are in any way concerned or interested in the proposed resolution. Your Directors recommend the resolution for your approval.

Item No.11

The Company has been paying commission out of net profits to the Directors, who are neither in the whole-time employment of the Company nor the Managing Director and whose remuneration does not include anything by way of monthly payment nor commission out of net profits of the Company. The Company proposes to continue the payment of this commission for a further period of five years, commencing from the accounting year of the Company from 1st April, 2014. Approval of the Members is requested under the Companies Act 2013.

All Directors of the Company except Mr Subhas Pramanik, Managing Director, are interested in the resolution.

The Board recommends this Resolution for your approval.

Item No. 12 & 13:

Pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 ("Act"), the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company.

The members had pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, authorised the Board of Directors of the Company, in the year 2012, to borrow from time to time, sums of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed ₹ 4,000 crores (Rupees Four Thousand Crores only). The resolution under the provisions of Section 180(1)(c) of the Companies Act, 2013 is being proposed in view of the clarification issued by the Ministry of Corporate Affairs (MCA) on the validity of the Resolutions passed by the shareholders under Section 293 of the Companies Act, 1956.

Going forward, since the major business focus of the Company being property development, the Company may have to borrow / provide security on the properties of the Company. Further, taking into consideration the requirements of additional funds to meet the cost of the Company's projects and other capital expenditure programmes, additional long term working capital requirements of the Company and also for any opportunity for strategic investments by the Company into businesses of similar or new lines of business with that of the Company, it is expected that the limit of paid up capital and free reserves may be exceeded. The consent of the Shareholders is therefore, sought in accordance with the provisions of Section 180(1)(c) of the Act, to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 4000 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within reasonable limits.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities as mentioned in the resolutions. As the documents to be executed between the lenders/security holders/trustees for the holders of the said securities and the Company may contain provisions to charge/dispose of substantial assets of the Company in certain events, it is necessary to pass a resolution

under Section 180(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding ₹ 4000 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The above proposals are in the interest of the Company and the Directors recommend the resolutions for approval by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Item No. 14

The Companies Act, 2013 ('the Act') provides that companies may charge fees from members, beneficial owners, debture-holders, other security holders or other persons seeking copies of documents / registers / records kept or maintained by the company as prescribed under the Act or the Rules there-under, provided charging of such fees is specified in the Articles of Association of the company.

In the context of the above, a new Article is proposed to be inserted in the Articles of Association of the Company which provides for charging of such fees as set out in the Special Resolution. Consent of the Members by way of Special Resolution is required to such alteration of Articles of Association in terms of Section 14 of the Act.

A copy of the Memorandum and Articles of Association of the Company will be available for inspection by the Members at the Registered Office of the Company between 11.00 am and 1.00 p.m. on working days upto the date of this Annual General Meeting.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Item No. 15

The Company markets its Detonators and other Initiating Devices through IDL Explosives Limited (IDLEL), its wholly owned subsidiary (WOS), besides allocating common corporate expenditure, providing guarantee and making of investments/loans. The Company had provided Cash Deficit Undertaking for the loan raised by HGHL Holdings Limited (HGHL) UK, a WOS, another wholly owned subsidiary and receives commission as consideration for the same. Further, the Company may provide temporary loan/advances to IDL Buildware Limited (IDLBL) another wholly owned subsidiary. Following are the estimations of transactions between the Company and the aforesaid subsidiary companies:

S. No.	Details of Related Party Transactions	Material terms & Value	Manner of determining the pricing and other commercial terms of the contract.
1	Marketing Service Agreement and any other agreement(s) between GOCL and IDLEL, a WOS.	Reimbursement of fixed marketing expenditure and reasonable commission on sale price. Estimated Sale Value in 2014-15 is ₹ 90 crores.	Price charged to IDLEL is same as IDLEL charges to its customers. Commercial terms determined based on product contribution of earlier years.
2	Reimbursement of expenses; rent payment by IDLEL to GOCL.	₹ 4 lakhs p.m. (approx)	Based on the space occupied by IDLEL
3	Guarantee given by GOCL for loans raised by IDLEL and HGHL	Guarantee Commission of 0.50 % p.a. on the amount of guarantee / security provided.	Similar rate is charged by banks for providing bank guarantees to the Company.
4	ICD & Advances to subsidiaries – mainly to IDLEL.	Interest charged on ICDs @ 11.75% p.a.	Based on the rate of interest charged by banks for working capitals loans to the Company.
5	Advances from subsidiaries, mainly from IDLEL.	Interest charged on ICDs @ 11.75% p.a.	Based on the rate of interest charged by banks for working capitals loans to IDLEL
6	Cash Deficit Undertaking by Gulf Oil Lubricants India Ltd. (GOLIL), a fellow subsidiary to SBI. Providing security by GOCL for GOLIL working capital loans, sale of lubricants by GOLIL to GOCL.	As may be negotiated between Commercial Principles.	GOCL and GOLIL on Prudent
7	Further equity investments proposed in IDLEL, a wholly owned subsidiary.	₹ 6 crores additional equity investment.	Being a WOS, fresh investment criteria will be based on the overall investment value.



Annexure to the Notice (Contd...)

The proposals have been approved by the Audit Committee in accordance with the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from October 1, 2014, as well as Section 177 of the Companies Act, 2013.

The Audit Committee / Board of Directors would be endeavoring to approve the transactions between the Company and the aforesaid related parties in the ordinary course of business and on arm's length basis and hence approval of the Shareholders may not be required under the provisions of the Companies Act, 2013 for transactions which are in the ordinary course of the Company's business and are at arm's length. In terms of the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from October 1, 2014, all existing material related party contracts or arrangements as on the date of the said circular, which are likely to continue beyond March 31, 2015, shall be placed for approval of the shareholders in the first General Meeting subsequent to October 01, 2014. However, a company may choose to get such contracts approved by the shareholders even before October 01, 2014. The transactions envisaged are likely to exceed during a financial year, 5% of the annual turnover or 20% of the net worth of the Company, whichever is higher as per the latest audited financial statements of the Company and are considered material in terms of the revised Clause 49 of the Listing Agreement. At times, some of the terms of related party transactions may not be viewed as at arm's length basis. As a matter of abundant caution, approval of the Shareholders is therefore being sought in terms of the aforesaid Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from 1st October, 2014 and the provisions of the Companies Act 2013.

None of the Directors, excepting Mr.K.N.Venkatasubramanian, Mr. S Pramanik and Ms. Kanchan Chitale being the Directors of IDL Explosives Limited and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution for your approval.

Item No. 16

In accordance with the provisions of Section 152 of the Companies Act, 2013, read together with the Articles of Association of the Company, Mr. Sanjay G. Hinduja is liable to retire by rotation at the ensuing Annual General Meeting of the Company. However he has not offered himself for re-appointment. It is proposed not to appoint any director in place of Mr. Sanjay G. Hinduja.

The Board of Directors recommends the resolution for approval of the members as an Ordinary Resolution. Except, Mr. Sanjay G Hinduja, Mr.Ramkrishan P Hinduja, Ms.Vinoo S Hinduja and Mr.Ajay P Hinduja, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

Your Directors recommend this resolution for your approval.

By Order of the Board

Hyderabad,
August 11, 2014.

A.Satyanarayana
Company Secretary

Registered office:
Kukatpally, Post Bag No.1
Sanathnagar (IE) PO
Hyderabad-500018, India
CIN: L24292AP1961PLC000876
Email: secretarial@gulfoilcorp.com

Details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

Name of the Director	Ms.Kanchan Chitale	Mr.K N Venkatasubramanian	Mr.M.S.Ramachandran
Date of Birth	19 th December, 1952	14 th April, 1938	26 th February, 1945
Date of Appointment	5 th October, 2009	27 th November, 1997	25 th October, 2005
Qualification	Fellow member of the Institute of Chartered Accountants of India	M.Tech. Chemical Engineering from the Indian Institute of Technology, Kharagpur	Bachelor in Mechanical Engineering
Expertise in specific functional area	Internal and management audits of corporates, specialized / concurrent audits and other assignments of commercial banks, financial institutions and large construction companies.	Petrochemicals	Oil and Gas industry

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Annexure to the Notice (Contd...)

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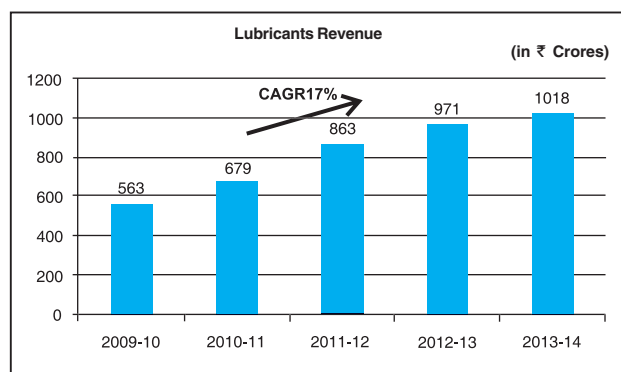
Name of the Director	Ms.Kanchan Chitale	Mr.K N Venkatasubramanian	Mr.M.S.Ramachandran
Directorship in other Indian Public Limited Companies	Indusind Bank Ltd. Gulf Oil Lubricants India Limited IDL Explosives Limited	Essar Oil Limited Gulf Carrosserie India Limited Royal Chemie Corporation Ltd Time Technoplast Limited IDL Explosives Limited M & B Engineering Ltd. Orchid Chemicals & Pharmaceuticals Limited	Supreme Petrochem Limited Ester Industries Limited ICICI Bank Limited International Paper APPM Limited Gulf Oil Lubricants India Limited
Chairman (C) Membership(M) of Committees in other Indian Public Limited Companies*	Audit Committee - Indusind Bank Limited (C) Gulf Oil Lubricants India Limited (C)	Audit Committee -Essar Oil Limited (C)	Audit Committee - ICICI Bank Limited (M) Ester Industries Limited (M) Stakeholders Relationship Committee- Gulf Oil Lubricants India Limited (C)
No of shares held in the Company	Nil	2750	2000
Name of the Director	Mr.Ashok Kini	Mr.Prakash Shah	Mr.Subhas Pramanik
Date of Birth	12 th December, 1945	4 th July, 1939	28 th September, 1949
Date of Appointment	27 th September, 2006	25 th September, 2008	21 st June, 1994
Qualification	Bachelors degree in Science from Mysore University and Masters degree in English Literature from Madras Christian College, Chennai.	B.A. (Hons) from St.Xavier's College Mumbai, M.Com., L.L.B, I.F.S. (Retd.)	Bachelor of Chemical Engineering (Hons), Masters Degree in Financial Management (Jamnalal Bajaj), Fellow Member of the ICSI and the Institute of Cost Accountants of India (ICoAI), Certified Associate - Indian Institute of Bankers.
Expertise in specific functional area	Banking & Financial Services.	Government of India Ambassador / Foreign Service	As mentioned in the explanatory statement to the AGM notice
Directorship in other Indian Public Limited Companies	Indusind Bank Limited FINO PayTech Limited FINO Trusteeship Services Limited Edelweiss Asset Reconstruction Company Limited SBI Capital Markets Limited Gulf Oil Lubricants India Limited	Hinduja National Power Corporation Ltd Indusind Media and Communication Limited Hinduja Ventures Limited	IDL Buildware Ltd Gulf Carrosserie India Ltd IDL Explosives Ltd
Chairman (C) Membership(M) of Committees in other Indian Public Limited Companies*	Audit Committee - Indusind Bank Limited (M) Edelweiss Asset Reconstruction Company Limited(M) FINO PayTech Limited (C) Gulf Oil Lubricants India Limited (M)	Audit Committee -Hinduja National Power Corporation Limited (M)	Audit Committee - IDL Explosives Ltd (M) Remuneration Committee - IDL Explosives Ltd (M)
No of shares held in the Company	Nil	Nil	5152
Name of the Director	Mr.Ramkrishan P Hinduja		
Date of Birth	20 th January, 1971		
Date of Appointment	19 th August, 2002		
Qualification	Graduate in Science and Economics from the University of Pennsylvania, Philadelphia, USA		
Expertise in specific functional area	Banking, Audit, Financial Services and Management		
Directorship in other Indian Public Limited Companies	Hinduja Global Solutions Limited Hinduja Ventures Ltd Hinduja National Power Corporation Ltd Hinduja Healthcare Limited Gulf Oil Lubricants India Limited		
Chairman (C) Membership(M) of Committees in other Indian Public Limited Companies*	Audit Committee - Hinduja Ventures Limited (M) Hinduja Global Solutions Limited (M) Hinduja Healthcare Limited (M) Shareholders/Investors Grievance Committee - Hinduja Ventures Limited (M) Gulf Oil Lubricants India Limited (M)		
No of shares held	Nil		

* only two Committees namely, Audit Committee and Shareholders Grievance Committee have been considered.

4.2 Lubricants

The Lubricant industry has been adversely impacted by slower GDP, Industrial, Infrastructure and Automotive Industry growths.

Automotive Industry growth in volume terms has been negative in the commercial vehicle space which saw a 20% drop in domestic sales, Passenger vehicle sales also witnessed a negative drop of 6.8%. 2 wheeler (with scooters showing good growth) came in positively at 7.3% growth. Tractors grew well at 15.75%. Overall the industry grew by 3.5% (sans Tractors). This has impacted Lubricants volumes for most players in the industry not only for OEM fills but also in the Bazaar market as vehicle movement came down considerably with complete slowdown in Infra and mining activities and overall industrial production.



Amid such a challenging environment, your Company’s Lubricants Division has been able to maintain volumes and grow its revenues for the year by around 5% and with many industry players recording negative growth rates, the Division has been able to gain further market share. The Division still has a CAGR Revenue Growth rate of around 15% over last 6 years.

Another key impact for the industry during the year was extremely volatile Exchange Rate and depreciation of Rupee by around 13%. Since a major portion of demand of base oils and additives for the industry is catered from imports, it resulted in continuous increase in input costs. While Rupee started stabilizing from around February’ 14, it impacted the profitability of all import dependant companies and the Lubricants Division also had to face this challenge. However, the Division’s operating profits were maintained by timely passing on the burden of increase in input costs. The overall profitability was marginally lower due to forex losses.

Segment-wise Prognosis

The Lubricants Division currently operates in the Automotive, Industrial and Marine segments in India with some exports to markets like Bangladesh, Indonesia and Nepal. Within the Automotive segment the Division has been successfully increasing its presence on sub segments like New Generation Diesel Engine Oils for Commercial Vehicles, Motorcycle Oils and also expanding its focus in the passenger car and tractor lubricant areas.

Lower goods movement on account of the overall subdued economy and closure in mining, slowdown in infrastructure resulted in large number of vehicles remaining idle in the commercial vehicles (trucks, tippers, etc) – especially in Southern States like Tamil Nadu, Karnataka and Andhra Pradesh and construction equipment. Overall demand for lubricants for commercial vehicles was negative (estimated drop is 8- 10%) in 2013-14 and this impacted our sales directly.

Overall the OEM and bazaar segment volumes have contracted in single digit. However, the lubricants division has managed to minimise the impact of these macro factors to retain its volumes and market share with positive growth in the motorcycle and B2B segments in 2013-14.

New Business Development in terms of increased sales and addition of new customers in the Government sector, Infrastructure, Mining and Fleet segment, Marine, OEMs and Direct Industries resulted in retaining overall market shares.

The Division has continued its strategies to invest in building the Gulf Oil brand, strengthening our end customer value propositions, distribution and people competencies.

Brand Building in 2013-14

Media Campaigns featuring our brand ambassador and Indian Cricket Captain – MS Dhoni were continued, backed by retail visibility initiatives. Innovative distribution and below-the-line activities were implemented to increase consumer acceptance, reach and influencer engagement. Innovative consumer/retail promotions like the tie-up with the well known Dhoom 3 franchise (which became India’s biggest grossing film), enabled the Division to increase brand visibility and market share in the motorcycle segment. To strengthen the ‘long drain, endurance’ leadership position and build the brand in the B2B segment, the Division associated as the main title sponsors for CNN-IBN’s - Leader Talk – a unique talk show which juxtaposed Leading Corporate and Sports Leaders with Rajdeep Sardesai for a chat to share their thoughts and mantras on Leadership.

Report of the Directors

4.3 Detonators and Accessories (Energetics)

The gross turnover of the Division was at ₹ 69.77 crores as against ₹ 78.25 crores in the previous year. The decreased turnover was on account of subdued demand from the mining and infra sectors. Shut down of the Detonating Fuse (DF) Plant due to accident in the month of April'13 also affected the turnover of the Division. The DF Plant has since commenced in the month of February'14 after the reconstruction. The Division has manufactured 92.42 million Detonators (96.89 million) and 4.05 million meters (17.584 million meters) of Detonating Cord during the year 2013-14. But value added products like Raydets and LDD for Domestic Market increased by 12.8% and 87% respectively. There was a significant growth of 175% over F13 in the Division's sale of electronic detonators to large mining companies.

The Company markets its Detonators and Accessories through IDL Explosives Limited, a wholly owned subsidiary. This arrangement has been necessitated on account of market conditions, as the customers prefer to place a combined order for industrial explosives and accessories.

Considering that the Division is engaged mainly in manufacturing of pyrotechnic devices as well as special products for the defence, space and various R&D applications, it has been renamed as 'Energetics Division' effective from 1st April 2014.

4.4 Mining and Infrastructure (IDLconsult)

Operations of the Mining and Infrastructure Division have been scaled down due to major projects being under temporary suspension for want of various Government / regulatory clearances in the non-coal sectors. Disposal / impairment of equipment at sites have been done during the year. Commencement of mining projects is expected to take more time and is largely dependent on Government policy announcements. As a result, the Division ended the year with a revenue of ₹ 4.92 crores as against ₹ 28 crores for the previous year.

4.5 Realty

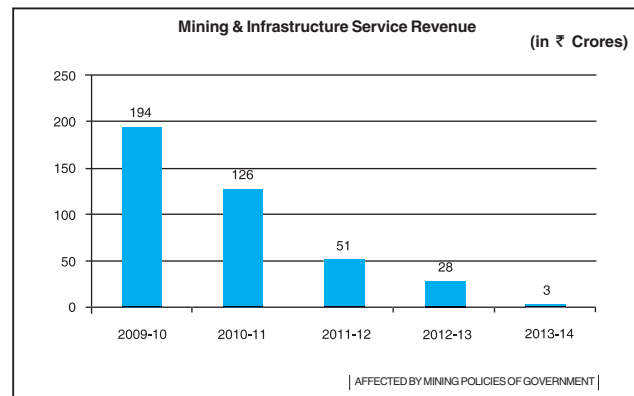
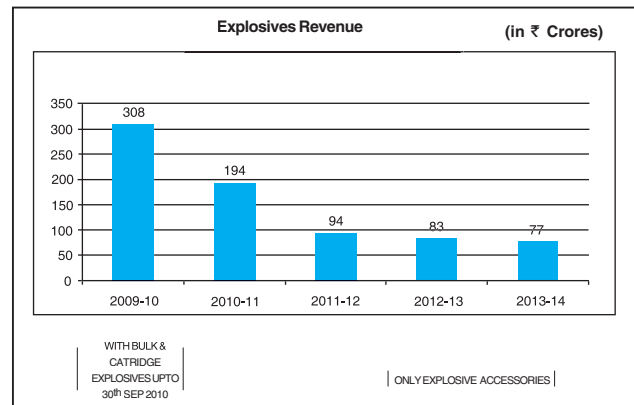
Bangalore:

Major work of the first block of the ₹1800 crores project 'Ecopolis' at Yelahanka, Bengaluru, consisting of a 30 acre IT / ITES SEZ park and a 10 acre Hotel / Hospitality / Retail areas being developed in association with Hinduja Realty Ventures Limited, is completed. The first block consists of a building (G + 10 + 3 basements) of 10.46 lakh sft and a multi level car park of 74,000 sft is under construction in the SEZ sector. The project has been getting good response from potential customers. The external façade, MEP services and related infrastructure are expected to be completed by September 2014 and the revenue streams are expected to commence from Q3 of 2014-15. Work on the subsequent blocks of the project is being planned keeping the current demand pattern and other relevant factors.

Hyderabad:

For the Hyderabad property, where the Company has entered into a Development Agreement with Hinduja Estates Private Limited, the 100 feet road passing through the Company's property has been completed after considerable delay. Uncertainty about the restructuring of the State of Andhra Pradesh during major part of the year under review, resulted in delay in planning the project.

In the meantime, with the announcement of bifurcation of the State of Andhra Pradesh the political environment is stabilising and the new State Government is expected to take major initiatives for the economic development of the State. Many high rise buildings have come up abutting the Company premises and along the Moosapet-Hitech City Road, which intersects the 100-foot IDL Road. Traffic on these roads has increased substantially, increasing the visibility and accessibility of the Company's properties.



4.6 Other Business Groups

The 4 Wind Mills (1 MW) located at Ramagiri in Andhra Pradesh generated 1,44,307 units (2,38,100 units). The Hyderabad factory received the benefit of the generation through the APTRANSCO grid.

4.7 Exports

Export Sales of Explosive Accessories were ₹ 9 crores during the current year as against ₹ 21 crores in previous year. The short fall was mainly on account of non availability of Detonating Cord from the Hyderabad factory and closure of all Exports through NAD, Karanja Jetty, for 3 months on account of labour problems. However, budgeted bottom-line was achieved through higher value-added products even with the lower turnover.

Economic down-turn continued in Europe, Middle-East, S.E. Asia and Africa. However, there are encouraging signs of recovery for the upcoming year and our Detonating Cord plant is back in operation. Also, all our products continue to have the CE Certification for exports to Europe. This would enable the Company to make further inroads in the year ahead.

5. OVERSEAS ACQUISITION

In December 2012, the Company had acquired 100% stake in Houghton International Inc, in USA through its 100% subsidiary HGHL Ltd in the UK.

As a measure of de-risking and de-leveraging, the Board had approved 90% dilution in the step down subsidiary through which Houghton International Inc., USA stake was acquired. The dilution was by way of infusion of fresh capital by Gulf Oil International, Cayman Islands. As a result, the Company has since been released of all its obligations to the lenders. The new investor has agreed to take over the obligations for repayment of the \$ 180 mn obligation to SBI. The Company however retains 10% stake in Houghton through a subsidiary, which is expected to fetch good value to the Company in the future. Further, the Company continues to receive commission towards providing of security of its properties for the said loan.

6. RESTRUCTURING OF THE COMPANY

During the year, the Company had announced demerger of the Lubricants Undertaking into a separate company. Accordingly, a Scheme of Arrangement between the Company and Gulf Oil Lubricants India Limited (GOLIL), earlier known as Hinduja Infrastructure Limited, was sanctioned by the Hon'ble High Court of Andhra Pradesh vide its Order dated 16th April 2014, providing for transfer of the Lubricants Undertaking of the Company to GOLIL and capital reorganization of both the companies. Appointed Date for the Scheme was 1st April 2014. In terms of the Scheme of Arrangement, 1 equity share of GOLIL has been allotted to the shareholders of the Company, for every 2 equity shares held in the Company and as part of the capital reduction / reorganization, face value of the equity shares has been reduced from ₹ 2 to ₹ 1 and every 2 shares of the Company have been consolidated into one equity share of ₹ 2 face value. The shares of Gulf Oil Lubricants India Limited have also been listed on the stock exchanges, namely BSE Limited and the National Stock Exchange of India Limited, with effect from 31st July 2014.

The Demerger is expected to unlock and maximize value to the shareholders through focused operations of GOLIL on the domestic lubricants market.

7. PROMOTER BECOMES HOLDING COMPANY

Gulf Oil International (Mauritius) Inc. (GOIMI), the Promoter of the Company, has acquired 4.99% additional equity share capital of the Company, enhancing their shareholding in the Company to 54.95%. With this, the Company became subsidiary of GOIMI from April 2014. The Promoters have subsequently, acquired another 5% shareholding, enhancing their shareholding in the Company to 59.95%.

8. INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Internal Control System:

Our system of internal control assists in ensuring that the Board and management are able to fulfill the business objectives. An effective internal control framework contributes to safeguarding the shareholders' investment and company's assets. The objective of our internal control framework is to ensure that internal controls are established, properly documented, maintained and adhered to in each functional department for ensuring efficient use and protection of the Company's resources, accuracy in financial reporting and compliance with the statutes. The Company's internal control system, well supported by SAP ERP implemented a few years ago, is driven by well defined policies and procedures across its multifarious business activities. Your Company is ISO 9001 (QMS), ISO 14001 (EMS) & ISO 18001 (OHSAS) compliant which provides added comfort to our business partners and regulatory bodies.

Risk Management :

The Company has an Internal Audit Function which provides the Audit Committee and the Board of Directors an independent, objective and reasonable assurance of the adequacy, efficiency and effectiveness of the Organization's risk management, internal control and corporate governance processes. The Audit Committee/Board approved annual audit plan prepared in consultation with business heads and inputs obtained from the Company's statutory auditors ensures coverage of significant areas of operations with a risk based



Report of the Directors

approach in order to conduct the audit in an efficient and timely manner. Process reviews for critical functions at all locations are performed in accordance with the audit plan. The function also assesses opportunities for improvement in business processes, systems and controls; provides recommendations, designed to add value to the organization in consultation with the Senior Management.

The Audit Committee of the Board of Directors regularly meets to review the significant audit findings, action taken thereon, adequacy of internal controls and also the implementation of various comprehensive policies for compliance and governance. During the year, the Audit Committee met six times to review the reports submitted by the Internal Audit Department. The Audit Committee also regularly meets the Company's Statutory Auditors to ascertain their views on the business, adequacy of the internal control systems in the Company and their observations on the financial reports.

9. PUBLIC DEPOSITS

The Company has during the year repaid/prepaid all the public deposits and there are no outstanding public deposits at the end of the year under review. The Board of Directors of the Company will consider accepting fresh public deposits at the appropriate time, in view of the regulatory changes under the Companies Act 2013.

10. TAXATION

Orissa Sales Tax

The matter pertains to transfer of finished goods from Rourkela factory (since transferred to IDL Explosives Limited as part of the Demerger) situated in the State of Odisha to other States.

Tax Revision Petition in respect of assessment years viz 1976-77 to 1983-84 filed before the Commissioner of Commercial Taxes at Bhubaneswar had been dismissed in February 2012. Against the said dismissal fresh Writ Petitions were filed in March, 2013 in the Orissa High Court. In respect of the assessment year 1998-99, fresh appeal has been filed in the Orissa Sales Tax Appellate Tribunal. As regards the assessment years 2002-03, 2004-05 and 2005-06. Review Petition was filed in the High Court of Orissa and also appeal filed in the Orissa Sales Tax Appellate Tribunal.

11. RESEARCH & DEVELOPMENT

During the year under review, improvements have been made to in-house developed electronic detonators and manufactured very extensively and successfully evaluated in the field. Based on the feed-back received from the field, new features in the electronic instruments were introduced that are used in conjunction with these detonators as well improved their hardware for making them more user friendly. Imported Electronic Detonators have also been evaluated extensively. Electronic delay modules have been developed with precise delay times and supplied them for Defense and Space Applications where these have been successfully utilized in their intended applications.

Pyrotechnic Igniters have been developed and delivered to users. Booster Pellet supplied and flight trials completed successfully. Different Fuse Heads were made as per the user requirements. Improvements are made in the precision of delay-timings of shock-tube delay detonators.

The R&D Centre of Lubricants Division located at Silvassa developed various products/formulations to cater to the emerging market requirements.

High performance commercial vehicle and farm tractor engine oils were developed and validated in respective applications. Customised superior performance gear oils and rear axle oils were developed for specific OEM requirements evaluated and commercialised. Motorcycle oils catering to specific to certain customer/ vehicle segments were developed. Niche/Differentiated products for industrial segment were developed including high quality water based metal working fluid and customised rust preventive. Alternate formulations for various products developed in line with the recent technological developments/ market requirements is expected to provide enhanced product performance/ customer satisfaction and contribute to cost effectiveness and supply chain efficiency/ flexibility.

12. SUBSIDIARIES:

The Company has during the year under review divested the three overseas subsidiaries, namely, Gulf Oil Yantai Co. Ltd., PT Gulf Oil Lubricants Indonesia and Gulf Oil Bangladesh Limited effective from the close of 31st December 2013, as those investments were not generating any major returns even after 7 to 10 years; the Company needing cash inflow to meet various commitments; the Company's declared intent of concentrating and strengthening its core competencies to have greater focus on Indian operations and to create more value for the Lubricants business by way of Demerger of the Lubricants business into a separate company.

The annual performance of the subsidiaries is as under:

- ❖ HGHL Holdings Limited, UK reported a profit of ₹ 412.68 lakhs (₹ 179.16 lakhs).
- ❖ IDL Explosives Limited reported a profit of ₹ 431.13 lakhs (loss of ₹ 244.56 lakhs).
- ❖ IDL Buildware Limited reported a profit of ₹ 5.19 lakhs (profit of ₹ 16.70 lakhs).
- ❖ Gulf Carrosserie India Limited reported a profit of ₹ 2.38 lakhs (loss of ₹ 0.49 lakhs).

- ❖ Gulf Oil Lubricants India Limited (*formerly known as Hinduja Infrastructure Limited*) reported a loss of ₹0.57 lakhs (profit of ₹ 0.13 lakhs).
- ❖ Gulf Oil Bangladesh Limited reported a loss of ₹1 19.63 lakhs (loss of ₹ 149.41 lakhs).
- ❖ PT. Gulf Oil Lubricants Indonesia reported a profit of ₹ 40 lakhs (₹ 160.46 lakhs).
- ❖ Gulf Oil (Yantai) Co. Ltd. reported a profit of ₹ 375.65 lakhs (loss of ₹ 476.97 lakhs)

13. HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Energetics Division at Hyderabad has continued to maintain cordial industrial relations, with low absenteeism while maintaining high output levels. Programmes were conducted to improve the competency levels. Periodical medical checkups have been conducted by tying up with corporate hospitals. The workmen are also provided medical insurance. The Division has entered into a 3 year wage settlement with the workmen amicably.

As part of strategic plans and enhancing capability building for our employees in the Lubricants Division, the training need identification and delivery processes were strengthened during the year. Extensive programs covering the following 4 areas - Product and Technical knowledge, 5 S/Kaizen initiatives at our Plant and Effective Communication Skills were undertaken. The capability building initiatives also focused on developing Internal Trainers through "Trainer Boot Camps" as well as an extended arm for "DSRs" (Distributor's Sales Representatives) at Distributor's end to enhance frontline effectiveness. Specific post programme initiatives are planned so as to sustain the capability building initiatives.

Staff Welfare

The Lubricants Division has also demonstrated its commitment by introducing another milestone in the long service award policy (20 years completion award).

Safety

To enforce a system of rewards for scrupulous practice of safety procedures by workers, existing annual awards system changed to monthly system of awards in the Energetics Division. Safety projects such as translation and dissemination of all Safe Operating Procedures (SOPs) in local language continued during the year and the same are being reviewed/read out on monthly basis at each department for better understanding and to enhance safety awareness among employees. Internal Audits are being done on regular basis to identify unsafe condition/acts and the action plan for follow up was in place to minimize the risk. Awareness/training programmes on the Explosives Rules, 2008 have been conducted by external experts/senior resource persons. 5 'S' Workplace Management Systems implemented after conducting awareness/training programs among the employees. 5 "S" Audits being conducted by cross functional teams.

ISO 9001:2008 recertification and ISO 14001:2004 and OHSAS 18001:2007 surveillance External Audit successfully completed in April 2013.

Pulse jet bag filters system has been installed for 3 M.T. coal boiler stack to minimize stack emission. For treatment of domestic effluents, a sewage treatment plant of the capacity of 30,000 liters/day has been installed. Free medical camps have been conducted for the benefit of the workmen at the Energetics Division.

Measures to enhance safety at the Silvassa plant were taken in terms of – 100% use of personal protection equipments, safety related processes, stringent electrical safety inspections, safety briefings/training in all shifts for contract workmen. Strengthening hazardous waste management systems was also undertaken.

Security

As part of enhanced security of Explosives Magazine and other assets of the Hyderabad Works, compound walls have been reinforced and height raised. As such over the years considerable additions and precautions have been added up the Security wherewithal of the Magazines which include installation of PTZ cameras, linking of watch towers through land line communication, repair and relaying of patrolling route along the inside magazine perimeter, compound wall construction and overhang barbed wire fencing, erection of watch towers using local resources, curbing soil/ boulder dumping in the Company's land.

Quality Systems – ISI/TS Certification

The Lubricants Division achieved the coveted certification of our quality management system in line with the requirements of ISO/TS 16949 : 2001 for Silvassa Plant and Corporate office – a global standard for automotive suppliers



Report of the Directors

14. OUTLOOK FOR THE CURRENT YEAR, OPPORTUNITIES AND THREATS

14.1 Lubricants

Based on the economic and automotive slowdown and consumer sentiments the first two quarters of financial year 2014-15 are expected to pose challenges in terms of volume growths. The positive areas where demand conditions should pick-up will be light commercial vehicles, tractors and motorcycles (scooters). The Division has plans to grow ahead of the market in these segments and also establish new OEM tie-ups. The strategic levers of segment wise focus, distribution reach increase initiatives and brand building will be utilised to retain and grow market shares in the core segments. Competition levels will continue to be high.

The Lubricants Division has already acquired land for its second plant in Southern India and is expected to commence construction during the year. The new plant, once operational, will add to the Division's strategic presence in South India. The Lubricants Division has been demerged into a separate listed company – Gulf Oil Lubricants India Limited from the Financial Year 2014-15 and will continue to focus on strengthening its position in domestic lubricant market. The new Company has been listed on the BSE Limited and the National Stock Exchange of India Limited with effect from 31st July, 2014.

14.2 Detonators and Accessories (Energetics)

The outlook for F 15 is one of the cautious optimism. Though the demand for conventional detonators is likely to remain depressed, it will get compensated to some extent by increase in demand for value-added products – particularly Electronic Detonators. The economic growth of the Country is long overdue for a turnaround that should bring commensurate growth in demand from the coal, metals and construction sectors. The Division is prepared to take aggressive advantage of this up-swing.

14.3 Mining and Infrastructure (IDLconsult)

The mining scenario in the country is changing after nearly 3 years after the downturn started. The growth of the economy is also dependent on the mining activity in the country and the manufacturing indices are to a great extent dependent on the mining activity in major industries such as iron and steel, cement, aluminium and copper. All these basic industries are expected to grow in the coming year. The new Government which will be taking over the reins from May 2014 is expected to address all these issues.

The Division is therefore expecting inflow of orders, resumption of pending contract which were held up due to regulatory clearances being suspended in several mines in the Orissa / Jharkhand sector where orders were in hand in 2012.

15. RISKS AND CONCERNS

15.1 Environmental Risks

Safety audits are carried out by internal safety audit teams at regular intervals in addition audits by external teams. General Safety Directions (GSDs) are strictly enforced in all factories and plants within the factories to ensure minimisation of risk. Safety trainings on different aspects are conducted to further develop the safe working culture. In addition, strict compliance of the requirements of the Explosives Act and Rules are ensured to protect the exposure of adjacent neighborhoods. Operations are carried out to comply with emission, waste water and waste disposal norms of the local authorities of the respective factories. In addition, the Hyderabad Factory has implemented the Integrated Management System incorporating ISO 14001 and OHSAS 18001 whilst the Silvassa Factory is certified under ISO 14001 incorporating the Environment Management System.

The Lubricants plant at Silvassa has also obtained certification in ISO/TS 16929-2009 which helped in monitoring and improving quality in process and products. The standard is in sync with the ISO 9001-2008 standard, which is being maintained across the organization.

15.2 Operational Risk

Licensing

The Energetics Division operates in a highly regulated and licensed industry. Amended / revised licenses for increase in license capacity for any of the explosives products may get delayed temporarily or for long periods thereby limiting our ability to cater to any increase in demand for these products from our customers. Non availability of licenses / approvals for expansion of new products could affect our future growth and expansion plans. The Division, therefore, ensures that approvals are applied for well in advance to avoid launch dates / export of products.

Location

Manufacturing facilities, for our major Subsidiary, are spread across six states. The optimum locations for packed explosives unit is determined by the customer location and the source of raw material. The advantage of the location of bulk explosives units is optimized to be close to the customer location. With changes in sources of raw material our location may not continue to be optimal in comparison with the competition. Moreover, if there is a consolidation in the industry, and the size of each manufacturing units go up, we may be disadvantaged by being sub-optimal.

Further since the lubricants are manufactured at one location and distributed throughout India, the cost of transportation and storage are higher in comparison to some of our competitors operations. As a mitigation measure the Company is working towards setting up a second plant in the south India.

Raw Materials

Many of the inputs of the three major Divisions are imported, availability of which is affected by global market situations. Also, prices of such items are volatile. Timely availability of raw materials is critical for continuous plant operations. The Company seeks to mitigate the risk by entering into long-term relationship with global raw material suppliers, with suitable escalation clauses to ensure regular supplies.

As the World economy is facing a rising commodity price cycle currently, with Crude Oil prices also firming up, the raw material prices and input costs are expected to increase. Base oils are showing a rapidly increasing trend and this is expected to impact margins/profitability. The Company seeks to mitigate the risk by entering into long-term relationship with global raw material suppliers, with suitable escalation clauses to ensure regular supplies.

The IDLConsult Division which currently undertakes mining services in coal, iron ore and limestone sectors, is exposed to business risks on account of non-availability or delay of environmental clearance by clients in time and lack of adequate infrastructure for dispatch of ores from the mine, especially during the rainy seasons. In view of this, detailed review of approvals and commitments is carried out before undertaking mining service contracts.

15.3 Market Risks:

Markets

All the Divisions of the Company operate in highly competitive markets where competition from all India players as well as regional players is high. Of which, two major divisions, namely Explosive accessories and IDLConsult Divisions operate in tender-driven markets, sometimes with onerous and unreasonable performance clauses. In the Lubes Division, increased competition from existing players and entry level pricing by new entrants leading to price undercutting could affect revenues. Therefore, there is a risk of cost increases, especially of petro product inputs, if not possible to be passed on to ultimate consumers.

Any reversal in growth trend in the economy in general and weak monsoons in particular, could affect demand in the automobile industry and consequent deceleration in manufacturing industry. This is likely to have an adverse impact on the lube industry. In order to minimise such adverse impact, the Lubes Division has taken various product and marketing initiatives.

Concentration of Customers

Both the Explosives and Contract Divisions are operating in the mining and infrastructure sectors, dominated by the PSUs, where the tendering system is in vogue, with the attendant risks. Missing L1 status in these tenders might result in loss of business opportunities for extended periods for the relevant tender(s).

15.4 Financial Risks:

Currency Value and Interest Rate Fluctuations

Financial risk management is done by the Finance Department at the various business Divisions and at Corporate Office under policies approved by the Board of Directors. Policies for overall foreign exchange loss risks and liquidity are regularly reviewed based on emerging trends. Interests' risks arising out of financial debt, are normally done at fixed rates or linked to LIBOR and appropriate Bank lending rates. Adverse movement of Rupee from current levels may further impact base oil and ammonium nitrate rates.

Credit Risk

The Company sells its products through the customary trade channels, with the attendant risk of payment delays and defaults. To mitigate the risk, a credit risk policy is also in place to ensure that sale of products are made to customers after evaluation of their ability to meet financial commitments through allotment of specific credit limits to respective customers. Credit availability and Exposure (with the trade channels) is another area of risk.

Liquidity Risk

Liquidity conditions in the money market and the commercial interest rates may impact the capability of distribution channel of the Lubes Division to support growth in business. Steps are being taken up for tie-up with financing partners to support distributors.

All the three major Divisions operate in working capital intensive industries. The Company realizes that its ability to meet its obligations to its suppliers and others is linked to timely collection of receivables and maintaining a healthy credit rating. Review of working capital constituents like inventory of raw materials, finished goods and receivables are done regularly by the respective Divisions and Corporate Finance.



Report of the Directors

15.5 Legal and Statutory Risks:

Contractual Liability

All major contracts are reviewed / vetted by the in-house Legal department before the same are executed. In addition, the Company engages the services of reputed independent legal counsels, on need basis. In matters of tax law and other statutory obligations the outcome of litigation cannot always be predicted. Hence, appropriate financial provisions, insurance policies and credit lines are taken to limit the risk for the Company. Concerted efforts by company for recovery of overdue receivables through legal proceedings have been fruitful.

Litigation Risks:

The Company is exposed to the risk of litigation of prolonged nature. Apart from the Tax Matters referred to in the Financial Statements, Litigations having a major impact on the Company include those with Udasin Mutt pertaining to leased lands of Hyderabad Works, Competition Commission of India, which are being pursued by the Company with the appropriate Court/ Tribunal.

15.6 IT Risks

The Company is dependent on intra-office and inter-office networks, as well as several business software operated from the Corporate Office and the business Divisions. Failure of system networks and consequential loss of business is attempted to be minimised by critical systems being operated on secured servers with regular maintenance, regular back up and off-site storage of data, selection of suitable firewall and virus protection systems / software. Your company is operating on SAP ERP system closely monitored internally and also serviced by external professional agencies, which helped in minimizing downtime.

15.7 Other Risks

Various assets of the Company including plant and machinery, stocks, buildings, furniture, office equipment and computer systems could suffer damages / loss owing to occurrences like fire, accidental mishaps, etc. The Company has taken insurance covers to protect these assets from possible damage / loss.

While the Company undertakes regular review of remuneration structures, threat of poaching by competitors, especially, new entrants in the industry of key persons is possible. Such actions could lead to temporary drop in efficiency and performance in the specific areas.

16. DIRECTORS

During the year, Mr.H.C.Asher has resigned as Director and Member of the Audit Committee. The Board wishes to place on record its appreciation for the valuable guidance received from him from time to time.

Mr.Ramesh V Rao has resigned in the month of August 2014, as Director and Member of the Stakeholders Relationship Committee and Chairman of Safety Review Committee. The Board wishes to place on record its appreciation for the valuable guidance received from him from time to time.

Mr.Ajay P. Hinduja has been appointed as Director of the Company in the casual vacancy caused by the resignation of Mr.Ramesh V Rao, who will retire by rotation at the AGM of the Company to be held in the year 2016. Mr. Ajay P. Hinduja holds a Degree in Economics from the University of Geneva, with specialisation in Finance. He has had varied experience in the International Banking arena, including as 'Director' and 'Member' of the Management Committee of Amas Bank (Switzerland) Ltd. {presently named "Hinduja Bank (Switzerland) Ltd.}since 1996.

In accordance with the provisions of the Companies Act 1956 and the Articles of Association of the Company, Mr.Sanjay G . Hinduja, Mr.Ramkrishan P. Hinduja and Ms. Kanchan Chitale retire by rotation at the 53rd Annual General Meeting of the Company and are eligible for reappointment. However, Mr.Sanjay G. Hinduja has not offered for re-appointment.

In terms of the Companies Act, 2013 the Independent Directors – Ms.Kanchan Chitale, Mr.M.S.Ramachandran, Mr.Ashok Kini, Mr.K.N.Venkatasubramanian and Mr.Prakash Shah are proposed to be appointed for a term of 5 years, not liable for retirement by rotation.

Mr.S Pramanik, Managing Director was reappointed effective 8th July, 2014 for a period of 3 years, after completion of his earlier term of appointment.

17. STATUTORY INFORMATION

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo 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 the Statement under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are annexed to this full Report. However, as per the provisions of Sec.219 (1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company.



18. INFORMATION ON STOCK EXCHANGES

The Equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited and the Listing Fees have been paid to them upto date.

19. CORPORATE GOVERNANCE

A detailed report on the subject forms part of this report. The Statutory Auditors of the Company have examined the Company's compliance and have certified the same as required under the SEBI Guidelines. Such certificate is reproduced in this Annual Report.

20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, on the basis of informative documents made available to them, confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c. They have taken proper and sufficient care for the maintenance of the 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.
- d. They have prepared the annual accounts on a going concern basis.

21. SUBSIDIARY COMPANIES

In the context of mandatory requirement to present consolidated position of the Company including subsidiaries, at the first instance, members are being provided with the Report and Accounts of the Company treating these as abridged accounts as contemplated by Section 219 of the Companies Act, 1956. Members desirous of receiving the full Report and Accounts of the subsidiaries, which are available for inspection at the Registered Office of the Company, will be provided the same on receipt of a written request from them. The Board has given consent for not attaching balance sheets and other financial statements of the subsidiary companies, by passing a resolution to this effect. However, specified information of each of the subsidiary company has been provided in this annual report.

22. AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received confirmation that their appointment will be within the limits prescribed under Section 139 of the Companies Act, 2013, read with the applicable Rules.

Cost Audit

The Ministry of Corporate Affairs, Cost Audit Branch had, vide its Order dated 2nd May, 2011 directed audit of cost records of companies covered under the Cost Accounting Records (Petroleum Industry) Rules, 2002. The said Order is applicable to the Company, being manufacturer of Lubricating Oils and other products. Accordingly, the Company has appointed M/s Dhananjay V Joshi and Associates, Cost Accountants, Pune for audit of the Cost Records for the financial year 2013-14.

The Cost Auditor is required to forward his report to the Central Government by 27th September 2014.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government of India and various State Government authorities and agencies, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of all employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai

Date : August 11, 2014

S. G. HINDUJA
Chairman

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company will continue to be in the forefront of its diverse interests and sustain growth activities through emphasis on Total Quality Management, adoption of emerging technologies, innovation through research, good corporate governance, adherence to fair business practices and effective use of physical, technological, Research & Development (R&D), information and financial resources, thus fulfilling the aspirations of customers, shareholders, employees and financiers.

2. BOARD OF DIRECTORS

(A) Composition: The Board of Directors of the company headed by a Non-executive Chairman consists of the following Directors as on 31st March, 2014 categorized as indicated below:

- | | |
|---|--|
| (i) Chairman (Non-executive) | Mr. Sanjay G. Hinduja |
| (ii) Vice Chairman (Non-executive) | Mr. Ramkrishan P. Hinduja |
| (iii) Non-Executive Directors: | |
| (a) Promoter Group: | Ms. Vinoo S. Hinduja
Mr. V. Ramesh Rao
Mr. K. C. Samdani (<i>Alternate to Ms. Vinoo S Hinduja</i>) |
| (b) Independent : | Mr. K N. Venkatasubramanian
Mr. M. S. Ramachandran
Mr. Ashok Kini
Mr. Prakash Shah
Ms. Kanchan Chitale |
| (iv) Managing Director: | Mr. Subhas Pramanik |

(B) Attendance of each director at the Board Meetings, last Annual General Meeting (AGM) and the details of membership/ chairmanship of Directors in other Board and Board Committees:

Name of the Directors	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships of other Boards as on 31 st March, 2014@	Number of Memberships of other Board Committees*	Number of Chairmanships in other Board Committees*
Mr. Sanjay G Hinduja	4	Y	10	-	-
Mr. Ramkrishan P Hinduja	3	Y	10	4	-
Mr. K N Venkatasubramanian	6	Y	7	1	-
Mr. M.S.Ramachandran	7	Y	6	2	-
Mr. Ashok Kini	6	Y	6	3	1
Mr. Prakash Shah	6	Y	6	1	-
Ms. Kanchan Chitale	7	Y	2	-	1
Ms. Vinoo S Hinduja	-	N	5	-	-
Mr. V Ramesh Rao	5	Y	4	-	-
Mr. Subhas Pramanik	7	Y	4	1	-
Mr. K C Samdani	3	N	8	4	-
Mr. H C Asher (upto 14 th June, 2013)	1	NA	NA	NA	NA

@Includes private limited companies and companies registered outside India.

*As per explanation to Clause 49.1(C), only Audit Committee and Shareholders' Grievance Committee have been considered for the purpose.

Board Agenda

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated from three to six days prior to the Board Meeting.

Information placed before the Board

Apart from the items that are required to be placed before the Board for its approval, the following are also tabled for the Board's periodic review / information, as applicable:

- Performance against plan including business-wise financials in respect of revenue, profits, cash flow, balance sheet, investments and capital expenditure.
- Periodic summary of all long term borrowings and applications thereof.
- Internal Audit findings (through the Audit Committee).
- Status of safety, security and legal compliance.
- Status of business risk exposures, its management and related action plans.
- Show Cause, demand and adjudication notices, if any, from revenue authorities, which are considered materially important.
- Information on strikes, lockouts, retrenchment, fatal accidents, etc., if any.
- Write offs / disposals (fixed assets, inventories, receivables, advances, etc.)

(C) Brief profiles of the Directors being appointed/reappointed have been given in the AGM Notice.

(D) Details of Board Meetings held during the Year 2013-14

Date of the Meeting	Board Strength	No. of Directors Present
25th May, 2013	11	10
27th June, 2013	10	6
7th August, 2013	10	8
30th September, 2013	10	9
31st October, 2013	10	9
12th February, 2014	10	8
26th March, 2014	10	5

(E) Code of Conduct

The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The text of the Code of Conduct is uploaded on the website of the Company – www.gulfoilcorp.com. The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended 31st March, 2014. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

(F) CEO & CFO Certification

The Managing Director and the Chief Financial Officer have certified to the Board of Directors of the Company that:

- (a) they have reviewed the financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) they accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting; and that they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.



Report on Corporate Governance

- (d) they have indicated to the Auditors and the Audit Committee that there are no:
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(G) Shares held by non- executive Directors

Mr. K. N. Venkatasubramanian held 5500 (of ₹ 2/- each) equity shares of the Company as on 31st March, 2014 and none of the other non-executive directors hold any shares in the Company.

3. Audit Committee

The current terms of reference which are given below are in full conformity with the requirements of Section 292A of the Companies Act, 1956.

Terms of reference:

The terms of reference of the Audit Committee as originally formed on December 08, 1986 were of improving the functioning and compliance with systems and procedures of our Company with respect to financial accounting policies and procedures, operating policies and procedures, inventory and credit controls and statutory requirements. The Board had on July 27, 2001 enlarged the area of operation and change the role of the Audit Committee, as under:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment and removal of external auditor and fixation of audit fees and also approval of payment for any other services.
3. Reviewing, with the management, the annual financial statements before submission to the Board focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and other legal requirements relating to financial statements.
4. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussion with internal auditors any significant findings and follow up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with external auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. To Review in Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to depositors, debenture holders.

Composition:

Chairperson: Ms. Kanchan Chitale
Members: Mr. K. N. Venkatasubramanian
Mr. Ashok Kini

Meetings and Attendance:

Six Audit Committee Meetings were held during the year ended 31st March, 2014. The maximum time gap between any of the two meetings was not more than four months.

Audit Committee Meetings held during the year 2013-14 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
24 th May, 2013	3	3
6 th August, 2013	3	3
29 th September, 2013	3	3
30 th October, 2013	3	3
11 th February, 2014	3	3
26 th March, 2014	3	2

Company Secretary of the Company is the Secretary to the Committee.

Managing Director, Chief Financial Officer and Vice President-Internal Audit were invitees for all the Audit Committee Meetings.

The Statutory Auditors of the Company were invited to join the Audit Committee in the meetings for discussing the quarterly unaudited financial results, Audited condensed financial statements and the Annual/Audited Accounts before placing it to the Board of Directors. The Audit Committee held discussions with the Statutory Auditors on the yearly Audit Plan, matters relating to compliance of Accounting Standards, their observations arising from the annual audit of the Company's Accounts and other related matters.

4. REMUNERATION & NOMINATION COMMITTEE

The key roles of this Committee effective are as follows:

- Provide oversight on Strategic Human Capital issues.
- Search for, evaluate, shortlist and recommend the incumbent for the position of Managing Director and other Directors and their engagement terms to the Board.
- Evaluate and approve for appointment candidates recommended by Managing Directors for key senior positions.
- Review the Succession Plan for Critical Positions and suggest actions.
- Have the responsibility for setting the remuneration for the Managing Director and Whole Time Directors. Review and take into notice remuneration for the direct reportees of the Managing Director. Remuneration in this context will include salary and performance based variable component and any compensation payments, such as retiring benefits or stock options.

The composition of the Remuneration and Nomination Committee is given as follows:

Chairman : Mr. Prakash Shah
 Member : Mr. Sanjay G. Hinduja
 Mr. M. S. Ramachandran
 Ms. Kanchan Chitale

In order to perform these duties the Committee shall meet more frequently as may be deemed fit by Committee Chairman.

Meetings and Attendance

Date of the Meeting	Committee Strength	No. of Directors present
27 th June, 2013	4	3
22 nd July, 2013	4	3
31 st August, 2013	4	3
24 th February, 2014	4	3

Remuneration policy -

i) For Managing Director

The total remuneration pursuant to shareholders approval consists of:

- a fixed component – consisting of salary and perquisites
- a variable component by way of commission as determined by the Board/Remuneration & Nomination Committee within the limits approved by the shareholders.



Report on Corporate Governance

Particulars	(₹ in Lakhs)
	Managing Director
Salaries	73.66
Commission	15.00
Contribution to Provident Fund and Superannuation Fund	12.43
Benefits	6.86
Total	107.95

Having regard to the fact that there is a global contribution to Gratuity Fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to Gratuity Fund has not been considered in the above computation.

Managing Director is under contract of employment with the Company with three months' notice period from either side. There is no severance fee payable to the Executive Directors. The Company does not have any stock option scheme.

ii) For Non-executive Directors

Sitting fees of ₹ 20,000/- for each Board Meeting, Audit Committee Meeting and Meeting of the Committee of Directors, ₹ 20,000/- for each Remuneration and Nomination Committee, Safety Review Committee and Investment Appraisal & Project Review Committee and ₹ 5,000/- for each Share Transfer and Investors' Grievance Committee Meeting (w.e.f. 7th August, 2013). Commission on net profits of the Company to the extent permitted, is paid (as per the provisions of Sections 198, 309, 310 of the Companies Act, 1956). In addition, aggregate commission amount not exceeding 1% of the net profit of the Company calculated as per Sections 349 and 350 of the Companies Act 1956, is paid to all the non-executive Directors, to be distributed as authorized by the Board / Remuneration & Nomination Committee.

Non-executive Directors	(₹ in lakhs)		
	Sitting Fees*	Commission	Total
Mr. Sanjay G. Hinduja	0.80	2.20	3.00
Mr. Ramkrishan P. Hinduja	0.60	1.90	2.50
Mr. K N Venkatasubramanian	2.20	6.76	8.96
Ms. Kanchan Chitale	3.10	10.44	13.54
Mr. M. S. Ramachandran	3.14	10.73	13.87
Mr. Ashok Kini	3.90	13.09	16.99
Mr. Prakash Shah	1.70	6.91	8.61
Ms. Vinoo S Hinduja	-	1.02	1.02
Mr. V.Ramesh Rao	1.26	3.67	4.93
Mr. K. C. Samdani	0.92	-	0.92
Mr. H C Asher (upto 14 th June, 2013)	0.20	1.61	1.81
Total	17.82	58.34	76.16

* exclusive of service tax

5. SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

Composition:	Three Directors
Chairman:	Mr. Ashok Kini
Members:	Mr. Subhas Pramanik
	Mr. V. Ramesh Rao

Meetings and Attendance

Date of the Meeting	Committee Strength	No. of Directors present
25 th May, 2013	3	3
6 th August, 2013	3	3
31 st October, 2013	3	3
12 th February, 2014	3	3

The Share Transfer and Investors Grievance Committee specifically looks into redressing of shareholders/ investors complaints in matters such as transfer of shares, non-receipt of declared dividends and ensure expeditious share transfer process.

Number of Shareholders Complaints received so far :	220
Solved to the satisfaction of the shareholders :	220
Number of pending Complaints :	NIL

6. GENERAL BODY MEETINGS

Location, time and venue where last three Annual General Meetings were held:

Financial Year	Location of AGM	Date & Time of AGM
2012-13	Emerald, Hotel Taj Krishna, Banjara Hills, Hyderabad, Andhra Pradesh -500 034, India	30 th September, 2013, 2.30 p.m.
2011-12	Grand Ball Room, Hotel Taj Krishna, Banjara Hills, Hyderabad, Andhra Pradesh -500 034, India	21 st September, 2012, 2.30 p.m.
2010-11		23 rd September, 2011, 2.30 p.m.

Special Resolutions

Special resolutions were passed at last three annual general meetings as under:

I) 50th AGM held on 23rd September 2011- Three Special Resolutions.

- Appointment of Mr.Subhas Pramanik, Managing Director of the Company for a period of three years effective from 8th July, 2011, pursuant to the provisions of Section 269,198,309,310 of the Companies Act, 1956 read with Schedule XIII to the said act, as amended from time to time, and other applicable provisions if any.
- In supersession of previous resolution passed by the members of the Company at their meeting held on 23rd September, 2010, the consent and approval of the Company accorded to the Board to issue of further shares/Indian Depository Receipts (IDRs)/American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs)/Foreign Currency Convertible Bonds (FCCBs).
- The consent and approval of the Company accorded pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force, the Articles of Association of the Company be altered (Article 54 and 170) and inserted (Article 51A and 139C).

II) 51st AGM held on 21st September 2012- Three Special Resolutions.

- The consent and approval of the Company accorded for keeping the Register of Members, Index of Member, copies of all Annual Returns under Section 159 and 160 of the Act together with copies of certificates and documents required to be annexed thereto under Sections 160 and 161 of the Act or any one or more of them at the office of Karvy Computershare Pvt. Ltd., instead of being kept at the registered office of the Company or at the office of Sathguru Management Consultants Pvt. Ltd., the erstwhile Registrar & Share Transfer Agent of the Company.
- In supersession of previous resolution passed by the members of the Company at their meeting held on 23rd September, 2011, the consent and approval of the Company accorded to the Board to issue of further shares/Indian Depository Receipts (IDRs)/American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs)/Foreign Currency Convertible Bonds (FCCBs).
- Payment to such directors in addition to sitting fees, who are neither in the whole-time employment of the Company nor the Managing Director and whose remuneration does not include anything by way of monthly or other periodic payment, commission on net profits of the Company for the year ended 31st March, 2013 and four years thereafter of an aggregate amount not exceeding the maximum limit permitted under the provisions of Section 309 and other applicable provisions, if any of the Companies Act, 1956.



Report on Corporate Governance

III) 52nd AGM held on 30th September 2013- Two Special Resolutions.

- a) In supersession of previous resolution passed by the members of the Company at their meeting held on 21st September, 2012, the consent and approval of the Company accorded to the Board to issue of further shares/Indian Depository Receipts (IDRs)/ American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs)/Foreign Currency Convertible Bonds (FCCBs).
- b) The consent and approval of the Company accorded pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force, the Articles of Association of the Company be amended and added at the end of the existing **Article No.135**: "Participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means in the prescribed manner, as permitted by the applicable laws from time to time".

IV) During the year, no resolutions were passed through postal ballot.

7. DISCLOSURES

Related Parties

There were no materially significant related party transactions which may have potential conflict with the interests of the Company at large. Confirmation has been placed before the Audit Committee and the Board that all related party transactions during the year under reference were in the ordinary course of business and on arm's length basis. Transactions with related parties are disclosed in Note 38 forming part of financial statements.

BOARD DISCLOSURES - Risk Management

The Company has laid down procedures to inform the Board of the Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

STRICTURES AND PENALTIES

There were no strictures or penalties imposed on the Company by either Stock Exchanges or SEBI or any Statutory Authority for non-Compliance on any matter related to Capital Market during the last three years.

8. MEANS OF COMMUNICATION

The quarterly unaudited results and annual audited results are published in Business Standard and in the local newspaper – Andhra Prabha and are displayed on the Website of the Company www.gulfoilcorp.com. Official press releases and Official media releases are sent to stock exchanges and uploaded on the website of the Company. During the year, Presentation was made to institutional investors and to the financial analysts on the audited annual financial results of the Company; the same was uploaded on website of the Company.

The Management Discussion and Analysis Report forms part of the Directors' Report.

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting:

Date	-	25 th September, 2014
Venue	-	Kohinoor, Hotel Taj Deccan, Banjara Hills, Hyderabad-500034
Time	-	2.30 pm

Financial Calendar (Tentative):

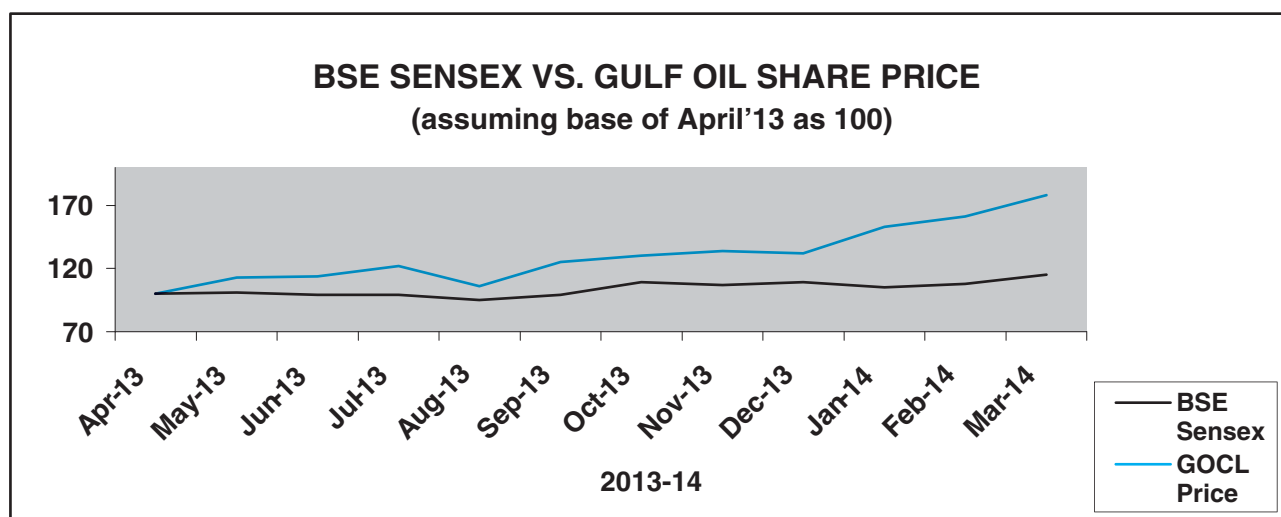
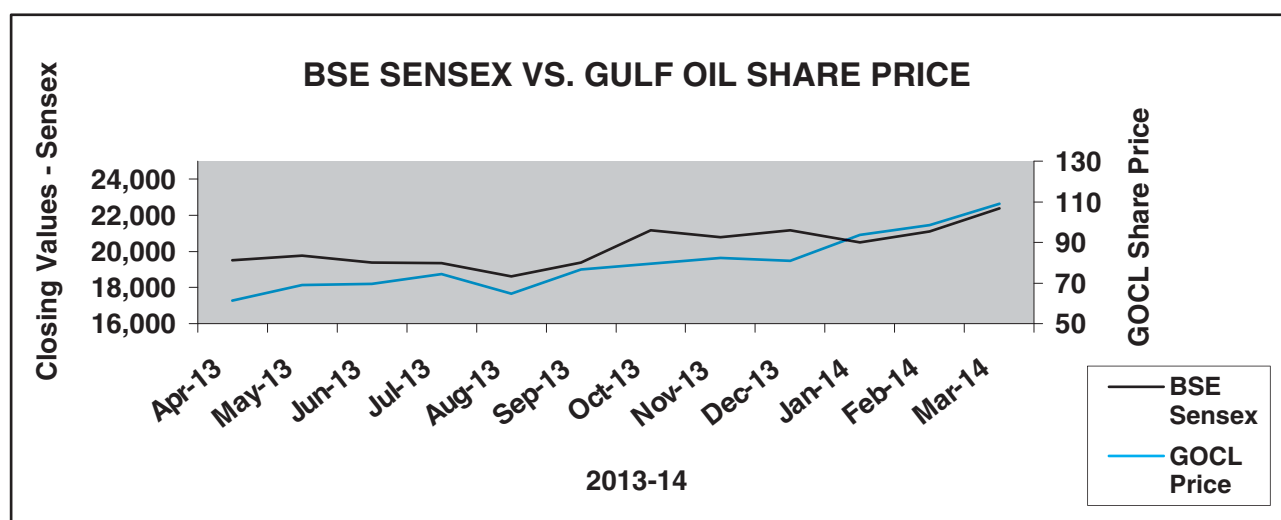
- Unaudited results for 1st quarter of next Financial Year – by 14th August, 2014
- Unaudited results for 2nd quarter of next Financial Year – by 15th November, 2014
- Unaudited results for 3rd quarter of next Financial Year – by 14th February, 2015
- Audited results for next Financial Year – by 29th May, 2015

Date of Book Closure – 23rd September, 2014 to 25th September, 2014

- Listing of Equity Shares** – BSE Limited – Code 506480
- National Stock Exchange of India Ltd – Code GULFOILCOR (new-GULFCORP)

Market Price Data (in ₹): in respect of the Company's shares on BSE Limited, monthly high and low during the last Financial Year:

Month & Year	High (₹)	Low (₹)
April, 2013	69.80	60.60
May, 2013	71.70	60.55
June, 2013	71.55	58.45
July, 2013	82.35	69.00
August, 2013	76.25	62.10
September, 2013	83.20	64.35
October, 2013	87.00	76.50
November, 2013	87.85	76.15
December, 2013	87.90	79.00
January, 2014	111.80	81.20
February, 2014	104.25	90.15
March, 2014	114.50	92.80

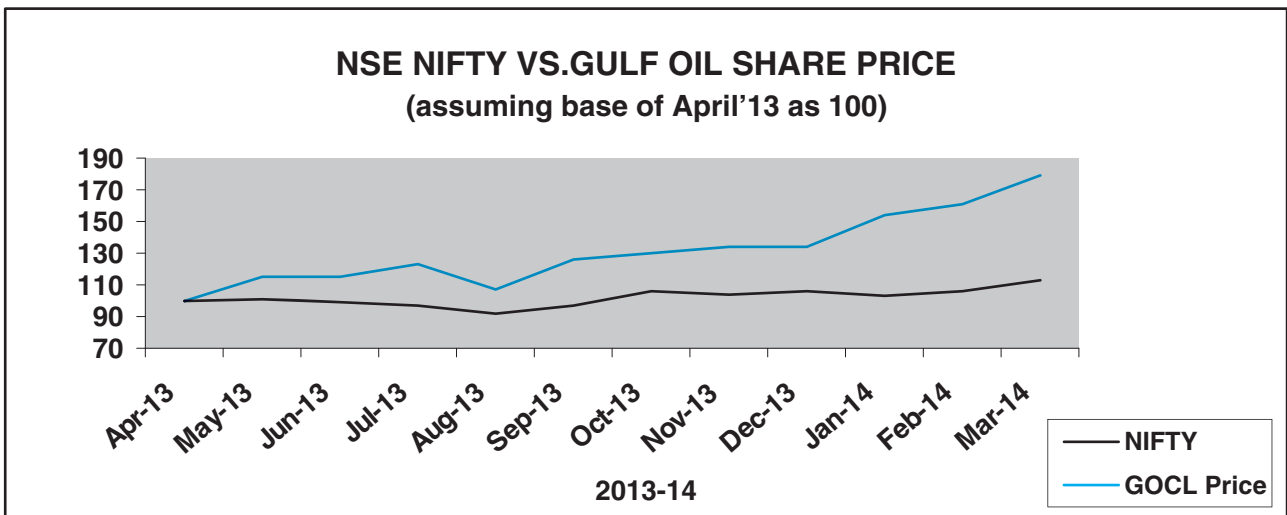
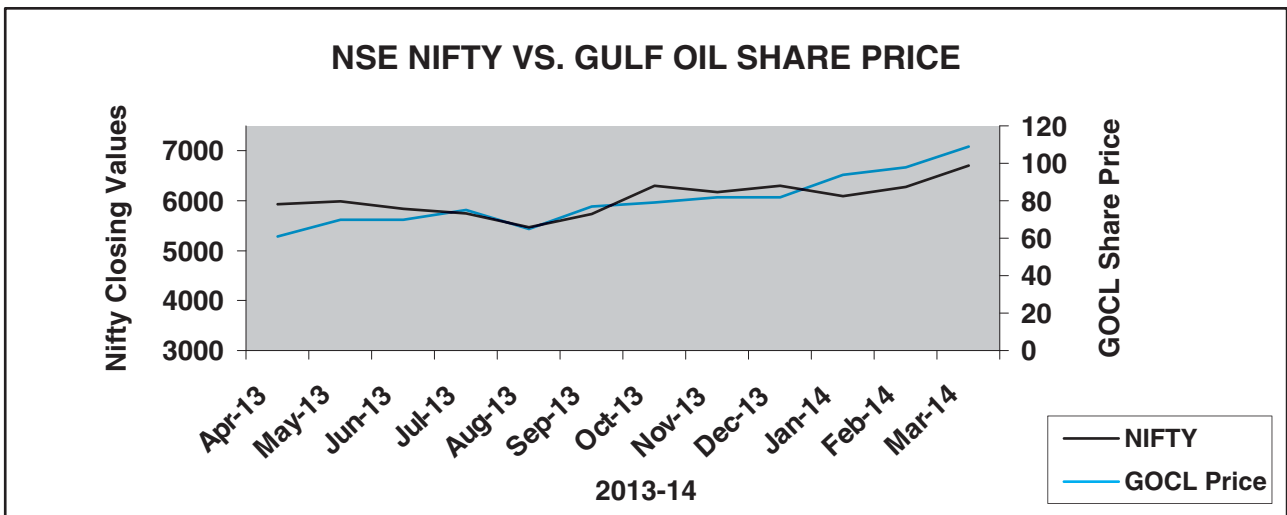




Report on Corporate Governance

Market Price Data (in ₹): in respect of the Company's shares on National Stock Exchange of India Limited, monthly high and low during the last Financial Year:

Month & Year	High (₹)	Low (₹)
April, 2013	69.8	60.05
May, 2013	71.55	60.5
June, 2013	71.8	59.1
July, 2013	82.2	69.85
August, 2013	77.9	62.2
September, 2013	82.95	63.9
October, 2013	86.35	76.75
November, 2013	87.4	76.4
December, 2013	88	79.1
January, 2014	111.8	81.1
February, 2014	104.2	92
March, 2014	114.7	93.25



Details of Share Transfer System:

The authority relating to approval of share transfers has been delegated to the Share Transfer Committee consisting of Mr. Ashok Kini (Chairman), Mr. Subhas Pramanik and Mr. V. Ramesh Rao. The Committee has met four times during the year for approving transfers, transmissions & etc. Operations with regard to dematerialization are being complied with, in conformity with the regulations prescribed.

Distribution of Shareholding as on 31st March, 2014:

Paid up Share Capital	Number of Shareholders		Number of Shares	
	Number	%	Number	%
Up to 5000	59766	98.25	7706960	7.77
5001 – 10000	524	0.86	1888412	1.90
10001 – 20000	269	0.44	1941449	1.96
20001 – 30000	88	0.14	1121711	1.13
30001 – 40000	41	0.07	730703	0.74
40001 – 50000	39	0.06	899933	0.91
50001 – 100000	50	0.08	1697584	1.71
100001 and above	62	0.10	83158228	83.88
Total	60839	100	99144980	100

Pattern of Shareholding as on 31st March, 2014:

Category	Number of Shareholders	No. of Shares	% of Share-holding
Promoters	1	49536335	49.96
Public :			
Institutional Investors:			
Mutual Funds & UTI, Banks, Financial Institutions & Others	27	5558556	5.60
Bodies Corporate	674	2848847	2.87
Indian Public	59591	23498974	23.71
Directors and their relatives	5	16554	0.02
Foreign Nationals/NRIs/ OCBs	274	4055354	4.09
Clearing Members	255	5354328	5.40
FII's	12	8276032	8.35
GRAND TOTAL	60839	99144980	100.00

Dematerialization of shares and liquidity – 96748810 shares were dematerialized amounting to 97.58% of the total paid up capital. However, out of the total 60,839 shareholders, 31,984 shareholders, holding small quantity of shares aggregating 23,96,170 shares, continue to hold the shares in physical form.

The name and designation of Compliance Officer : Mr. A Satyanarayana, Company Secretary

The Registrar and Share Transfer Agents are handling all the share transfers and related transactions.

As on 31st March, 2014 there were no requests pending for demats / overdue beyond the due dates.

Plant Locations:

- A. Explosives** : Explosives Division, Hyderabad.
B. Lubricants : Lubes Division, Silvassa

Details of Addresses for Correspondence:

Registered Office : Gulf Oil Corporation Limited
Kukatpally, Sanathnagar (IE) PO HYDERABAD 500 018
Ph – 91 40 2381 0671 – 79
Fax – 91 40 2381 3860
E-mail: secretarial@gulfoilcorp.com
www.gulfoilcorp.com



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Registrar and Share Transfer Agents	Karvy Computershare Private Ltd. Plot No.17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad –500081 Tel No.040-44655208, Fax No.040-23420814 Email: gulfoil@karvy.com ; einward.ris@karvy.com
ISIN for the Equity Shares	IN E 077F01027 (New ISIN - INE 077F01035)
Dividend for the last three years	2013-14: 125% (Interim Dividend) 2012-13: 110% 2011-12: 110%

10. SUBSIDIARIES

There are no material non-listed Indian subsidiaries of the Company.

Board Meeting Minutes of Subsidiaries are being placed at the meetings of the Board of Directors. Annual Financial Statements of Subsidiaries are reviewed by Audit Committee and the Board of Directors.

11. NON MANDATORY REQUIREMENTS

The Board has constituted a Remuneration and Nomination Committee and the terms of reference of this Committee are given in para 4 above are adopted from non-mandatory requirements.

Whistle Blower Policy

The Company supports ethical behavior in all its business activities. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the Management and no person has been denied access to the Audit Committee.

By order of the Board of Directors

Place : Mumbai
Date: May 8, 2014

Sanjay G Hinduja
Chairman

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2014 as envisaged in Clause 49 of the Listing agreement with stock exchanges.

Place: Hyderabad
Date: 29th April, 2014

Subhas Pramanik
Managing Director

AUDITORS' CERTIFICATE

To the member of Gulf Oil Corporation Ltd

We have examined the compliance of conditions of Corporate Governance by GULF OIL CORPORATION LIMITED ('the Company') for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance in neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

K. Rajasekhar
Partner
(Membership No. 23341)

Place : Secunderabad
Date : May 8, 2014



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GULF OIL CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **GULF OIL CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's Lubricants Branch.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Lubricants Branch audited by other auditors.
 - (c) the reports on the accounts of Lubricants Branch audited by the branch auditors appointed under Section 228 of the Act have been forwarded to us and have been properly dealt with by us in preparing this report.
 - (d) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns received from the Lubricants Branch.
 - (e) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standard notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (f) on the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

K. Rajasekhar
Partner

(Membership No. 23341)

Place : Secunderabad

Date : May 8, 2014



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of Company's business/activities/result during the year, clauses (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) To the best of our knowledge and belief and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly paragraph 4(v) (b) of the order is not applicable.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (₹ lakhs)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	1980-87	6.12	Assistant Commissioner, Central Excise & Customs
		1992-96, 1992-93	1.87	Commissioner Appeals, Central Excise & Customs
		2006-07	631.44	Central Excise and Service Tax Appellate Tribunal
		2003-04	4.61	High Court of Andhra Pradesh
Sales Tax Act	Sales Tax	1992-93, 1994-95, 1995-96, 1998-99, 2003-04	1,375.78	Sales Tax Tribunal, Orissa
		1976-77 to 1983-84, 1987-88, 1989-90, 1990-91	1,328.16	High Court, Orissa
		1976-77 to 1983-84, 2008-09	927.37	Additional Commissioner Commercial Taxes
		1976-77 to 1983-84, 1997-98, 2008-09, 2011-12	192.78	Commissioner Commercial Taxes
		2001-02, 2003-04, 2004-05	7.10	Assistant Commissioner Commercial Taxes
		2002-03 to 2009-10	248.54	Joint Commissioner
		2007-08	6.57	Deputy Commissioner
Finance Act, 1994	Service Tax	2006-07 to 2008-09	1,449.81	Central Excise and Service Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	2001-02, 2003-04, 2004-05, 2008-09	870.11	Income Tax Appellate Tribunal
Lubricants Branch				
Sales Tax Act Central Excise Act	Sales Tax	1999-00	7.13	Assessing Authority
		2011-12	0.62	Assessing Authority
		April 2007 to November 2012	10.57	Appeal with Tribunal
		2010-11	46.15	Appeal with Tribunal
		2003-04	815.97	Appeal with Tribunal
		2004-05	1,037.06	Appeal with Tribunal
	Excise Duty	1999-00	6.54	Assistant Commissioner, Commercial Tax
		2005-06	3.53	Commissioner Central Excise and Customs
		2009-10	19.06	Joint Commissioner and Assistant Commissioner
		2008-09	35.66	Joint Commissioner and Assistant Commissioner
		July 2008 to September 2009	52.89	Joint Commissioner and Assistant Commissioner
		April 2008 to January 2011	26.29	Deputy Commissioner and Assistant Commissioner
		April 2009 to September 2011	40.89	Deputy Commissioner and Assistant Commissioner
		October 2009 to September 2013	3.64	Deputy Commissioner and Assistant Commissioner
		2010-11	0.80	Office of Superintendent
		September 2010 to September 2011	0.46	Deputy Commissioner and Assistant Commissioner
		October 2011 to June 2012	6.11	Joint Commissioner and Assistant Commissioner
		2012-13	7.95	Joint Commissioner and Assistant Commissioner
		January 2013 to November 2013	10.90	Joint Commissioner and Assistant Commissioner
April 2012 to September 2013	4.55	Joint Commissioner and Assistant Commissioner		
Income-tax Act	Income Tax	1999-00	4.02	Commissioner of Income-Tax (Appeals)
		2000-01	8.73	Commissioner of Income-Tax (Appeals)

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks during the year.
- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not, *prima facie*, prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

K. Rajasekhar
Partner
(Membership No. 23341)

Place : Secunderbad
Date : May 8, 2014



BALANCE SHEET AS AT 31ST MARCH 2014

	Notes	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1982.90	1982.90
Reserves and Surplus	3	111396.38	108462.62
		113379.28	110445.52
Non-current Liabilities			
Long-term Borrowings	4	-	1658.32
Deferred Tax Liabilities (Net)	5	-	92.31
Other Long-term Liabilities	6	89.16	103.47
Long-term Provisions	7	9355.45	9529.71
		9444.61	11383.81
Current Liabilities			
Short-term Borrowings	8	16427.38	24659.62
Trade Payables	9	11512.67	10139.61
Other Current Liabilities	10	6401.67	4883.59
Short-term Provisions	7	154.57	3001.59
		34496.29	42684.41
TOTAL		157320.18	164513.74
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11A	96524.67	99919.15
Intangible Assets	11B	98.35	100.14
Capital Work-in-Progress		3596.54	1194.20
		100219.56	101213.49
Deferred Tax Asset (Net)	5	648.69	-
Non-current Investments	12	2731.02	3151.49
Long-term Loans and Advances	13	1523.53	1422.61
Other Non-current Assets	14	0.42	153.74
		105123.22	105941.33
Current Assets			
Current Investments	15	-	2490.00
Inventories	16	19908.37	17600.28
Trade Receivables	17	14798.89	13534.47
Cash and Bank Balances	18	9235.10	17489.67
Short-term Loans and Advances	13	7967.49	6535.81
Other Current Assets	14	287.11	922.18
		52196.96	58572.41
TOTAL		157320.18	164513.74
Corporate Information and Significant Accounting Policies	1		
See accompanying notes forming part of the Financial Statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

K Rajasekhar
Partner

Manish K. Gangwal
Chief Financial Officer

For and on behalf of Board of Directors

S. Pramanik
Managing Director

S. G. Hinduja
Chairman

A. Satyanarayana
Company Secretary

Place : Secunderabad

Date : May 8, 2014



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

	Notes	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
I. Income			
Revenue from Operations (Gross)		109838.53	108195.16
Less: Excise Duty		14525.70	13640.81
Revenue from Operations (Net)	19	95312.83	94554.35
Other Income	20	4574.72	3958.51
Total Revenue (I)		99887.55	98512.86
II. Expenses			
Cost of Materials Consumed	21A	48399.32	48607.73
Purchase of Stock -in -Trade (Traded goods)	21B	2691.51	2141.41
Increase in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(2179.71)	(1336.24)
Employee Benefit Expenses	23	6377.68	6826.00
Finance Costs	24	3381.18	3522.47
Depreciation and Amortization Expense	11D	1443.08	1448.13
Other Expenses	25	31026.35	30412.52
Total Expenses (II)		91139.41	91622.02
III. Profit before Exceptional Items and Tax (I-II)			
Less / (Add) Exceptional Items	26	865.52	(430.88)
IV Profit Before Tax			
		7882.62	7321.72
VI Tax Expenses			
Current Tax - Current Year		2790.00	2149.33
- Prior Year		-	8.67
Less: MAT Credit		-	(204.00)
Net Current Tax Expense		2790.00	1954.00
Deferred Tax		(741.00)	69.10
Total Tax Expense		2049.00	2023.10
VII Profit for the Year			
Loss from Continuing Operations before Tax	28	(2333.70)	(3437.89)
Less: Tax Expense of Continuing Operations		(1453.18)	(1564.45)
Loss from Continuing Operations		(880.52)	(1,873.44)
Profit from Discontinuing Operations before Tax	28	10216.32	10759.61
Less: Tax Expense of Discontinuing Operations		(3502.18)	(3587.55)
Profit from Discontinuing Operations		6714.14	7172.06
Profit for the Year - Total Operations		5833.62	5298.62
Earnings per Equity Share (Face Value of ₹ 2 per share)			
Basic and Diluted (in ₹)	37		
(i) Continuing Operations		(0.89)	(1.89)
(ii) Total Operations		5.88	5.34
Corporate Information and Significant Accounting Policies	1		
See accompanying notes forming part of the Financial Statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of Board of Directors

K Rajasekhar
Partner

Manish K. Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S. G. Hinduja
Chairman

A. Satyanarayana
Company Secretary

Place : Secunderabad

Date : May 8, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

SI No.	Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
		₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
(A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax and after exceptional items		7882.62		7321.72
	Adjustments for:				
	Depreciation and amortisation expense		1443.08		1448.13
	Dividend income		(42.71)		(2.82)
	Provision for doubtful trade and other receivables, loans and advances written off		230.42		271.68
	Loss on sale of Fixed Assets		186.59		4.76
	Impairment of fixed assets		2159.50		-
	Amount received against advances made and adjusted to Revaluation Reserve in earlier year		-		(268.88)
	Amount received towards redemption of Preference Shares		-		(162.00)
	Liabilities/provisions no longer required written back		-		(184.04)
	Profit on sale of long term Investments		(2331.73)		-
	Interest Income		(2280.51)		(2405.55)
	Unrealised (Gain) on Exchange - Net		(128.20)		(270.81)
	Finance cost		3381.18	2617.62	3522.47
	Operating Profit before working Capital changes		10500.24		9274.66
	Changes in working capital:				
	Decrease in Trade Receivables, Loans and Advances & Other Assets		(1479.65)		(2577.28)
	Decrease in Inventories		(2308.09)		(349.25)
	Decrease in Trade Payables and Other Liabilities including Provisions		524.10	(3263.64)	351.87
	Cash generated from Operations		7236.60		6700.00
	Direct Taxes paid (net of refunds)		(2573.76)		(1,984.34)
	NET CASH FROM OPERATING ACTIVITIES		4662.84		4715.66
(B)	CASH FLOW FROM INVESTING ACTIVITIES				
	Capital expenditure on Fixed Assets including Capital Advances		(3245.46)		(819.42)
	Proceeds from Sale of fixed assets		311.44		17.58
	Investments in Subsidiary Companies		-		(87.55)
	Current Investments - Mutual Fund				
	- Purchased		(50.00)		-
	- Proceeds from redemption		64.95		-
	Bank balance not considered as Cash and cash equivalents				
	- Placed		(14485.82)		(59018.51)
	- Matured		25542.93		55713.66
	Proceeds from Long Term Investment		5227.25		-
	Proceeds from Redemption of Preference Shares		-		162.00
	Inter-Corporate Deposit to Subsidiary Company		(1860.00)		(3683.87)
	Inter-Corporate Deposit to Subsidiary Company realised		580.00		-
	Advance to Subsidiary Companies		(14.74)		-
	Advance to Subsidiary Companies realised		-		74.32
	Advance to Companies realised		-		8.23
	Interest Received		2691.42		2599.31
	Dividend		42.71		2.82
	NET CASH (USED IN) INVESTING ACTIVITIES		14804.68		(5031.43)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

SI No.	Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
		₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
(C) CASHFLOW FROM FINANCING ACTIVITIES					
	Proceeds from Long Term Borrowings & Hire Purchase Liabilities	-		716.70	
	Repayment of Long Term Borrowings & Hire Purchase Liabilities	(2068.50)		(2155.05)	
	Net decrease in working capital borrowings	(8123.39)		3448.72	
	Proceeds from Public Deposits	-		4.80	
	Repayment of Public Deposits	(114.13)		(242.73)	
	Interest paid	(3452.94)		(3600.92)	
	Dividend paid (Including Interim Dividend)	(4659.81)		(2181.19)	
	Tax on dividend	(791.93)		(353.84)	
	NET CASH (USED IN) FINANCIAL ACTIVITIES		(19210.70)		(4363.51)
	Net increase/(decrease) in cash and cash equivalents		256.82		(4679.28)
	Cash and Cash Equivalents as at the commencement of the year		2846.95		7526.23
	Cash and Cash Equivalents as at the end of the year (Refer Note 1 below)		3103.77		2846.95

Notes:

1. Cash and Cash Equivalents comprise :

	₹ Lakhs	
	As at 31st March 2014	As at 31st March 2013
(a) Cash on hand	8.72	11.32
(b) Balance with banks		
(i) In Current Accounts	3005.60	2800.63
(ii) In Deposits Accounts	89.45	35.00
Cash and Cash Equivalents included in Note 18	3103.77	2846.95

2. Comparative figures of the previous year have been regrouped wherever necessary to compare with those of current year .

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of Board of Directors

K Rajasekhar
Partner

Manish K. Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S. G. Hinduja
Chairman

A. Satyanarayana
Company Secretary

Place : Secunderabad

Date : May 8, 2014



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

A. CORPORATE INFORMATION

The Company is in the business of Lubricants, Industrial Explosives, Mining & Infrastructure Services and Property Development.

B. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets i.e. land which is carried at revalued amounts. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

(b) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

(c) INVENTORIES

Inventories are valued at lower of cost and the net realizable value, after providing obsolescence and other losses, which are considered necessary. The method of arriving at cost of various categories of inventories is as below:

(i) Stores and Spares, Raw and Packing materials	Weighted Average Method
(ii) Finished goods and Work-in-Progress	Weighted average cost of production, which comprises direct material costs and appropriate overheads.
(iii) Contracts Work-in-Progress	Represents expenses incurred on execution of contracts till the Balance Sheet date

(d) CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(e) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, where by profit / (loss) before extraordinary items and tax is adjusted for the effects of transaction of non-cash nature. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(f) DEPRECIATION AND AMORTIZATION

- i. The Company follows the straight-line method of charging depreciation on all its tangible assets. The Depreciation has been provided in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956 on all the assets except certain equipments which are depreciated over their estimated useful life.
- ii. Leasehold land is being amortized in equal installments over the lease period.
- iii. Intangibles are amortized over the period of their respective useful life.

(g) REVENUE RECOGNITION

- i. Sale of goods is recognized, net of returns and trade discounts, at the point of dispatch of finished goods to customers. Sales include amount recovered towards excise duty but exclude sales tax and value added tax.
- ii. Income from services is recognized at the time of rendering the services.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- iii. Contract revenue is recognized on percentage completion method as required under revised Accounting Standard 7 - Construction Contracts. The stage of completion is determined as a proportion that contract costs bear to the estimated total costs. When it is probable that at any stage of the contract, the total cost will exceed the total contract revenue, the expected loss is recognized immediately.
- iv. Unbilled revenue represents value of work executed, to be billed subsequent to the Balance Sheet date and is valued at contract price.
- v. Export incentives under the Duty Entitlement Pass Book scheme has been recognized on the basis of credits afforded in the passbook.

(h) FIXED ASSETS

Fixed assets are shown at cost / revalued amount less depreciation. Cost comprises the purchase price and other attributable expenses.

(i) FOREIGN CURRENCY TRANSACTIONS

- i. Transactions in foreign currencies entered into by the Company are accounted at the exchange rate prevailing on the date of transaction. Foreign currency monetary assets and liabilities of the Company outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of foreign currency monetary assets / liabilities are recognized as income or expense in the Statement of Profit and Loss.
- ii. In respect of forward exchange contracts, the premium or discount at the inception of such a forward exchange contract is amortized as expense over life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized in the Statement of Profit and Loss.
- iii. Gain or loss on transaction of long-term monetary liabilities intended to acquire fixed assets is capitalized as part of the depreciable fixed assets to which the monetary items relates and depreciated over the remaining useful life of such assets.

(j) INVESTMENTS

Long term Investments are carried individually at cost less provision, other than temporary, in the value of such investments. Current Investments are carried individually at lower of cost and fair value.

(k) EMPLOYEE BENEFITS

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences and long-service awards.

Defined Contribution Plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) In case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

(l) SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(m) LEASES

Lease arrangements where the risks and rewards incidental of ownership of an asset substantially rests with the lessor are recognized as operating leases. Lease rental under operating leases are recognized in the Statement of Profit and Loss on a straight line basis.

(n) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the year.

(o) TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(p) RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenditure of revenue nature is written off in the year in which it is incurred and expenditure of a capital nature is added to fixed assets.

(q) IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(r) PROVISIONS AND CONTINGENCIES

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the Financial Statements.

(s) OPERATING CYCLE

Based on the nature of products / activities of the Company and normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 2 Share Capital		
Authorized:		
12,50,00,000 Equity Shares of ₹ 2 each	<u>2500.00</u>	<u>2500.00</u>
Issued, Subscribed and Fully Paid-up:		
9,91,44,980 Equity Shares of ₹ 2 each	<u>1982.90</u>	<u>1982.90</u>
	<u>1982.90</u>	<u>1982.90</u>

a. Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting year:

	Year ended 31st March 2014		Year ended 31st March 2013	
	Number of shares held	₹ Lakhs	Number of shares held	₹ Lakhs
At the beginning of the year	99144980	1982.90	99144980	1982.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>99144980</u>	<u>1982.90</u>	<u>99144980</u>	<u>1982.90</u>

b. Terms / Rights attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

c. Details of shareholders holding more than 5% Equity Shares in the Company:

	As at 31st March 2014		As at 31st March 2013	
	Number of shares held	Percentage of holding	Number of shares held	Percentage of holding
Equity Shares of ₹ 2 each fully paid				
Gulf Oil International (Mauritius) Inc. *	49536335	49.96%	49536335	49.96%
Bridge India Fund (formerly Credo India Thematic Fund Limited)	7680657	7.75%	9809157	9.89%

* Does not include additional 4950000 shares (4.99%) acquired on March 27, 2014 as credit to demat received on April 2, 2014



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 3 Reserves and Surplus		
Capital Reserve	0.75	0.75
Export Allowance Reserve	10.50	10.50
Securities Premium Account	12139.52	12139.52
Revaluation Reserve	67326.58	67326.58
General Reserve		
Opening balance	12894.01	12344.01
Add: Transferred from Statement of Profit and Loss	<u>600.00</u>	<u>550.00</u>
Closing balance	13494.01	12894.01
Surplus in the Statement of Profit and Loss		
Opening balance	16091.26	13894.52
Add: Profit for the Year	<u>5833.62</u>	<u>5298.62</u>
	21924.88	19193.14
Less:		
Interim Dividend distributed [(₹ 2.50 per share) (31st March 2013 - Nil)]	2478.62	-
Dividend proposed to be distributed to Equity shareholders: Nil (31st March 2013 - ₹ 2.20 per share)	-	2181.19
Tax on Dividend	421.24	370.69
Transferred to General Reserve	<u>600.00</u>	<u>550.00</u>
Closing balance	18425.02	16091.26
	<u><u>111396.38</u></u>	<u><u>108462.62</u></u>

	As at 31st March 2014		As at 31st March 2013	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 4 Long-term Borrowings				
Term Loans from Banks (Secured):				
State Bank of Hyderabad	-	-	-	431.87
State Bank of Mauritius	-	-	-	253.25
Karur Vysya Bank	-	1500.00	1500.00	1000.00
Long-term maturities of Hire Purchase Obligations (Unsecured)	-	4.56	152.72	235.23
Public Deposits (Unsecured)	-	-	5.60	102.53
	<u>-</u>	<u>1504.56</u>	<u>1658.32</u>	<u>2022.88</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Security / Terms and Conditions of Repayment

- (i) Term Loan from State Bank of Hyderabad was taken during the year 2009-10 and carries floating rate of interest (14.25% p.a. as on 31st March 2014) with reset after 2 years from the date of 1st disbursement. The loan is repayable in 36 monthly installments of ₹ 69.45 Lakhs after a moratorium of 12 months from the date of first disbursement. The loan is secured by a primary charge by way of hypothecation of raw material, finished goods, stocks in process, stores and spares and receivables of the Company ranking pari-passu with other working capital lenders under consortium arrangement and collateral security by way of (a) first pari passu charge along with consortium working capital bankers and term lenders on land admeasuring acres 115.25 at Kukatpally, Hyderabad belonging to the Company and (b) second charge on building, plant and machinery charged to term lenders. The outstanding amount as at 31st March 2014 is Nil (31st March 2013 - 6 installments of ₹ 69.45 Lakhs each).
- (ii) Term Loan from State Bank of Mauritius was taken during the year 2009-10 and carries floating rate of interest of 2.50% above base rate of the bank (13.25% p.a. as on 31st March 2014) and interest will be reset annually. The loan is repayable in 42 installments after a moratorium period of 6 months. Installments for first 12 months are of ₹ 40 Lakhs and ₹ 50.67 Lakhs for subsequent 30 months. The loan is secured by a primary charge by way of first charge along with other consortium lenders by way of equitable mortgage on land admeasuring acres 115.25 at Kukatpally, Hyderabad belonging to the Company, except the building, plant and machinery charged to the term lenders and first charge along with other consortium lenders on the current assets of the Company. The outstanding amount as at 31st March 2014 is Nil (31st March 2013 - 5 installments of ₹ 50.67 Lakhs each).
- (iii) Term Loan from Karur Vysya Bank was taken during 2012-13 and carries floating rate of interest of 1.50% over and above the base rate of the bank (12.50% p.a. as on 31st March 2014) with an option to reset after one year from the date of disbursement. The loan tenor is for 3 years including initial moratorium period of one year. Repayment of loan will be in two installments, ₹ 1,000 Lakhs to be paid at end of 24th month (i.e., 29th March 2014) and balance at the end of 36th month (i.e., 29th March 2015) from the date of disbursement. The loan is secured by an exclusive charge on the industrial land admeasuring 4.29 acres located at Kukatpally, Hyderabad owned by the Company. The amount outstanding as at 31st March 2014 is ₹ 1,500 Lakhs to be paid in one instalment in March 2015 (31st March 2013 - ₹ 2,500 Lakhs in 2 instalments as mentioned above).
- (iv) Public Deposits outstanding as on 31st March 2013 are repayable within 3 years. The rate of interest per annum on deposits for one year 9.75% (up to 31st August 2012 - 9.50%) and more than one year and below two years 10% (upto 31st August 2012 - 9.75%) above two years 10.25% (upto 7th August 2013 - 10.50%). During the current year, the public deposits have been repaid.

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 5 Deferred Tax Asset / Liability (Net)		
Tax effects of Items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed asset	-	480.53
On surplus arising on transfer of Explosives Undertaking	257.71	257.71
	257.71	738.24
Tax effects of Items constituting Deferred Tax Asset		
On difference between book balance and tax balance of fixed asset	347.56	-
Provision for doubtful debts / advances	320.89	327.55
Provision for compensated absences, gratuity and other employees benefits	237.95	318.38
	906.40	645.93
Net Deferred Tax Asset / (Liability) (Net)	648.69	(92.31)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2014		As at 31st March 2013	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 6 Other Long-term Liabilities				
Trade Payables	-	-	9.44	-
Deposits from Service Providers	89.16	-	94.03	-
	<u>89.16</u>	<u>-</u>	<u>103.47</u>	<u>-</u>
Note 7 Provisions				
Provision for Employee Benefits:				
Gratuity (Refer Note 33)	283.58	35.95	466.55	111.00
Compensated Absences	302.16	70.51	293.45	65.81
	<u>585.74</u>	<u>106.46</u>	<u>760.00</u>	<u>176.81</u>
Others:				
Provision for -				
- Indirect Taxes	8394.10	-	8394.10	-
- Claims	375.61	-	375.61	224.79
Provision for Fringe Benefit Tax	-	48.11	-	48.11
Proposed Equity Dividend	-	-	-	2181.19
Provision for Tax on Proposed Equity Dividend	-	-	-	370.69
	<u>8769.71</u>	<u>48.11</u>	<u>8769.71</u>	<u>2824.78</u>
	<u>9355.45</u>	<u>154.57</u>	<u>9529.71</u>	<u>3001.59</u>

	As at	As at
	31st March 2014 ₹ Lakhs	31st March 2013 ₹ Lakhs
Note 8 Short-term Borrowings		
From Banks:		
Cash Credit (Secured)	2337.27	5130.37
Working Capital Demand Loan (Foreign Currency) (Secured)	1198.30	-
Working Capital Demand Loan (Yes Bank Limited) (Secured)	-	1000.00
Working Capital Demand Loan (IDBI Bank Limited) (Secured)	-	500.00
Buyers Credit (Unsecured)	12891.81	18029.25
	<u>16427.38</u>	<u>24659.62</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Security / Terms and Conditions of Repayment

- (a) Cash Credit facilities including Foreign Currency Demand Loan from State Bank of Mauritius and Working Capital Loan from consortium banks is secured by hypothecation of all current assets of the Company including raw materials, finished goods, stock-in-process, stores and spares (not relating to plant & machinery) and present and future book debts of the Company ranking pari-passu and collateral security by (i) first pari passu charge by way of equitable mortgage on the land owned by the Company admeasuring acres 115.25 situated at Kukatpally, Hyderabad and (ii) second pari passu charge on buildings, plant and machinery charged to other term lenders
- (b) Working Capital Demand Loan from Yes Bank is secured by way of subservient charge on the movable fixed assets and current assets of the Company.

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 9 Trade Payables		
Trade Payables (Refer Note 32 for Dues to Micro and Small Enterprises)		
Acceptances	89.00	100.93
Other than Acceptances	11423.67	10038.68
	<u>11512.67</u>	<u>10139.61</u>

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 10 Other Current Liabilities		
Current maturities of Long-term Borrowings (Refer Note 4)	1504.56	2022.88
Interest Accrued but not due on Borrowings	27.24	98.99
Interim Dividend	2478.62	-
Unpaid Dividend	124.05	111.39
Unpaid matured Deposits including Interest Accrued	-	6.00
Unclaimed Share Application Money - Rights Issue	1.95	1.95
Others:		
Due to Subsidiary	-	39.45
Advance from Customers	279.70	489.46
Payables on Purchase of Fixed Assets	22.31	28.53
Statutory Remittances	1826.14	2031.03
Trade Deposits Received	11.60	3.86
Other Payables	125.50	50.05
	<u>6401.67</u>	<u>4883.59</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11 Fixed Assets

Block Name	GROSS BLOCK				DEPRECIATION				NET BLOCK		₹ Lakhs
	Cost / Revaluation 1st April 2013	Additions	Deductions / Withdrawals	Cost / Revaluation 31st March 2014	As at 1st April 2013	For the Year	On Deductions / Withdrawals	Impairment Losses recognised in statement of Profit & Loss	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
A. Tangible Assets											
Land - Freehold	92945.95	-	-	92945.95	-	-	-	-	-	92945.95	
(Refer Note 27)											
(Previous year)	(92945.95)	-	-	(92945.95)	-	-	-	-	-		(92945.95)
Land - Leasehold	6.80	-	-	6.80	6.80	-	-	-	6.80	-	
(Previous year)	(6.80)	-	-	(6.80)	(6.80)	-	-	-	(6.80)		-
Buildings											
Owned	1948.15	273.51	2.81	2218.85	843.92	53.32	2.81	-	894.43	1324.42	
(Previous year)	(1784.10)	(164.14)	-	(1948.15)	(794.63)	(49.29)	-	-	(843.92)		(1104.23)
Given under operating lease	71.09	-	-	71.09	10.98	1.28	-	-	12.26	58.83	
(Previous year)	(71.09)	-	-	(71.09)	(9.70)	(1.28)	-	-	(10.98)		(60.11)
Total	2019.24	273.51	2.81	2289.94	854.90	54.60	2.81	-	906.69	1383.25	-
(Previous year)	(1855.19)	(164.14)	-	(2019.24)	(804.33)	(50.57)	-	-	(854.90)		(1164.34)
Plant & Machinery											
Owned	15197.07	291.06	3307.44	12180.69	10191.85	1188.72	2897.23	2129.57	10612.91	1567.78	
(Previous year)	(14908.85)	(319.02)	(30.80)	(15197.07)	(9020.73)	(1200.46)	(29.34)	-	(10191.85)		(5005.22)
Given under Operating Lease	80.32	-	-	80.32	65.92	3.82	-	-	69.74	10.58	
(Previous year)	(80.32)	-	-	(80.32)	(62.10)	(3.82)	-	-	(65.92)		(14.40)
Total	15277.39	291.06	3307.44	12261.01	10257.77	1192.54	2897.23	2129.57	10682.65	1578.36	-
(Previous year)	(14989.17)	(319.02)	(30.80)	(15277.39)	(9082.83)	(1204.28)	(29.34)	-	(10257.77)		(5019.62)
Furniture & Fixtures	376.93	35.11	207.68	204.36	242.79	12.21	194.80	-	60.20	144.16	
(Previous year)	(358.80)	(21.54)	(3.41)	(376.93)	(232.12)	(13.04)	(2.37)	-	(242.79)		(134.14)
Office Equipment	308.97	16.36	48.97	276.36	173.26	13.60	26.70	2.07	162.23	114.13	
(Previous year)	(289.54)	(21.29)	(1.88)	(308.95)	(159.99)	(14.14)	(0.87)	-	(173.26)		(135.69)
Vehicles	650.93	1.49	285.62	366.80	332.42	39.45	233.71	16.92	155.08	211.72	
(Previous year)	(525.35)	(165.64)	(40.06)	(650.93)	(313.75)	(40.35)	(21.68)	-	(332.42)		(318.51)
Computers	603.14	25.34	51.21	577.27	402.24	68.11	50.46	10.28	430.17	147.10	
(Previous year)	(546.81)	(90.09)	(33.76)	(603.14)	(368.15)	(67.40)	(33.31)	-	(402.24)		(200.90)
Total -Tangible Assets	112189.35	642.87	3903.73	108928.49	12270.18	1380.51	3405.71	2158.84	12403.82	96524.67	-
(Previous year)	(111517.61)	(781.72)	(109.91)	(112189.33)	(10967.97)	(1389.78)	(87.57)	-	(12270.18)		(99919.15)
B. Intangible Assets											
Computer Software	344.88	61.44	16.00	390.32	244.74	62.57	16.00	0.66	291.97	98.35	
(Previous year)	(328.30)	(16.58)	-	(344.88)	(186.39)	(58.35)	-	-	(244.74)		(100.14)
Total - Intangible Assets	344.88	61.44	16.00	390.32	244.74	62.57	16.00	0.66	291.97	98.35	-
(Previous year)	(328.30)	(16.58)	-	(344.88)	(186.39)	(58.35)	-	-	(244.74)		(100.14)
Grand Total	112534.23	704.31	3919.73	109318.81	12514.92	1443.08	3421.71	2159.50	12695.79	96623.02	-
(Previous year)	(111845.82)	(798.30)	(109.91)	(112534.21)	(11154.36)	(1448.13)	(87.57)	-	(12514.92)		(100019.29)

C. Details of Assets acquired under Hire Purchase Agreements:

Particulars	Gross Block		Net Block		₹ Lakhs
	31st March 2014	31st March 2013	31st March 2014	31st March 2013	
Plant & Machinery	-	438.16	-	254.66	
Vehicles	15.85	15.85	12.46	13.97	
Total	15.85	454.01	12.46	268.63	

D. Depreciation and Amortization expense relating to Continuing Operations

Particulars	31st March 2014	31st March 2013
Depreciation and Amortization expenses for the year on Tangible Assets	1380.51	1389.78
Amortization for the year on Intangible Assets	62.57	58.35
Total	1443.08	1448.13

E. Details of assets given under lease (Refer Note 30).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 12 Non-Current Investments		
I Trade Investments (valued at cost unless stated otherwise)		
(a) In Equity Shares (Unquoted)		
(i) of Subsidiaries		
19,70,000 Equity Shares of ₹ 10 each fully paid-up in IDL Buildware Limited	203.41	203.41
Less: Provision for diminution in value	<u>203.41</u> -	<u>203.41</u> -
50,000 Equity Shares of ₹10 each fully paid-up in IDL Explosives Limited	5.00	5.00
50,000 Equity Shares of ₹ 10 each fully paid-up in Gulf Oil Lubricants India Limited (Formerly Hinduja Infrastructure Limited)	5.00	5.00
3,80,001 Equity Shares of ₹ 10 each fully paid-up in Gulf Carrosserie India Limited	38.00	38.00
Less: Provision for diminution in value	<u>38.00</u> -	<u>38.00</u> -
Nil (31.03.2013: 1,77,939) Equity Shares of Bangladesh Taka 50 each fully paid-up in Gulf Oil Bangladesh Limited	-	71.91
Nil (31.03.2013: 15,000) Equity Shares of Indonesia Rp. 8,61,900 each fully paid-up in PT Gulf Oil Lubricants Indonesia	-	680.70
Nil (31.03.2013: 41,32,540) Equity Shares of US \$ 1 each fully paid-up in Gulf Oil (Yantai) Limited	-	2,157.86
1,00,000 Equity Shares of GBP 1 each in HGHL Holdings Limited	87.46	87.46
(ii) of Others		
500 Shares of ₹10 each fully paid-up in IDL Chemicals Employees' Co-operative Credit Society Limited	0.05	0.05
27,978 units of ₹ 10 each fully paid-up in UTI Bond Fund of Unit Trust of India	2.97	2.97
1,14,000 Equity Shares of ₹ 100 each fully paid-up in Gulf Ashley Motors Limited	114.00	114.00
12,490 Equity Shares of ₹ 10 each fully paid-up in Mangalam Retail Services Limited	1.25	1.25
100 Equity Shares of GBP 1 each fully paid-up in GHG Lubricants Holdings Limited	0.09	0.09
2 equity shares of ₹ 100 each fully paid-up in Pachora Peoples Co-operative Bank Limited (* ₹ 300)	- *	-*
	<u><u>215.82</u></u>	<u><u>3126.29</u></u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
(b) Preference Shares (Unquoted)		
(i) of Subsidiaries		
2,00,000 8% Redeemable Cumulative Preference Shares of ₹ 100 each fully paid-up in IDL Buildware Limited	200.00	200.00
Less: Provision for diminution in value	200.00	200.00
	<u> -</u>	<u> -</u>
2,49,000 10% Series-A Redeemable Cumulative Preference shares of ₹ 100 each fully paid-up in IDL Explosives Limited (Refer Note 4 below)	2490.00	-
(ii) of Others		
Nil (31.03.2013: 1,62,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each fully paid-up in APDL Estate Limited	-	162.00
Less: Nil (31.03.2013: 1,62,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each) redeemed	-	162.00
	<u> -</u>	<u> -</u>
II Non-Trade Investments (valued at cost, unless stated otherwise)		
Equity Shares (Quoted)		
2,00,000 Shares of ₹ 1 each fully paid-up in Ashok Leyland Limited	24.23	24.23
48 Shares of ₹ 10 each fully paid-up in Hinduja Global Solutions Limited	0.03	0.03
48 Shares of ₹ 10 each fully paid-up in Hinduja Ventures Limited	0.03	0.03
2,400 Shares of ₹ 10 each fully paid-up in Jammu & Kashmir Bank Limited	0.91	0.91
	<u> 25.20</u>	<u> 25.20</u>
	<u> 2731.02</u>	<u> 3151.49</u>
Note:		
1. Aggregate cost of quoted investments	25.20	25.20
2. Aggregate market value of quoted investments	72.79	72.80
3. Aggregate cost of unquoted investments	2705.82	3126.29
4. The Preference shares were allotted to Company in terms of Scheme of Arrangement and were due for redemption on 25th May 2011 or 45 days from the date of infusion of fresh capital in IDL Explosives Limited. In the previous years, the date of redemption was extended upto May 25, 2012 or 45 days of infusion of fresh capital, which was further extended in the previous year to May 25, 2014 or 45 days from the date of infusion of fresh capital.		
During the current year, the date of redemption has been mutually agreed to be deferred upto May 24, 2017 or 45 days from the date of infusion of fresh capital in the Company. The investment has been reclassified from Current to Non-current in view of cost and fair value based on valuation report.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2014		As at 31st March 2013	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 13 Loans and Advances (unsecured, considered good unless otherwise specified)				
Capital Advances	155.67	-	23.08	-
Security Deposits				
Considered Good	352.15	732.94	302.15	705.17
Considered Doubtful	20.00	-	20.00	-
Less: Provision for Doubtful Advances	(20.00)	-	(20.00)	-
	<u>352.15</u>	<u>732.94</u>	<u>302.15</u>	<u>705.17</u>
Loans and Advances to Related Parties				
Gulf Carrosserie India Limited	-	7.38	-	6.97
Less: Provision for Doubtful Advances	-	(7.38)	-	(6.97)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
IDL Buildware Limited	-	370.21	-	355.89
Less: Provision for Doubtful Advances	-	(355.89)	-	(355.89)
	<u>-</u>	<u>14.32</u>	<u>-</u>	<u>-</u>
Inter-Corporate Deposit to Subsidiaries				
IDL Explosives Limited	-	3103.87	-	3683.87
Gulf Oil Lubricants India Limited (formerly Hinduja Infrastructure Limited)	-	1860.00	-	-
	<u>-</u>	<u>4963.87</u>	<u>-</u>	<u>3683.87</u>
Loans and Advances to Other Companies				
IDL Specialty Chemicals Limited	-	137.84	-	137.84
Less: Provision for Doubtful Advances	-	(137.84)	-	(137.84)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Advance to Suppliers and Service Providers	-	154.19	-	291.93
Loans and Advances to Employees	-	50.86	-	48.95
Prepaid Expenses	18.18	283.98	35.01	219.44
Advance Income Tax (Net of Provisions)	-	842.01	-	583.60
MAT Credit Entitlement	-	-	-	474.65
Balance with Government Authorities	-	925.32	-	528.20
Deposits with Government Authorities	997.53	-	1062.37	-
	<u>1015.71</u>	<u>2,256.36</u>	<u>1097.38</u>	<u>2146.77</u>
	<u>1523.53</u>	<u>7967.49</u>	<u>1422.61</u>	<u>6535.81</u>

Note 14 Other Assets (unsecured, considered good unless otherwise specified)				
Unbilled Revenue	-	-	-	335.24
Interest Receivable on Term Deposits with Banks	0.42	274.89	99.29	586.94
Term Deposits with Banks (Refer Note Below)	-	-	54.45	-
Insurance Claims	-	12.22	-	-
	<u>0.42</u>	<u>287.11</u>	<u>153.74</u>	<u>922.18</u>

Note: Deposit made under Rule 3A of Companies (Acceptance of Deposits) Rules, 1975



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 15 Current Investments		
Preference Shares (Unquoted)		
2,49,000 10% Series-A Redeemable Cumulative Preference Shares of ₹100 each fully paid-up in IDL Explosives Limited	-	2490.00
	<u>-</u>	<u>2490.00</u>
Aggregate cost of unquoted investments	-	2490.00
The aforesaid investment has been reclassified as Non-current. Refer Note 4 in Note 12 Non-current Investments.		
Note 16 Inventories (valued at lower of cost and net realisable value)		
Raw Materials	6287.90	5997.05
Work-in-Progress (Refer Note Below)	559.41	589.53
Finished Goods (Other than those acquired for trading)	7505.04	6157.92
Stock-in-Trade	1393.30	540.43
Stores, Spare and Fuel	111.27	325.78
Packing Materials	440.79	378.91
Land / Buildings for Property Development, at cost (Refer Note 27)	3610.66	3610.66
	<u>19908.37</u>	<u>17600.28</u>
Note: Details of work-in-progress in respect of:		
Detonators & Detonating Fuse	396.52	415.77
Lubricants	162.89	173.76
	<u>559.41</u>	<u>589.53</u>
Note 17 Trade Receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	188.96	1434.06
Considered Doubtful	2254.88	2274.87
	<u>2443.84</u>	<u>3708.93</u>
Less: Provision for Doubtful Receivables	2254.88	2274.87
	<u>188.96</u>	<u>1434.06</u>
Other Receivables	14609.93	12100.41
	<u>14798.89</u>	<u>13534.47</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 18 Cash and Bank Balances		
A. Cash & Cash Equivalents		
Cash on Hand	8.72	11.32
Balances with Banks:		
In Current Accounts	3005.60	2800.63
In Deposit Accounts	89.45	35.00
Total Cash & Cash Equivalents (A)	<u>3103.77</u>	<u>2846.95</u>
B. Other Bank Balances		
In Earmarked Accounts		
- Margin Money Deposits	3526.71	14529.38
- Dividend Accounts	2602.67	111.39
- Refund orders issued by the Company but not encashed by Rights Issue Applicants	1.95	1.95
Total of Other Bank Balances (B)	<u>6131.33</u>	<u>14642.72</u>
Cash and Bank Balances (A+B)	<u>9235.10</u>	<u>17489.67</u>

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 19 Revenue from Operations		
Sale of Products (Refer Note (i) below)	109414.55	105343.84
Service Income (Income from Operation Contracts)	304.11	2774.79
Other Operating Income (Refer Note (ii) below)	119.87	76.53
	<u>109838.53</u>	<u>108195.16</u>
Less: Excise Duty	14525.70	13640.81
	<u>95312.83</u>	<u>94554.35</u>
Notes:		
(i) Sale of Products:		
Manufactured Goods		
Detonators	7229.36	6449.62
Detonating Fuse	242.98	1562.83
Cartridged ANFO & NCN (High Explosives)	103.82	124.83
Boosters	0.19	1.10
Lubricating Oils	99162.25	94030.19
Others	79.04	92.26
	<u>106817.64</u>	<u>102260.83</u>
Traded Goods		
Safety Fuse - Purchased	19.12	39.58
Grease/Lubes	1635.60	2330.43
Filters	124.97	256.52
Car Care Lube Equipment and Battery	817.22	456.48
	<u>2596.91</u>	<u>3083.01</u>
	<u>109414.55</u>	<u>105343.84</u>
(ii) Other Operating Income:		
Export Incentives	6.11	-
Miscellaneous Income	113.76	76.53
	<u>119.87</u>	<u>76.53</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 20 Other Income		
Interest Income (Refer Note below)	2280.51	2405.55
Dividend Income on Long-term Investments	2.42	2.82
Dividend Income on Short-term Investments	40.29	-
Insurance Claims	54.75	2.50
Provision no longer required Written Back	-	184.04
Gain on Exchange Rate Differences	3.96	117.02
Commission on Corporate Guarantees given to Subsidiaries	702.28	1121.21
Gain on Sale of Investments	14.95	-
Advisory and Consultancy Fee	1237.94	-
Miscellaneous Income	237.62	125.37
	<u>4574.72</u>	<u>3958.51</u>
Note: Interest Income comprises:		
Interest on Term Deposits with Banks	1854.13	2278.04
Interest received from Customer	426.38	127.51
	<u>2280.51</u>	<u>2405.55</u>

Note 21 Cost of Materials Consumed and Purchase of Stock-in-Trade		
(A) Cost of Materials Consumed		
Opening Stock	5997.05	7040.68
Add: Purchases	48938.13	47818.70
	<u>54935.18</u>	<u>54859.38</u>
Less: Closing Stock	6287.90	5997.05
Cost of Materials Consumed	<u>48647.28</u>	<u>48862.33</u>
Less: Scrap Realization	247.96	254.60
	<u>48399.32</u>	<u>48607.73</u>
Details Cost of Materials Consumed		
Coating Materials	488.77	499.76
Chemicals	505.81	745.18
Metals	680.69	652.94
Yarn and Paper	26.57	85.77
Base Oil	35723.60	36595.97
Additives	10872.11	10131.29
Miscellaneous Items	349.73	151.42
	<u>48647.28</u>	<u>48862.33</u>
(B) Purchase of Stock-in-Trade		
Safety Fuse	10.07	18.00
Grease/Unprocessed Oils	2130.27	1664.17
Others	551.17	459.24
	<u>2691.51</u>	<u>2141.41</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 22 Increase in Inventories of Finished Goods, Work-in-Progress and Traded Goods		
Inventories at the end of the year:		
Stock-in-Trade	1393.29	540.43
Work-in-Progress	559.41	589.53
Finished Goods	7505.04	6157.92
	<u>9457.74</u>	<u>7287.88</u>
Inventories at the beginning of the year:		
Stock-in-Trade	540.43	518.90
Contracts-in-Progress	-	36.50
Work-in-Progress	589.53	582.42
Finished Goods	6157.92	4808.53
	<u>7287.88</u>	<u>5946.35</u>
	(2169.86)	(1341.53)
Excise Duties etc. on (Decrease) / Increase of Finished Goods	(9.85)	5.29
Net Increase	<u>(2179.71)</u>	<u>(1336.24)</u>
Note 23 Employee Benefit Expenses		
Salaries, Wages and Bonus	5150.60	5617.10
Contribution to Provident and Other Funds	584.85	605.38
Staff Welfare Expenses	642.23	603.52
	<u>6377.68</u>	<u>6826.00</u>
Note 24 Finance Costs		
Interest Expenses on:		
Borrowings	1233.25	1922.60
Others	247.36	191.30
Net Loss on Foreign Currency Transactions and Translations	1286.19	1132.44
Bank Charges and Other Financial Charges	614.38	276.13
	<u>3381.18</u>	<u>3522.47</u>



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	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 25 Other Expenses		
Consumption of Stores and Spares	191.48	207.28
Processing Charges	1077.80	1008.00
Packing Material Consumed	5795.04	4726.51
Power and Fuel	607.12	663.87
Expenses on Operation Contracts	321.59	2323.99
Rent	450.75	1096.11
Rates and Taxes	267.09	216.87
Insurance	266.06	301.16
Repairs and Maintenance		
Plant and Machinery	190.06	156.88
Buildings	50.36	47.27
Advertising and Sales Promotion	6266.45	5499.16
Discounts on Sales	6935.14	6232.39
Selling Commission	310.99	381.87
Travelling and Conveyance	680.86	705.16
Distribution Expenses	3776.56	3988.07
Postage, Telephone and Telex	163.76	167.41
Legal and Professional Fee (Refer Note below)	969.86	543.66
Doubtful Trade Receivables, Loans and Advances Written Off	253.43	559.35
Provision for Doubtful Trade Receivables and Loans and Advances	230.42	271.68
	<u>483.85</u>	<u>831.03</u>
Less: Provision for Doubtful Trade Receivables, Loans and Advances Written Back	<u>250.00</u>	<u>233.85</u>
Bad Trade and Other Receivables, Advances etc. Written Off	-	445.29
Directors' Sitting Fee	17.82	19.85
Loss on Fixed Asset Sold / Scrapped / Written Off	186.59	4.76
Stores and Spares Written Off	204.82	-
Royalty	1281.27	1134.87
Miscellaneous Expenses	781.03	620.14
	<u>31026.35</u>	<u>30412.52</u>
Note:		
Legal and Professional Fee Includes:		
Auditors Remuneration:		
As Statutory Auditors:		
Audit Fee	17.50	17.50
Limited Review Fee	5.00	5.00
Tax Audit Fee	3.00	3.00
Other Services (Certification Fee)	5.86	15.80
Reimbursement of Expenses	0.78	2.28
	<u>32.14</u>	<u>43.58</u>
Branch Auditors Remuneration:		
As Statutory Auditors:		
Audit Fee	10.00	10.00
Tax Audit Fee	4.00	4.00
Other Services (Certification Fee)	5.03	9.66
Reimbursement of Expenses	2.75	1.61
	<u>21.78</u>	<u>25.27</u>
Cost Auditors Remuneration		
Cost Audit	1.50	1.50
	<u>1.50</u>	<u>1.50</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 26 Exceptional Items		
1. Impairment of Fixed Assets	2159.50	-
2. Bad Trade Receivables and Advances Written Off	1022.80	-
3. Profit on Sale of Investments in Subsidiaries	(2316.78)	-
4. Recovery against claims made and advance made in earlier year and which was adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Honorable High Court of Andhra Pradesh in 2008-09.	-	(268.88)
5. Amount received towards redemption of Nil (31.03.2013 - 1,62,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each of APDL Estates Limited. Carrying cost of which was adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Honorable High Court of Andhra Pradesh	-	(162.00)
	<u>865.52</u>	<u>(430.88)</u>

27. Property Development:

- i. Land meant for property development situated at Bengaluru and Hyderabad had been revalued as at 31st March, 2008, based on a valuation by an approved valuer. The resultant surplus on such revaluation amounting to ₹ 183,896.69 Lakhs had been credited to Revaluation Reserve in the earlier years. In view of steep recession in the realty sector, management reassessed the valuation of the aforesaid properties as on 31st March, 2009 and based on the guidelines issued by the Registration and Stamps Department of Karnataka and Andhra Pradesh, the value of the subject lands has been reassessed and the resultant surplus on revaluation amounted to ₹ 43,799.82 Lakhs. The resultant write down aggregating to ₹140,096.87 Lakhs has, in accordance with the requirement of Accounting Standard-10 "Accounting for Fixed Assets" was debited to Revaluation Reserve.
- ii. During the year ended 31st March 2012, the Company surrendered certain portion of the land for road widening purposes to Greater Hyderabad Municipal Corporation. Consequently ₹ 3,285.67 Lakhs had been withdrawn from Revaluation Reserve.
- iii. As at 31st March 2012, land meant for property development situated at Hyderabad, had been revalued based on valuation by an approved valuer. The resultant surplus on such revaluation amounting to ₹ 63,027.56 Lakhs has been credited to Revaluation Reserve.
- iv. During the year ended 31st March 2011, land at Bengaluru (cost of ₹ 3,294.41 Lakhs) meant for Property Development has been transferred to Inventory as approvals necessary for development of land have been obtained. In terms of the Joint Development Agreement between the Company and Hinduja Realty Venture Limited (HRVL), the Company has granted development rights to develop the property. In consideration HRVL, at its own cost and expenses develop the said property. Further the built up area, amenities and facilities so constructed shall be shared by Company and HRVL in the ratio of 30:70 respectively according to the other terms and conditions mentioned in the agreement. The Company has created equitable mortgage by way of deposit of title deeds in respect of the aforesaid Land towards loan of ₹ 85,000 Lakhs availed by Co-Developer Hinduja Realty Venture Limited from various lenders.

28. Discontinuing Operations of Lubricants Undertaking

The Board of Directors of the Company in its meeting held on 7th August 2013 have approved Scheme of Arrangement ("the Scheme") for demerger of its 'Lubricants Undertaking' and transfer to Gulf Oil Lubricants India Limited (formerly Hinduja Infrastructure Limited), a wholly owned subsidiary, effective from 1st April 2014, subject to necessary regulatory and statutory approvals. The said Scheme has been approved by the Honorable High Court of Andhra Pradesh vide Order dated 16th April 2014.



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In accordance with the Scheme, one equity share of ₹ 2 face value in Gulf Oil Lubricants India Limited (GOLIL) will be allotted to shareholders of the Company, for every 2 equity shares of ₹2 each of fully paid-up in the Company. In terms of the Scheme, the issued, subscribed and paid-up equity share capital of the Company shall be reduced by reducing the face value of the equity shares from one equity share of ₹ 2 each fully paid-up to one equity share of ₹ 1 each fully paid-up. As a result, the issued, subscribed and paid-up share capital of the Company shall stand reduced by an amount of ₹ 9,91,44,980 to ₹ 9,91,44,980 comprising 9,91,44,980 equity shares of ₹ 1 each. Simultaneously, 2 equity shares each of ₹ 1 shall be consolidated into one fully paid-up equity share of ₹ 2 each.

The operations of Lubricants Undertaking have been considered as “Discontinuing Operations” and the disclosure as required under AS 24 – Discontinuing Operations is given under:

(₹ Lakhs)

	2013-14			2012-13		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Revenue						
Revenue from Operations	7994.63	101843.90	109838.53	11108.12	97087.04	108195.16
Less: Excise Duty	(752.92)	(13772.78)	(14525.70)	(709.08)	(12931.73)	(13640.81)
Revenue from Operations (Net)	7241.71	88071.12	95312.83	10399.04	84155.31	94554.35
Other Income	2637.72	1937.00	4574.72	1590.24	2368.27	3958.51
Total Revenue	9879.43	90008.12	99887.55	11989.28	86523.58	98512.86
Expenditure						
a) Cost of Materials Consumed	1878.46	46520.86	48399.32	1936.02	46671.71	48607.73
b) Purchase of Stock-in-Trade	10.07	2681.44	2691.51	19.30	2122.11	2141.41
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(271.44)	(1908.27)	(2179.71)	195.04	(1531.28)	(1336.24)
d) Employee Benefits Expense	2770.06	3607.62	6377.68	3587.92	3238.08	6826.00
e) Depreciation and Amortization Expense	1171.49	271.59	1443.08	1198.55	249.58	1448.13
f) Other Expenses	4564.25	26462.10	31026.35	7384.06	23028.46	30412.52
Total Expenses	10122.89	77635.34	87758.23	14320.89	73778.66	88099.55
Profit from Operations before Finance Costs and Exceptional Items	(243.46)	12372.78	12129.32	(2331.61)	12744.92	10413.31
Finance Costs	1224.72	2156.46	3381.18	1537.16	1985.31	3522.47
Profit from Ordinary Activities before Exceptional Items	(1468.18)	10216.32	8748.14	(3868.77)	10759.61	6890.84
Exceptional Item	865.52	-	865.52	(430.88)	-	(430.88)
Profit from Ordinary Activities before Tax	(2333.70)	10216.32	7882.62	(3437.89)	10759.61	7321.72
Tax Expense	(1453.18)	3502.18	2049.00	(1564.45)	3587.55	2023.10
Net Profit for the Year	(880.52)	6714.14	5833.62	(1873.44)	7172.06	5298.62



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(₹ Lakhs)

	As at 31st March 2014	As at 31st March 2013
Assets and Liabilities of Discontinuing Operations:		
Carrying amount of assets	41857.58	43181.50
Carrying amount of liabilities	25212.35	26381.09

Net Cash flow attributable to Discontinuing Operations:(₹ Lakhs)		
Cash from Operating Activities	11337.75	7626.21
Cash used in Investing Activities	(10367.37)	(14101.49)
Cash used in Financial Activities	(9444.16)	2597.43

29. Contingent Liabilities and Commitments:

A. Contingent Liabilities:		
(i) Claims against the Company not acknowledged as Debts		
a) Income Tax Demands	1452.52	2119.41
b) Wealth Tax Demands	-	197.93
c) Sales Tax Demands	2098.11	2159.67
d) Excise Demands	856.39	849.16
e) Additional Demands towards cost of land	3.81	3.81
f) Claims of workmen/ex-employees	145.75	96.41
g) Other Matters (Refer Note 3 below)	23.16	66.88
B. Commitments:		
(a) Corporate Guarantees (Refer Note 1 below)	12913.00	10626.60
(b) Letters of Comfort (Refer Note 2 below)	107847.00	165855.00
(c) Estimated amount of contracts remaining to be executed on capital account [Net of advance of ₹ 155.67 Lakhs (As at 31 st March 2013 - ₹ 5.25 Lakhs)]	1487.54	4139.83

Notes:

- 1) The Company has given Corporate Guarantees aggregating to ₹ 12,913 lakhs (31st March 2013 - ₹ 9,913.00 Lakhs) to the banks on behalf of its wholly owned subsidiary IDL Explosives Limited. The amount of loan outstanding as on 31st March 2014 is ₹ 3,338.83 Lakhs (31st March 2013 - ₹ 655.15 Lakhs)
- 2) (a) In previous year the company, had given a Letter of Comfort of ₹ 3,000.00 Lakhs to a bank on behalf of its wholly owned subsidiary, IDL Explosives Limited. The amount outstanding as on 31st March 2014 is ₹ Nil (31st March 2013 is ₹ 2,424.60 Lakhs).
- (b) During the previous year, the Company through its step down subsidiary GHGL London Limited, UK (immediate subsidiary being HGHL Holdings Limited) (HGHL), had acquired Houghton International Inc. in USA. HGHL had taken a loan of USD 300 million from Lenders to part finance the acquisition. During the year, USD 120 million was repaid by HGHL to the Lenders. The amount of loan outstanding as on 31 March 2014 is ₹ 1,07,847 Lakhs (31st March 2013 is ₹ 162,855 Lakhs). The said loan was extended on the basis of Letter of Comfort/Stand-By Letter of Credit Facility Agreement between the Company, HGHL (both being Co-Obligors to the said Facility) and lenders on the strength of guarantee of Gulf Oil International Limited, Cayman and Cash Deficit Undertaking from its specified subsidiaries and also from the Company, wherein they are obligated to make contributions to HGHL in case of deficiencies in resources for servicing the said facilities. Gulf Oil International Limited has provided a Guarantee to the company for due serving and repayment of entire balance outstanding loan, as per repayment schedule of the Lender.

In terms of the aforesaid agreement the loan is also secured by: (i) first pari-passu charge by way of equitable mortgage on land of the Company admeasuring 112.26 acres at Kukatpally, Hyderabad and (ii) first pari-passu charge along with



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

existing lenders by way of equitable mortgage on land admeasuring 115.25 acres at Hyderabad and buildings, and plant & machinery belonging to Explosives Division. GHGL London Limited and its step- down subsidiaries including Houghton International Inc. have ceased to be subsidiaries of the company, consequent to infusion of fresh equity to the extent of 90% by Gulf Oil International Limited in GHGL London Limited during the year.

- 3) The Competition Commission of India has passed an order in a case filed by a customer imposing a penalty of ₹ 2,894.76 Lakhs. Against the said order, the Company filed an appeal in Competition Appellate Tribunal (“COMPAT”). The appeal was disposed off by reducing the penalty amount to ₹ 289.00 Lakhs. The Company has filed an appeal in the Supreme Court and appeal has been admitted. Interim stay for deposit of penalty amount has been granted until next hearing. The amount of ₹150.09 Lakhs deposited with Competition Commission of India in the previous year has been refunded during the year.

29.1 Expenditure in Foreign Currency

	Year Ended 31 st March 2014	Year Ended 31 st March 2013
Interest on Borrowings	224.29	453.92
Commission on Exports	78.48	180.80
Export Freight Expenses	155.59	69.04
Others-Travelling Expenses	37.08	21.65
Royalty (Inclusive of Tax Deducted at Source)	1281.27	1134.87
Withholding Taxes on Sale of Investments	265.74	-

29.2 Earnings in Foreign Currency

Export of Goods on F O B Basis	1690.64	2791.44
Commission Received	637.71	-
Advisory and Consultancy fee	1237.94	-

29.3 Value of Imports of C I F Basis

Raw Materials	24155.26	20302.17
Capital Goods	2183.73	89.73
Stores and Spares	1.14	-
Traded Goods	568.68	449.25

29.4 Amount remitted during the year in Foreign Currency on account of Dividend

Number of Non-resident Shareholders	1	1
Number of Shares held	49536335	49536,335
Dividend Remitted (₹ Lakhs)	1089.80	1089.80
Dividend on account of year	2012-13	2011-12

29.5 Consumption of Raw Materials

	Year Ended 31 st March 2014		Year Ended 31 st March 2013	
	₹ Lakhs	Percentage	₹ Lakhs	Percentage
Imported	26314.11	31.66	20379.19	41.71
Indigenous	22333.17	68.34	28483.14	58.29
	48647.28	100.00	48862.33	100.00

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30. Fixed Assets: Buildings include:

- (i) ₹ 7.09 Lakhs, which represents the cost of ownership of the flats ₹ 7.08 Lakhs and ₹ 0.01 Lakhs being the value of share money in Sett Minar Co-operative Housing Society Limited.
- (ii) ₹ 4.70 Lakhs, which, represents the cost of ownership five flats ₹ 4.43 Lakhs and ₹ 0.27 Lakhs being the value of 270 ordinary shares of ₹ 100 each, fully paid up in Shree Nirmal Commercial Limited.

31. The Honorable Supreme Court vide its order dated 16th November 2007, held that the stock transfers constituted inter-state sale in respect of assessment years viz., 1976-77 to 1983-84, 1989-90 & 1990-91 and also directed the authorities to examine the factual aspects and assess tax on the supplies made by the Company to the subsidiaries of Coal India Limited (CIL) as inter-state sale.

The Company has filed writ petitions in the Honorable High Court of Orissa in August 2009 impleading other State Governments, CIL and its subsidiary companies seeking directions for issues of Form 'C' and pass over of local sales tax to the State of Orissa. The Honorable High Court has permitted the Company to approach appropriate forum to take the matter.

The Company has been legally advised that as per the settled cases, the Company is entitled for concessional sales tax rates as per Central Sales Tax and interest should be charged from recomputation order. However, necessary provision has been made and is included in Provision – Indirect Taxes under Note 7.

32. Trade payables- Dues to Micro and Small Enterprises:-

The Company has received intimation from "Suppliers" regarding their status under the Micro, Small and Medium Scale Enterprises Development Act, 2006. Disclosure required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is as under

Particulars	(₹ Lakhs)	
	As at 31 st March 2014	As at 31 st March 2013
Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	22.06
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	1.15
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-



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33. Employee Benefits

(i) Disclosure in respect of Gratuity as required under Accounting Standard 15–Employee Benefits:

	Year Ended 31 st March 2014	Year Ended 31 st March 2013
		(₹ Lakhs)
Components of Employer's Expense		
Current service cost	98.68	94.06
Interest cost	83.32	77.84
Expected return on plan assets	(49.75)	(37.14)
Actuarial loss recognized in the year	38.44	4.09
Total expense recognized in the Statement of Profit and Loss	170.69	138.85
Actual Contribution and Benefit Payments for the year		
Actual benefit payments	(193.30)	(201.40)
Actual contributions	428.72	189.03
Net asset / (liability) Recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	(1081.03)	(1059.81)
Fair value on plan assets at the end of the year	761.52	482.26
Net Liability recognized in the Balance Sheet	(319.51)	(577.55)
Change in Defined Benefit Obligations (DBO) during the year		
Present value of DBO at the beginning of the year	1059.81	1073.78
Current service cost	98.68	94.06
Interest cost	83.32	77.84
Actuarial Loss	32.52	15.53
Benefits paid	(193.30)	(201.40)
Present value of DBO at the end of the year	1081.03	1059.81
Change in fair value of assets during the year		
Plan assets at the beginning of the year	482.26	446.05
Expected return on plan assets	49.75	37.14
Actual Contributions	428.72	189.03
Benefits paid	(193.30)	(201.40)
Actuarial gain on Plan Assets	(5.92)	11.45
Plan assets at the end of the year	761.52	482.26
Assumptions		
Discount Rate (%)	8.88%	8%
Long-term Rate of Compensation increase (%)	4%	4%
Mortality Table	L.I.C 2006-08	L.I.C 1994-96
	Ultimate	Ultimate
Attrition Rate	3%	3%
Major categories of plan assets as a percentage of total plan		
- Funded with LIC	100%	100%

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- (ii) The details of Experience Adjustments arising on accounts of plan assets and liabilities as required by paragraph 120(n) (ii) of AS 15 (Revised) on "Employee Benefits" are as under:

(₹ Lakhs)

	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of DBO	1081.03	1059.81	1696.01	1031.83	1594.57
Fair Value of plan assets	761.52	482.26	446.05	425.51	201.48
Funded Status(Surplus/Deficit)	319.51	577.55	1249.96	606.32	1393.09
Experience (gain) / loss adjustment on plan liabilities	32.52	15.53	7.31	(88.79)	252.82
Experience gain / (loss) adjustment on plan assets	(5.92)	11.45	1.17	14.31	(15.71)

- (iii) Assumptions for Compensated Absences:

	2013-14	2012-13
Discount Rate (%)	8.88%	8.00%
Long-term rate of compensation increase (%)	4.00%	4.00%
Mortality table	L.I.C 1994-96 Ultimate	L.I.C 1994-96 Ultimate

- (iv) The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 270.10 Lakhs (Previous Year – ₹ 313.41 Lakhs) for Provident Fund contributions, ₹ 110.29 Lakhs (Previous Year – ₹ 118.29 Lakhs) for Superannuation Fund contributions and ₹ 38.80 Lakhs (Previous Year – ₹ 36.73 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss (Refer Note 23). The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

34. Details on derivatives instruments and unhedged foreign currency exposures:

- (i) The Company has entered into Forward Exchange Contracts, the outstanding Balance as on 31st March 2014 are as under:

As at 31 st March 2014				As at 31 st March 2013			
Currency	Amount	Buy / Sell	Cross Currency	Currency	Amount	Buy / Sell	Cross Currency
USD	11338238	Buy	INR	USD	18019165	Buy	INR

- (ii) The year-end foreign currency exposures in respect of amounts receivables / (payable) that have not been hedged by a derivative instrument or otherwise are given below:

	Foreign Currency (FC)	As at 31 st March 2014		As at 31 st March 2013	
		FC Amount	₹ Lakhs	FC Amount	₹ Lakhs
Export of Goods	USD	1176047	693.48	1985389	1085.76
Export of Goods	EURO	46636	38.56	132648	92.18
Export of Service	USD	-	-	1928424	1046.84
Export of Service	BDT	-	-	500,000	3.43
Import of Goods	USD	9648354	5780.81	15133063	8214.98
FCNRB Loan	USD	2000000	1198.30	-	-



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(₹ Lakhs)

35. Details of contract Revenue and Costs:

	2013-14	2012-13
Contract revenue recognized as revenue during the year	-	19.56
Aggregate amount of contract costs incurred in respect of contracts net of recognized profits (less recognized losses) up to 31 st March, 2014	-	2,397.69
Advance payments received (net of recoveries from progressive bills)	-	-
Retention Amount	-	259.29
Gross amount due from customers	59.45	103.62

36. Earnings per Share:

(₹ Lakhs)

	Year Ended 31 st March 2014	Year Ended 31 st March 2013
Profit after Tax (₹ Lakhs)		
A Total Operations	5833.62	5298.62
B Continuing Operations	(880.52)	(1873.44)
Weighted average number of Equity Shares outstanding during the year	99144980	99144980
Weighted Average number of Equity shares in computing diluted earnings per share	99144980	99144980
Face value of each Equity share (₹)	2.00	2.00
Earnings per Share Basic and Diluted (₹)		
A Continuing Operations	(0.89)	(1.89)
B Total Operations	5.88	5.34

37. Related Party Disclosure:

- (i) Information relating to Related Party transactions as per "Accounting Standard 18" notified by the Companies (Accounting Standards) Rules, 2006.

A. Subsidiaries:

1. IDL Buildware Limited
2. Gulf Carrosserie India Limited
3. Gulf Oil Lubricants India Limited (formerly Hinduja Infrastructure Limited)
4. IDL Explosives Limited
5. HGHL Holdings Limited (From 21st November, 2012)
6. Gulf Oil Bangladesh Limited (Till 31st December 2013)
7. PT Gulf Oil Lubricants Indonesia (Till 31st December 2013)
8. Gulf Oil (Yantai) Limited, China (Till 31st December 2013)

B. Entity holding more than 20% of the shareholding in the Company:

Gulf Oil International (Mauritius) Inc.

C. Key Management Personnel:

Mr. S. Pramanik – Managing Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Details of transactions between the Company and Related Parties and the status of Outstanding balances at the year ended 31st March 2014:

a. Transactions during the Year:

(₹ Lakhs)

Nature of Transaction	Name of the Related Party	Subsidiaries		Entity holding more than 20% of shareholding in the Company		Key Management Personnel	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(a) Sales	PT Gulf Oil Lubricants Indonesia	20.48	-	-	-	-	-
	Gulf Oil Bangladesh Limited	142.87	167.76	-	-	-	-
	IDL Explosives Limited	1,781.62	1,963.58	-	-	-	-
(b) Other Income	HGHL Holdings Limited	637.71	1,050.67	-	-	-	-
	Gulf Oil Bangladesh Limited	-	3.43	-	-	-	-
	IDL Explosives Limited	112.57	115.11	-	-	-	-
(c) Royalty	Gulf Oil International (Mauritius) Inc.	-	-	1281.27	1,134.87	-	-
(d) Purchase & Other Services	IDL Explosives Limited	-	40.60	-	-	-	-
(e) Expenses Reimbursed by	IDL Explosives Limited	44.25	17.21	-	-	-	-
(f) Marketing Services Fee Paid	IDL Explosives Limited	547.55	675.29	-	-	-	-
(g) Advances Given / (Received)	IDL Buildware Limited	14.32	(75.00)	-	-	-	-
	Gulf Carrosserie India Limited	0.42	0.68	-	-	-	-
	IDL Explosives Limited	39.45	714.37	-	-	-	-
(h) Investment in Equity Shares	HGHL Holdings Limited	-	87.46	-	-	-	-
	GHG Lubricants Holdings Limited	-	0.09	-	-	-	-
(i) Interest and Other Reimbursements made	IDL Explosives Limited	48.25	76.98	-	-	-	-
(j) Interest Received on Inter-Corporate Deposits	IDL Explosives Limited	384.87	336.79	-	-	-	-
(k) Dividend Paid	Gulf Oil International (Mauritius) Inc.	-	-	1089.80	1089.80	-	-
	S. Pramanik	-	-	-	-	0.12	0.10
(l) Directors' Remuneration	S. Pramanik	-	-	-	-	107.95	95.33
(m) Inter Corporate Deposits	IDL Explosives Limited	-	3683.87	-	-	-	-
	Gulf Oil Lubricants India Limited	1860.00	-	-	-	-	-
(n) Inter Corporate Deposits Repayment Received	IDL Explosives Limited	580.00	-	-	-	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b. Outstanding Balances as at year-end:

Nature of Transaction	Name of the Related Party	Subsidiaries		Entity holding more than 20% of shareholding in the Company		Key Management Personnel	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(a) Receivables	PT Gulf Oil Lubricants Indonesia	-	12.88	-	-	-	-
	Gulf Oil Bangladesh Limited	-	31.67	-	-	-	-
	IDL Explosives Limited (including interest)	743.60	466.99	-	-	-	-
	Gulf Oil (Yantai) Limited, China	-	0.65	-	-	-	-
	HGHL Holdings Limited	22.80	1046.85	-	-	-	-
(b) Payables	Gulf Oil International (Mauritius) Inc.	-	-	1281.27	1134.87	-	-
(c) Advances Received	IDL Explosives Limited	-	39.45	-	-	-	-
(d) Advances Given	IDL Buildware Limited	14.32	-	-	-	-	-
(e) Inter-Corporate Deposits	IDL Explosives Limited	3103.87	3683.87	-	-	-	-
	Gulf Oil Lubricants India Limited	1860.00	-	-	-	-	-
(f) Preference Shares	IDL Explosives Limited	2490.00	2490.00	-	-	-	-
(g) Corporate Guarantee (Given)	Gulf Oil Bangladesh Limited	-	713.60	-	-	-	-
	IDL Explosives Limited	12913.00	9913.00	-	-	-	-
(h) Comfort Letter (Given)	HGHL Holdings Limited	107847.00	162855.00	-	-	-	-
	IDL Explosives Limited	-	3000.00	-	-	-	-

38. Loans and advances in the nature of loans given to subsidiaries, associates, firms / companies in which directors are interested: (₹ Lakhs)

Name of Subsidiary	Balance outstanding as at		Maximum balance	
	31 st March 2014	31 st March 2013	2013-14	2012-13
IDL Explosives Limited	3103.87	3683.87	3683.87	3683.87
Gulf Oil Lubricants India Ltd.	1860.00	-	1860.00	-
IDL Buildware Limited	14.32	-	14.32	-

39. Leases

(i) Operating Lease: Where the Company is a Lessee:

- a. The Company's significant leasing arrangements are in respect of operating leases for premises (residences, office, storage godowns for finished goods etc.). The leasing arrangements, which are not non-cancellable range generally between 11 months to 5 years and are usually renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- b. The Company has taken certain vehicle under non-cancellable lease. The future minimum lease payments in respect of these as at March 31, 2014 are as follows:

	(₹ Lakhs)	
	As at 31 st March 2014	As at 31 st March 2013
Payments not later than one year	1.00	1.98
Payments later than one year but not later than five years	-	1.00
Total	1.00	2.98

Lease Rent on the aforesaid vehicle amounting to ₹ Nil (31st March 2013 - ₹ 561.26 Lakhs) has been charged to Statement of Profit and Loss under Rent.

(ii) Where the Company is Lessor:

Details in respect of assets given on operating lease:

	(₹ Lakhs)			
	As at 31 st March 2014		As at 31 st March 2013	
	Building	Plant & Machinery	Building	Plant & Machinery
Gross Block	71.09	80.32	71.09	80.32
Accumulated Depreciation	12.26	69.74	10.98	65.92
Depreciation for the year	1.28	3.82	1.28	3.82

The assets given on lease are not non-cancellable and range generally between 11 months to 5 years and are usually renewable by mutual consent, on agreeable terms. The aggregate lease rentals are recognized as income from property in the Statement of Profit and Loss. Initial direct costs are recognized as an expense in the year in which these are incurred.

(iii) Hire Purchase:

- (a) The Company has taken plant and machinery, motor vehicles under hire purchase arrangements for which the ownership will be transferred to the Company at the end of the hire purchase term.
- (b) Reconciliation between the total of minimum hire purchase payments at the balance sheet date and the present value:

	As at 31 st March 2014			As at 31 st March 2013		
	Total	Payments not later than one year	Payments later than one year but not later than five years	Total	Payments not later than one year	Payments later than one year but not later than five years
Total of minimum hire purchase payments at the balance sheet date	4.78	4.78	—	429.61	270.42	159.19
Less: Future Finance Charges	0.22	0.22	—	41.66	35.19	6.47
Present value of minimum hire purchase payments at the balance sheet date	4.56	4.56	—	387.95	235.23	152.72



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40. Segment information for the year ended 31st March 2014

(i) Primary Business Segments

(₹ Lakhs)

	Explosives		Mining & Infrastructure Contracts		Property Development (Refer Note below)		Lubricating Oils		Others		Unallocated		Eliminations		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
REVENUE																
External	6977.30	7825.38	491.80	2794.63	-	-	87800.87	84096.30	-	-	4617.58	3796.55	-	-	99887.55	98512.86
Inter-Segment	-	-	-	-	-	-	380.76	250.78	-	-	-	-	(380.76)	(250.78)	-	-
Total Revenue	6977.30	7825.38	491.80	2794.63	-	-	88181.63	84347.08	-	-	4617.58	3796.55	(380.76)	(250.78)	99887.55	98512.86
RESULT																
Segment Result	677.93	635.79	(5184.96)	(3251.23)	-	-	10546.29	10568.43	-	-	-	-	-	-	6039.26	7952.99
Unallocated Corporate Income net of unallocated Expenses															584.54	51.95
Interest Expense															(3381.18)	(3522.47)
Interest Income															2280.51	2405.55
Dividend Income															42.71	2.82
Profit before Taxation & Exceptional Items															5565.84	6890.84
Exceptional Item															(2316.78)	(430.88)
Net Profit															7882.62	7321.72
OTHER INFORMATION																
Segment Assets	5914.06	5238.39	442.59	5726.00	97617.30*	97617.30	41857.58	43181.50	8.32	8.32	11480.33	12742.23	-	-	157320.18	164513.74
Segment Liabilities	1968.15	3166.41	983.44	1983.64	-	-	25212.35	26381.09	6.01	6.01	15770.95	22531.07	-	-	43940.90	54068.22
Capital Expenditure	355.10	227.74	0.42	-	-	-	2735.26	549.34	-	-	15.87	29.27	-	-	3106.65	806.35
Depreciation and Amortization	113.95	111.32	1019.82	1046.37	-	-	271.59	249.58	-	-	37.72	40.86	-	-	1443.08	1448.13
Non-cash expenses other than Depreciation															-	-

*Includes ₹ 92,697.34 lakhs (31st March 2013 - ₹ 92,697.34 lakhs) arising on revaluation of fixed assets (Refer Note 27).

ii) Information about Secondary Business Segments

(₹ Lakhs)

	India		Outside India		Total	
	Year ended 31 st March 2014	Year ended 31 st March 2013	Year ended 31 st March 2014	Year ended 31 st March 2013	Year ended 31 st March 2014	Year ended 31 st March 2013
Revenue by Geographical market	96171.79	95721.42	3715.76	2791.44	99887.55	98512.86
Inter segment	-	-	-	-	-	-
Total	96171.79	95721.42	3715.76	2791.44	99887.55	98512.86
Carrying amount of segment assets	156588.14	162285.53	732.04	2228.21	157320.18	164513.74
Additions to Fixed Assets	3106.65	806.35	-	-	3106.65	806.35

Notes:

(a) Business Segment:

The Company has considered business segment as the primary segment for disclosure.

Segments are identified and reported taking into account the Organization structure, the nature of products and services, the deferring risks and the returns of the segments.

The business segments of the Company are (i) Explosives, (ii) Consult dealing in Mining & Infrastructure Contracts, (iii) Property Development (iv) Lubricating Oils and (v) Others.

(b) Geographical Segment:

The Geographical segments considered for disclosure are as follows:

- Revenue within India includes sales to customers located within India and earnings in India, and
- Revenue outside India includes sales to customers located outside India and earnings outside India.

41. Previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of Board of Directors

Place : Mumbai
Date : May 8, 2014

A. Satyanarayana
Company Secretary

Manish K. Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S. G. Hinduja
Chairman



INFORMATION OF SUBSIDIARY COMPANIES

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

(₹ Lakhs)

Name of the Subsidiary	Financial Year ending of the Subsidiary	Number of Shares	Extent of Holding	For the Financial Years of the Subsidiary		For the previous Financial Years since it became a Subsidiary	
				Profits/(Losses) not dealt with in the Books of Accounts of the Holding Company (Except to the extent dealt with in Col.6)	Profit/(Losses) dealt with in the Books of Accounts of the Holding Company	Profits/(Losses) not dealt with in the Books of Accounts of the Holding Company (Except to the extent dealt with in Col.8)	Profit/(Losses) dealt with in the Books of Accounts of the Holding Company
1	2	3	4	5	6	7	8
IDL EXPLOSIVES LIMITED	31.03.2014	50000	100%	431.13	Nil	(1487.31)	Nil
IDL BUILDWARE LIMITED	31.03.2014	1970000	100%	5.19	Nil	(643.10)	Nil
GULF CARROSSERIE INDIA LIMITED	31.03.2014	380001	95%	2.27	Nil	(110.31)	Nil
GULF OIL BANGLADESH LIMITED	31.12.2013	177939	51%	60.99	Nil	(10.84)	Nil
PT GULF OIL LUBRICANTS INDONESIA	31.12.2013	15000	75%	30.09	Nil	57.96	Nil
GULF OIL (YANTAI) COMPANY LIMITED	31.12.2013	4132540	51%	191.59	Nil	26.92	Nil
GULF OIL LUBRICANTS INDIA LIMITED (Formerly Hinduja Infrastructures Limited)	31.03.2014	50000	100%	(0.57)	Nil	(0.21)	Nil
HGHL HOLDINGS LIMITED	31.03.2014	100000	100%	412.68	Nil	179.16	Nil

For and on behalf of Board of Directors

Place : Mumbai A. Satyanarayana Manish K. Gangwal S. Pramanik S. G. Hinduja
Date : May 8, 2014 Company Secretary Chief Financial Officer Managing Director Chairman

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956

(₹ Lakhs)

SI NO.	Details	Domestic Subsidiaries				Foreign Subsidiaries							
		IDL Buildware Limited	IDL Explosives Limited	Gulf Oil Lubricants India Limited*	Gulf Carrosserie India Limited	PT Gulf Oil Lubricants Indonesia		Gulf Oil (Yantai) Co.Limited		Gulf Oil Bangladesh Limited		HGHL Holdings Limited	
	Financial year ending on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.12.2013		31.12.2013		31.12.2013		31.03.2014	
	Country	India	India	India	India	Indonesia		China		Bangladesh		UK	
	Reporting Currency	INR	INR	INR	INR	Rupiah	INR	RMB	INR	Taka	INR	USD	INR
	Exchange rate on the last day of financial year	-	-	-	-	0.0051	-	10.134	-	0.8075	-	59.915	-
1	Share Capital (including share application money pending allotment)	397.00	254.00	5.00	40.00	172380.00	879.14	662.27	6711.55	174.45	140.87	1.60	96.14
	(a) Extent of Holding	100%	100%	100%	95%	75%	75%	51%	51%	51%	51%	100%	100%
2	Reserves	(631.51)	1184.80	(0.78)	(113.80)	24984.44	127.41	(147.39)	(1493.70)	51.81	41.81	10.12	606.08
3	Liabilities	482.56	11738.32	3382.18	84.83	218179.10	1112.71	108.64	1100.99	1138.83	919.60	2,062.66	123,584.36
	Total Liabilities	248.05	13177.12	3386.40	11.03	415543.55	2119.26	623.52	6318.84	1365.09	1102.28	2,074.38	124,286.57
4	Total Assets	248.05	13177.12	3386.40	11.03	415543.55	2119.26	623.52	6318.84	1365.09	1102.28	2,074.38	124,286.57
5	Investments	0.18	0.05	-	-	-	-	-	-	-	-	1.60	96.14
6	Turnover	26.43	25994.54	0.23	3.81	734044.54	4184.05	569.09	5540.84	2203.58	1727.39	122.83	7,420.04
7	Profit Before Taxation	5.19	499.85	(0.57)	3.40	15032.37	65.20	24.62	447.78	110.12	162.33	6.83	412.68
8	Provision for Taxation	0.00	(68.72)	0.00	(1.01)	(4399.60)	(25.08)	(7.41)	(72.13)	(54.52)	(42.74)	0.00	0.00
9	Profit after Taxation	5.19	431.13	(0.57)	2.39	10632.77	40.12	17.21	375.66	55.60	119.59	6.83	412.68
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-

* Formerly Hinduja Infrastructures Limited



INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF GULF OIL CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GULF OIL CORPORATION LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements/ financial information of the subsidiaries, whose financial statements reflect total assets (net) of ₹ 127,932.05 lakhs as at 31st March 2014, total revenues of ₹ 18,902.80 lakhs and net cash flows amounting to ₹ 1,114.48 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

Place : Secunderabad
Date : May 8, 2014

K. Rajasekhar
Partner
(Membership No. 23341)



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

	Notes	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1982.90	1982.90
Reserves and Surplus	3	110713.12	107012.88
		112696.02	108995.78
Minority Interests			
		-	2431.61
Non-current Liabilities			
Long-term Borrowings	4	125422.07	175100.87
Deferred Tax Liabilities (Net)	5	59.19	92.31
Other Long-term Liabilities	6	89.16	103.47
Long-term Provisions	7	9603.72	9875.76
		135174.14	185172.41
Current Liabilities			
Short-term Borrowings	8	16770.46	27869.38
Trade Payables	9	15289.78	12876.96
Other Current Liabilities	10	9365.80	7743.53
Short-term Provisions	7	449.29	3363.74
		41875.33	51853.61
TOTAL		289745.49	348453.41
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11A	102896.06	104360.45
Intangible Assets	11B	101.76	192.14
Capital Work-in-Progress		3682.56	1575.95
		106680.38	106128.54
Deferred Tax Asset (Net)	5A	648.69	147.96
Non-current Investments	12	239.93	143.79
Long-term Loans and Advances	14	119034.02	169645.25
Other Non-current Assets	15	4297.76	5095.57
		230900.78	281161.11
Current Assets			
Current Investments	13	-	87.10
Inventories	16	22414.57	22757.06
Trade Receivables	17	19191.60	17710.45
Cash and Bank Balances	18	10841.04	20081.44
Short-term Loans and Advances	14	4333.08	4221.59
Other Current Assets	15	2064.42	2434.66
		58844.71	67292.30
TOTAL		289745.49	348453.41
Corporate Information and Significant Accounting Policies	1		
See accompanying notes forming part of the Consolidated Financial Statements			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of Board of Directors

K Rajasekhar
Partner

Manish K. Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S. G. Hinduja
Chairman

A. Satyanarayana
Company Secretary

Place : Secunderabad
Date : May 8, 2014



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
I. Income			
Revenue from Operations (Gross)		147532.62	142656.22
Less: Excise Duty		17478.52	16176.91
Revenue from Operations (Net)	19	130054.10	126479.31
Other Income	20	11050.92	5998.74
Total Revenue (I)		141105.02	132478.05
II. Expenses			
Cost of Materials Consumed	21A	67796.63	64934.89
Purchase of Stock-in-Trade	21B	7367.21	8868.42
Change in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(2075.93)	(1321.96)
Employee Benefit Expenses	23	8967.37	9630.45
Finance Costs	24	10051.58	6266.82
Depreciation and Amortization Expense	11D	1818.25	1833.60
Other Expenses	25	36810.00	35903.15
Total Expenses (II)		130735.11	126115.37
III. Profit before Exceptional Items and Tax (I - II)		10369.91	6362.68
IV. Exceptional Items	26	1086.29	(430.88)
V. Profit before Tax		9283.62	6793.56
VI. Tax Expenses			
Current Tax - Current Year		2955.76	2377.97
- Prior Year		-	8.67
Less: MAT Credit		(45.00)	(204.00)
Net Current Tax Expense		2910.76	2182.64
Deferred Tax		(652.09)	(142.80)
Total Tax Expense		2258.67	2039.84
Profit after Taxation Before Minority Interest		7024.95	4753.72
Less: Minority Interest		(252.63)	266.71
Profit after Taxation for the year		6772.32	5020.43
Loss from Continuing Operations before Tax		(1607.45)	(3185.42)
Less: Tax expense of Continuing Operations		(1383.46)	(1622.61)
Loss from Continuing Operations		(223.99)	(1562.81)
Profit from Discontinuing Operations before Tax		10891.06	9978.98
Less: Tax expense of Discontinuing Operations		3642.12	3662.45
Profit from Discontinuing Operations		7248.94	6316.53
Profit for the Year		7024.95	4753.72
Earnings per Equity Share (Face value of ₹ 2 per share)	37		
Basic and Diluted (in ₹)			
(i) Continuing Operations		(0.23)	(1.58)
(ii) Total Operations		6.83	5.06
Corporate Information and Significant Accounting Policies	1		
See accompanying notes forming part of the Consolidated Financial Statements			

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

K Rajasekhar

Partner

Manish K. Gangwal
Chief Financial Officer

A. Satyanarayana
Company Secretary

For and on behalf of Board of Directors

S. Pramanik
Managing Director

S. G. Hinduja
Chairman

Place : Secunderabad

Date : May 8, 2014

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

SI No.	Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
		₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit before tax and after exceptional items		9283.62		6793.56
	Adjustments for:				
	Depreciation and Amortisation expense	1818.25		1833.60	
	Dividend income	(42.71)		(2.82)	
	Loss on sale of Fixed Assets	199.10		130.19	
	Impairment of assets	2159.50		-	
	Provision no longer required written back	(3.55)		(184.04)	
	Provision for doubtful trade and other receivables, loans and advances written off	282.73		494.01	
	Amount received against advances made and adjusted to Revaluation Reserve in earlier year	-		(268.88)	
	Amount received towards Redemption of Preference Shares	-		(162.00)	
	Profit on sale of long term Investments	(2096.01)		-	
	Profit on sale of current investment	(14.95)		-	
	Interest Income	(9450.26)		(4874.13)	
	Unrealised (Gain) on Exchange - Net	(117.65)		(330.39)	
	Finance cost	10051.58	2786.03	6266.82	2902.36
	Operating Profit before working Capital changes		12069.65		9695.92
	Changes in working capital				
	(Increase)/Decrease in Trade and Other Receivables, Loans and Advances & Other Assets	(4472.86)		(641.77)	
	(Increase)/Decrease in Inventories	(1970.88)		1956.41	
	Increase/ (Decrease) in Trade Payables and Other Liabilities including Provisions	2112.04	(4331.70)	1501.07	2815.71
	Cash generated from Operations		7737.95		12511.63
	Direct Taxes paid (net of refunds)		(2637.74)		(2160.96)
	NET CASH FROM OPERATING ACTIVITIES		<u>5100.21</u>		<u>10350.67</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES					
	Capital expenditure on Fixed Assets including Capital Advances	(5371.95)		(1202.01)	
	Proceeds from sale of fixed assets	316.71		50.56	
	Current Investments - Mutual Fund				
	- Purchased	(50.00)		-	
	- Proceeds from sale	64.95		-	
	Bank balance not considered as Cash and cash equivalents				
	- Placed	(18228.47)		(61675.62)	
	- Matured	28180.55		58602.93	
	Investments in Subsidiary Companies -Short Term	-		(87.10)	
	Investments in Subsidiary Companies -Long Term	-		(0.09)	
	Proceeds from Sale of investment in subsidiaries	5227.25		-	
	Advance to Companies realised	50689.31		8.24	
	Proceeds from redemption of Preference Shares	-		162.00	
	Loan to subsidiary Company	-		(168100.71)	
	Interest Received	9729.51		4927.78	
	Dividend received	42.71		2.82	
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES		<u>70600.57</u>		<u>(167311.20)</u>



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Sl No	Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
		₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
(C) CASH FLOW FROM FINANCING ACTIVITIES					
	Proceeds from Long Term Borrowings & Hire Purchase Liabilities	3153.95		163686.52	
	Net decrease in working capital borrowings	(10944.67)		(4024.73)	
	Proceeds from Public Deposits	-		4.80	
	Repayment of Public Deposits	(114.13)		(242.73)	
	Repayment of Long Term Borrowings & Hire Purchase Liabilities	(57105.10)		(2847.96)	
	Proceeds from Loans from Companies	4997.97		10630.97	
	Finance cost	(9677.89)		(12540.89)	
	Dividend paid	(4659.81)		(2181.19)	
	Tax on dividend	(791.93)		(353.84)	
	NET CASH (USED IN) / FROM FINANCIAL ACTIVITIES		(75141.61)		152130.95
	Net increase/(decrease) in cash and cash equivalents		559.17		(4829.58)
	Cash and Cash Equivalents as at the commencement of the year		5141.99		9971.57
	Less: Cash and Cash Equivalents related to subsidiaries which have been disposed.		(1379.81)		-
	Cash and Cash Equivalents as at the end of the year (Refer Note below)		4321.35		5141.99

Note:

Cash and Cash Equivalents comprise :

- (a) Cash on hand
(b) Balance with banks
(i) In Current Accounts
(ii) In Deposit Accounts
Cash and Cash Equivalents included in Note 18

₹ Lakhs

	As at 31st March 2014	As at 31st March 2013
(a) Cash on hand	17.04	49.42
(b) Balance with banks		
(i) In Current Accounts	4130.87	4170.41
(ii) In Deposit Accounts	173.44	922.16
Cash and Cash Equivalents included in Note 18	4321.35	5141.99

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of Board of Directors

K Rajasekhar
Partner

Manish K. Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S. G. Hinduja
Chairman

A. Satyanarayana
Company Secretary

Place : Secunderabad
Date : May 8, 2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

A. CORPORATE INFORMATION

The Group is in the business of Lubricants, Industrial Explosives, Mining & Infrastructure Services, Building Products and Property Development.

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting and Preparation of Consolidated Financial Statements (together referred as “Group”)

The Consolidated Financial Statements of the parent company and its subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standards notified under the Companies (Accounting Standard 21) Rules, 2006 and the relevant provisions of the Companies Act, 1956 (“the 1956 Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. The Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets i.e. land which is carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Principles of Consolidation

The Consolidated Financial Statements relate to Gulf Oil Corporation Limited (the parent company) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the parent company i.e., 31st March 2014.
- (ii) The financial statement of the parent company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profit or losses.
- (iii) The excess of cost to the group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as “Goodwill” being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the shares of equity in the subsidiary companies as on date of investment is in excess of cost of investment of the group, it is recognized as “Capital Reserve” and shown under the head of Reserves & Surplus in the consolidated financial statements.
- (iv) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (v) Goodwill arising on consolidation is not amortized but tested for impairment.

The following subsidiaries have been considered in the preparation of these consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Percentage of ownership interest	
			As at 31 st March 2014	As at 31 st March 2013
IDL Buildware Limited	Subsidiary	India	100.00	100.00
HGHL Holdings Limited (From 21 st November 2012)	Subsidiary	United Kingdom	100.00	100.00
Gulf Carosserie India Limited	Subsidiary	India	95.00	95.00
Gulf Oil Lubricants India Limited (Formerly Hinduja Infrastructure Limited)	Subsidiary	India	100.00	100.00
Gulf Oil Bangladesh Limited	Till 31 st December 2013	Bangladesh	-	51.00
PT Gulf Oil Lubricants Indonesia	Till 31 st December 2013	Indonesia	-	75.00
Gulf Oil (Yantai) Co. Limited	Till 31 st December 2013	China	-	51.02
IDL Explosives Limited	Subsidiary	India	100.00	100.00

Ownership of the above Subsidiaries is held by Parent Company.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(c) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

(d) FIXED ASSETS

Fixed assets are shown at cost / revalued amount less depreciation. Cost comprises the purchase price and other attributable expenses.

(e) DEPRECIATION AND AMORTIZATION

- (i) The Group, except Gulf Oil Bangladesh Limited, PT Gulf Oil Lubricants, Indonesia and Gulf Oil (Yantai) Co. Limited follows the straight line method of charging depreciation on all its fixed assets. Depreciation has been provided in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956 on all the assets except certain construction equipments (included in Plant & Machinery) which are depreciated over their estimated useful life which is not higher than the life as derived from the specified rates in Schedule XIV to the Companies Act, 1956.

In respect of Gulf Oil Bangladesh Limited, depreciation on the assets other than leased assets has been provided using straight-line method over the estimated useful lives of the assets as summarized below:

Own Assets: Office Equipment	20%
Computer / Computer Software	25%
Vehicles	20%
Furniture and Fixtures	10%
Leasehold improvements	10%
Leased Assets: Vehicles	20%

In respect of P.T. Gulf Oil Lubricants, Indonesia, depreciation on furniture and equipment have been computed on a straight-line method, based on the estimated useful life of the related assets, for 4 years or at the rate of 25% p.a.

In respect of Gulf Oil (Yantai) Co., Limited, depreciation of fixed assets is calculated to write off the cost of fixed assets less 10% residual values on a straight-line basis over their anticipated useful lives. The respective anticipated useful lives of fixed assets are as follows:

Plant and Building	20 Years
Machinery and Equipment	10 Years
Office and Other Equipment	5 Years
Motor Vehicles	5 Years

- (ii) Leasehold land is being amortized in equal installments over the lease period.
(iii) Intangibles are amortized over the period of its useful life.

(f) IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.

(g) INVESTMENTS

Long term Investments are carried individually at cost less provision, other than temporary, in the value of such investments. Current Investments are carried individually at lower of cost and fair value.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(h) INVENTORIES

Inventories are valued at lower of cost and the net realizable value after providing obsolesces and other losses, which are considered necessary. The method of arriving at cost of various categories of inventories is as below:

i)	Stores and Spares, Raw and Packing material	First-In-First-Out method / Weighted Average method
ii)	Finished Goods and Work-In-Progress - Manufactured-	Weighted average cost of production, which comprises direct material costs, direct wages and appropriate overheads.
iii)	Traded Contracts Work-in-Progress	First-In-First-Out method / Weighted Average method. Represents expenses incurred on execution of contracts till balance sheet date.

(i) FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions in foreign currency entered into by the company are accounted at the exchange rate prevailing on date of transaction. Foreign currency monetary assets and liabilities of the company outstanding at the consolidated financial statement are restated at the year- end rates. On –monetary items of the company are carried at historical cost. Exchange differences arising on settlement/ restatement of foreign currency monetary assets / liabilities are recognized as income or expenses in the consolidated financial statement
- (ii) In respect of forward exchange contracts, the premium or discount at the inception of such a forward exchange contract is amortized as expense over life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized in the Consolidated Statement of Profit and Loss.
- (iii) Gain or loss on transaction of long - term monetary liabilities intended to acquire fixed assets is capitalized as part of the depreciable fixed assets to which the monetary items relates and depreciated over the remaining useful life of such assets.
- (iv) All assets and liabilities of non-integral foreign operations are translated at the year-end rates and income and expenditure at average rates. The exchange difference relating to non-integral foreign operations are accounted in a “Foreign Currency Translation Reserve” until disposal of the operations, in which case the accounted balance in “Foreign Currency Translation Reserve” is recognized as income/expenses in the same period in which the gain or loss on disposal is recognized.

(j) REVENUE RECOGNITION

- (i) Sale of goods net of returns and trade discounts is recognized at the point of dispatch of finished goods to customers. Sales include amount recovered towards excise duty but exclude sales tax and value added tax.
- (ii) Income from services is recognized at the time of rendering the services.
- (iii) Contract revenue is recognized on percentage completion method as required under revised Accounting Standard 7 - Construction Contracts. The stage of completion is determined as a proportion that contract costs bear to the estimated total costs. When it is probable that at any stage of the contract, the total cost will exceed the total contract revenue, the expected loss is recognized immediately.
- (iv) Unbilled revenue represents value of work executed, to be billed subsequent to the Balance Sheet date and is valued at contract price.
- (v) Dividend income is accounted for when the right to receive is established.
- (vi) Export incentive under the Duty Entitlement Pass Book scheme has been recognized on the basis of credits afforded in the passbook.

(k) RESEARCH AND DEVELOPMENT EXPENSES

Research and Development Expenditure of revenue nature is written off in the year in which it is incurred and expenditure of a capital nature is added to fixed assets.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(l) EMPLOYEE BENEFITS

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined Contribution Plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employee.

Defined Benefit Plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognized in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for un-recognized past service cost, as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (i) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (ii) In case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

(m) BORROWING COSTS

All borrowing costs are charged to the Consolidated Statement of Profit and Loss except expenses incurred on raising long term borrowings are amortized over the period of borrowings.

(n) PROVISIONS AND CONTINGENCIES

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the Notes. Contingent assets are not recognized in the consolidated Financial Statements.

(o) TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income - Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

normal income tax. Accordingly, MAT is recognized as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income - tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

(p) SEGMENT REPORTING

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(q) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the Profit / (Loss) After Tax by the weighted average number of equity shares outstanding during the year.

(r) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, where by profit / (loss) before extraordinary items and tax is adjusted for the effects of transaction of non-cash nature. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(s) LEASES

Where the Group as a lessor leases assets under finance leases, such amounts are recognized as receivables at an amount equal to the net investment in the lease and the finance income is recognized based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year

Lease arrangements where the risks and rewards incidental of ownership of an asset substantially rests with the lessor are recognized as operating leases. Lease rental under operating leases are recognized in the Consolidated Statement of Profit and Loss on a straight line basis.

(t) OPERATING CYCLE

Based on the nature of products / activities of the Group and normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 2 Share Capital		
Authorised:		
12,50,00,000 Equity Shares of ₹ 2 each	2500.00	2500.00
Issued, Subscribed and Fully Paid-up		
9,91,44,980 Equity Shares of ₹ 2 each	1982.90	1982.90
Total	1982.90	1982.90

a. Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting year:

	Year ended 31st March 2014		Year ended 31st March 2013	
	Number of shares held	₹ Lakhs	Number of shares held	₹ Lakhs
At the beginning of the year	99144980	1982.90	99144980	1982.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	99144980	1982.90	99144980	1982.90

b. Terms / Rights attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

c. Details of shareholders holding more than 5% Equity Shares in the Company:

	As at 31st March 2014		As at 31st March 2013	
	Number of shares held	Percentage of holding	Number of shares held	Percentage of holding
Equity shares of ₹ 2 each Fully Paid				
Gulf Oil International (Mauritius) Inc. *	49536335	49.96%	49536335	49.96%
Bridge India Fund (formerly Credo India Thematic Fund Limited)	7680657	7.75%	9809157	9.89%

* Does not include additional 4950000 shares (4.99%) acquired on March 27, 2014 as credit to demat received on April 2, 2014



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2014		As at 31st March 2013	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 4 Long-term Borrowings				
Term Loans:				
From Banks (Secured)				
State Bank of India	107847.00	-	162855.00	-
State Bank of Hyderabad	-	-	-	431.87
Southeast Bank	-	-	-	114.82
State Bank of Mauritius	-	-	-	253.25
Karur Vysya Bank	-	1500.00	1500.00	1000.00
Yes Bank	1997.17	998.58	-	-
From Others:				
Gulf International Lubricants Limited (Unsecured)	15577.90	-	10585.58	-
Long-term Maturities of Finance Lease Obligations (Unsecured)	-	4.56	154.69	261.85
Public Deposits (Unsecured)	-	-	5.60	102.53
	<u>125422.07</u>	<u>2503.14</u>	<u>175100.87</u>	<u>2164.32</u>

Security / Terms and Conditions of Repayment

- (i) Term Loan from State Bank of Hyderabad was taken during the year 2009-10 and carries floating rate of interest (14.25% p.a. as on 31st March 2014) with reset after 2 years from the date of 1st disbursement. The loan is repayable in 36 monthly installments of ₹ 69.45 Lakhs after a moratorium of 12 months from the date of first disbursement. The loan is secured by a primary charge by way of hypothecation of raw material, finished goods, stocks-in-process, stores & spares and receivables of the Company ranking pari-passu with other working capital lenders under consortium arrangement and collateral security by way of (a) first pari passu charge along with consortium working capital bankers and term lenders on land admeasuring acres 115.25 at Kukatpally, Hyderabad belonging to the Company, and (b) second charge on building, plant and machinery charged to term lenders. The outstanding amount as at 31st March 2014 Nil (31st March 2013 - 6 installments of ₹ 69.45 Lakhs each).
- (ii) Term Loan from State Bank of Mauritius was taken during the year 2009-10 and carries floating rate of interest of 2.50% above base rate of the Bank (13.25% p.a. as on 31st March 2014) and interest will be reset annually. The loan is repayable in 42 installments after a moratorium period of 6 months. Installments for first 12 months are of ₹ 40 Lakhs and ₹ 50.67 Lakhs for subsequent 30 months. The loan is secured by a primary charge by way of first charge along with other consortium lenders by way of Equitable Mortgage on land admeasuring acres 115.25 at Kukatpally, Hyderabad belonging to Company, except the building, plant and machinery charged to the term lenders and first charge along with other consortium lenders on the current assets of the Company. The outstanding amount as at 31st March 2014 is Nil (31st March 2013 - 5 installments of ₹ 50.67 Lakhs each).
- (iii) Term Loan from Karur Vysya Bank was taken during 2012-13 and carries floating rate of interest of 1.50% over and above the base rate of the bank (12.50% p.a. as on 31st March 2014) with an option to reset after one year from the date of disbursement. The loan tenor is for 3 years including initial moratorium period of one year. Repayment of loan will be in two installments, ₹ 1,000 Lakhs to be paid at end of 24th month (i.e., 29th March 2014) and balance at the end of 36th month (i.e., 29th March 2015) from the date of disbursement. The loan is secured by an exclusive charge on the land admeasuring 4.29 acres located at Kukatpally, Hyderabad owned by the Company. The amount outstanding as at 31st March 2014 is ₹ 1,500 Lakhs to be paid in one instalment in March 2015 (31st March 2013 - ₹ 2,500 Lakhs in 2 installments as mentioned above).
- (iv) Public Deposits outstanding as on 31st March 2013 are repayable within 3 years. The rate of interest per annum on deposits for one year 9.75% (up to 31st August 2012 - 9.50%) and more than one year and below two years 10% (upto 31st August 2012 - 9.75%) above two years 10.25% (upto 7th August 2013 - 10.50%). During the current year, the public deposits have been repaid.

In respect of Subsidiary Companies:

- (i) The Parent Company through its subsidiary HGHL Holdings Limited (HGHL) UK, acquired Houghton International Inc. in USA. HGHL has taken a loan of USD 300 million from Lenders to part finance the acquisition. During the year, USD 120 million was repaid by HGHL to the Lenders. The loan is repayable in 20 unequal quarterly installments ranging from USD 3 million to USD 22.52 million

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

starting from March 2015 and loan carries an interest of 3 months USD LIBOR plus 2.75%, presently being 3.06%. The amount outstanding as on 31st March 2014 is ₹ 1,07,847 Lakhs (31st March 2013 - ₹ 1,62,855 Lakhs). The said loan was extended on the basis of Letter of Comfort/Stand-By Letter of Credit Facility Agreement between the Parent Company, HGHL (both being Co-Obligors to the said Facility) and lenders on the strength of guarantee of Gulf Oil International Limited, Cayman and Cash Deficit Undertaking from its specified subsidiaries and also from the Parent Company, wherein they are obligated to make contributions to HGHL in case of deficiencies in resources for servicing the said facilities. In terms of the aforesaid agreement, the loan is also secured by (a) first pari passu charge by way of equitable mortgage on land of the Parent Company admeasuring 112.26 acres at Kukatpally, Hyderabad and (b) first pari passu charge along with existing lenders by way of equitable mortgage on land admeasuring 115.25 acres at Hyderabad, buildings, and plant & machinery belonging to Explosives Division.

- (ii) In respect of FCNR Loan from Yes Bank obtained by IDL Explosives Limited:
- FCNR Loan of USD 5 Million carries interest rate of 7% p.a. and includes 6 months USD LIBOR plus spread, upfront fee and LIBOR hedging cost. Yes Bank has hedged the interest rate from floating rate to fixed rate. The rate of interest has been fixed at 6% per annum.
 - The loan is repayable in 6 quarterly installments of USD 8,33,333 starting from the end of 15th month of disbursement (i.e., date of disbursement 12th July, 2013) and interest shall be payable at monthly rests. Total tenor of the loan is 30 months.
 - The loan is secured by first pari-passu charge on all the current assets of the Company both present and future and first charge on urban immovable property having market value of ₹.1,250 Lakhs. The loan is further secured by a corporate guarantee of ₹ 3,000 Lakhs given by the Parent Company.
- (iii) The loan from Southeast Bank by the one of the subsidiary of the Company against Trust Receipt (LTR) facility. The tenure of loan is 90 days and rate of interest up to 30th June 2012 is 17.50% p.a. and from 1st July, 2012 is 18% p.a.
- (iv) Loan from Gulf International Lubricants Limited is taken by one of the subsidiary of Company with Nil rate of interest.

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 5 Deferred Tax Liability (Net)		
Tax effects of Items constituting Deferred Tax Liability		
On difference between book balance and tax balance of Fixed Asset	461.23	480.53
On surplus arising on Transfer of Explosives Undertaking	-	257.71
	461.23	738.24
Tax effects of Items constituting Deferred Tax Asset		
Provision for Doubtful Debts / Advances	44.99	327.55
Provision for Compensated Absences, Gratuity and other Employees Benefits	156.50	318.38
Unabsorbed Depreciation carried forward	200.55	
	402.04	645.93
Net Deferred Tax Liability	59.19	92.31
Note 5A Deferred Tax Assets (Net)		
Tax effects of Items constituting Deferred Tax Liability		
On difference between book balance and tax balance of Fixed Asset	257.71	442.89
	257.71	442.89
Tax effects of Items constituting Deferred Tax Asset		
Unabsorbed Depreciation carried forward	-	200.59
Provision for Doubtful Trade Receivable	320.89	78.18
Provision for Compensated Absences, Gratuity and other Employee Benefits	237.95	218.76
On difference between book balance and tax balance of Fixed Asset	347.56	93.32
	906.40	590.85
Net Deferred Tax Asset	648.69	147.96



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2014		As at 31st March 2013	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 6 Other Long-term Liabilities				
Trade Payables	-	-	9.44	-
Deposits from Service providers	89.16	-	94.03	-
	<u>89.16</u>	<u>-</u>	<u>103.47</u>	<u>-</u>
Note 7 Provisions				
Provision for Employee Benefits:				
Gratuity	472.08	279.10	746.72	452.35
Compensated absences	361.93	89.50	359.33	86.61
	<u>834.01</u>	<u>368.60</u>	<u>1106.05</u>	<u>538.96</u>
Others:				
Provision for				
- Indirect Taxes (Refer Note 32)	8394.10	-	8394.10	-
- Others	375.61	-	375.61	224.79
Provision for Tax	-	32.58	-	-
Provision for Fringe Benefit Tax	-	48.11	-	48.11
Proposed Equity Dividend	-	-	-	2181.19
Provision for Tax on Proposed Equity Dividend	-	-	-	370.69
	<u>8769.71</u>	<u>80.69</u>	<u>8769.71</u>	<u>2824.78</u>
	<u>9603.72</u>	<u>449.29</u>	<u>9875.76</u>	<u>3363.74</u>

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 8 Short-term Borrowings		
From Banks (Secured):		
Cash Credit from Banks	2680.35	5680.13
Working Capital Demand Loan (Foreign Currency)	1198.30	-
Working Capital Demand Loan - Yes Bank	-	1000.00
- IDBI Bank	-	500.00
From Others:		
Gulf Oil Middle East Limited, UAE	-	45.40
Buyers Credit from Banks (Unsecured)	12891.81	20643.85
	<u>16770.46</u>	<u>27869.38</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Security / Terms and Conditions of Repayment

- (a) Cash Credit facilities including Foreign Currency Demand Loan from State Bank of Mauritius and Working Capital Loan from consortium banks is secured by hypothecation of all current assets of the Company including raw materials, finished goods, stock-in-process, stores and spares (not relating to plant & machinery) and present and future book debts of the Company ranking pari-passu and collateral security by (i) first pari passu charge by way of equitable mortgage on the land owned by the Company admeasuring acres 115.25 situated at Kukatpally, Hyderabad and (ii) second pari passu charge on buildings, plant and machinery charged to other term lenders.
- (b) Working Capital demand loan from Yes Bank is secured by way of subservient charge on the movable fixed assets and current assets of the Company.

In respect of Subsidiary Companies:

- (c) Cash Credit facilities from State Bank of Hyderabad is secured by a primary charge by way of hypothecation of raw material, finished goods, stocks-in-process, stores & spares and receivables of the Company ranking pari passu with other working capital lenders and collateral security by way of a second charge on the fixed assets of the Company ranking pari passu with the working capital lenders. The Cash Credit is repayable on demand and carries rate of interest of 3.75% above the base rate of the bank.
- (d) Cash Credit facilities from State Bank of India is secured by a first pari-passu hypothecation charge on current assets of the Company along with State Bank of Hyderabad and second charge on the fixed assets of the Company, pari-passu basis with State Bank of Hyderabad. The Cash Credit is repayable on demand and carries a rate of interest of 7.00% above the base rate of the bank.
- (e) Cash Credits facilities from State Bank of Hyderabad and State Bank of India are further secured by corporate guarantee amounting to ₹ 9,913 Lakhs given by the Parent Company.
- (f) Working Capital Credit facilities from Yes Bank Limited are secured by first pari pasu charge on the current assets of the company, first charge on the immovable property and corporate guarantee of ₹ 3,000 Lakhs given by the Parent Company.

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 9 Trade Payables		
Acceptances	206.50	227.44
Other than Acceptances	15083.28	12649.52
	<u>15289.78</u>	<u>12876.96</u>
Note 10 Other Current Liabilities		
Current Maturities of Long-term Borrowings (Refer Note 4)	2503.14	2164.32
Interest Accrued but not due on Borrowings	135.19	272.83
Interim Dividend	2478.62	-
Unpaid Dividend	124.05	111.39
Unpaid Matured Deposits including Interest Accrued	-	6.00
Unclaimed Share Application Money - Rights Issue	1.95	1.95
Others:		
Advance from Customers	432.09	1399.10
Payables on Purchase of Fixed Assets	1513.63	28.53
Statutory Remittance	1940.28	2213.09
Trade Deposits Received	60.43	32.94
Other Payables	176.42	1513.38
	<u>9365.80</u>	<u>7743.53</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11 Fixed Assets

₹ Lakhs

Block Name	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	Cost / Revaluation 1st April 2013	Additions	Deletions / Withdrawals	Currency Realignment	Cost / Revaluation 31st March 2014	As at 1st April 2013	For the Year	On Deletions/ Withdrawals	Impairment Losses recognised in statement of Profit & Loss	Currency Realignment	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
A. Tangible Assets													
Land-Freehold													
(Refer Note 31)	92997.46	3381.75	-	-	96379.21	-	-	-	-	-	-	96379.21	-
(Previous year)	(92997.46)	-	-	-	(92997.46)	-	-	-	-	-	-	-	(92997.46)
Land-Leasehold	610.25	-	678.99	94.64	25.90	249.85	12.45	288.57	-	38.95	12.68	13.22	-
(Previous year)	(582.52)	-	(3.82)	(31.55)	(610.25)	(95.24)	(14.73)	127.75	-	(12.13)	(249.85)	-	(360.40)
Buildings													
Owned	3652.71	481.77	1251.33	168.22	3051.37	1531.90	114.64	413.86	-	49.67	1282.35	1769.02	-
(Previous year)	(3428.48)	(177.09)	(8.63)	(55.77)	(3652.71)	(1402.92)	(115.37)	(0.19)	-	(13.80)	(1531.90)	-	(2120.81)
Given under operating lease	71.09	-	-	-	71.09	10.98	1.28	-	-	-	12.26	58.83	-
(Previous year)	(71.09)	-	-	-	(71.09)	(9.70)	(1.28)	-	-	-	(10.98)	-	(60.11)
Total	3723.80	481.77	1251.33	168.22	3122.46	1542.88	115.92	413.86	-	49.67	1294.61	1827.85	-
(Previous year)	(3499.57)	(177.09)	(8.63)	(55.77)	(3723.80)	(1412.62)	(116.65)	(0.19)	-	(13.80)	(1542.88)	-	(2180.92)
Plant & Machinery, Equipments etc.													
Owned	20598.74	601.64	4870.93	167.46	16496.91	12836.36	1421.96	3861.74	2129.57	79.62	12605.77	3891.14	-
(Previous year)	(20177.74)	(770.35)	(404.55)	(55.20)	(20598.74)	(11777.12)	(1430.29)	(394.11)	-	(23.06)	(12836.36)	-	(7762.38)
Given under operating lease	80.32	-	-	-	80.32	66.12	3.82	-	-	-	69.94	10.38	-
(Previous year)	(80.32)	-	-	-	(80.32)	(62.30)	(3.82)	-	-	-	(66.12)	-	(14.20)
Total	20679.06	601.64	4870.93	167.46	16577.23	12902.48	1425.78	3861.74	2129.57	79.62	12675.71	3901.52	-
(Previous year)	(20258.06)	(770.35)	(404.55)	(55.20)	(20679.06)	(11839.42)	(1434.11)	(394.11)	-	(23.06)	(12902.48)	-	(7776.58)
Furniture & Fixtures													
Owned	620.57	39.78	381.64	21.15	299.86	413.43	22.04	335.89	-	15.94	115.52	184.34	-
(Previous year)	(618.29)	(54.43)	(60.84)	(8.69)	(620.57)	(446.53)	(24.02)	(63.21)	-	(6.09)	(413.43)	-	(207.14)
Office Equipments													
Owned	407.22	19.77	134.21	(0.03)	292.75	226.71	18.37	98.31	2.07	1.62	150.46	142.29	-
(Previous year)	(599.86)	(31.00)	(225.00)	(1.36)	(407.22)	(335.30)	(20.45)	(130.05)	-	(1.01)	(226.71)	-	(180.51)
Given under operating lease	2.72	-	-	-	2.72	1.89	0.13	-	-	-	2.02	0.70	-
(Previous year)	(2.72)	-	-	-	(2.72)	(1.76)	(0.13)	-	-	-	(1.89)	-	(0.83)
Total	409.94	19.77	134.21	(0.03)	295.47	228.60	18.50	98.31	2.07	1.62	152.48	142.99	-
(Previous year)	(602.58)	(31.00)	(225.00)	(1.36)	(409.94)	(337.06)	(20.58)	(130.05)	-	(1.01)	(228.60)	-	(181.34)
Vehicles													
Owned	918.96	1.49	393.97	14.26	540.74	497.64	62.61	325.89	16.92	11.14	262.42	278.32	-
(Previous year)	(556.12)	(165.64)	191.24	(5.96)	(918.96)	(297.18)	(67.88)	128.51	-	(4.07)	(497.64)	-	(421.32)
Given under Operating Lease	3.90	-	-	-	3.90	3.90	-	-	-	-	3.90	-	-
(Previous year)	(3.90)	-	-	-	(3.90)	(3.90)	-	-	-	-	(3.90)	-	-
Taken Under Finance Lease	11.67	-	13.21	1.54	-	5.08	1.93	7.75	-	0.74	-	-	-
(Previous year)	(10.58)	-	-	(1.09)	(11.67)	(2.50)	(2.24)	-	-	(0.34)	(5.08)	-	(6.59)
Total	934.53	1.49	407.18	15.80	544.64	506.62	64.54	333.64	16.92	11.88	266.32	278.32	-
(Previous year)	(570.60)	(165.64)	191.24	(7.05)	(934.53)	(303.58)	(70.12)	128.51	-	(4.41)	(506.62)	-	(427.91)
Computers													
Owned	677.15	26.50	51.89	-	651.76	448.45	75.39	50.97	10.28	-	483.15	168.61	-
(Previous year)	(618.22)	(92.69)	(33.76)	-	(677.15)	(407.21)	(74.55)	(33.31)	-	-	(448.45)	-	(228.70)
Given under operating lease	30.88	-	-	-	30.88	30.88	-	-	-	-	30.88	-	-
(Previous year)	(30.88)	-	-	-	(30.88)	(30.88)	-	-	-	-	(30.88)	-	-
Total	708.03	26.50	51.89	-	682.64	479.33	75.39	50.97	10.28	-	514.03	168.61	-
(Previous year)	(649.10)	(92.69)	(33.76)	-	(708.03)	(438.09)	(74.55)	(33.31)	-	-	(479.33)	-	(228.70)
Tangible Assets - Total	120683.64	4552.70	7776.17	467.24	117927.41	16323.19	1734.62	5382.98	2158.84	197.68	15031.35	102896.06	-
(Previous year)	(119778.18)	(1291.20)	(545.36)	(159.62)	(120683.64)	(14872.54)	(1754.76)	(364.61)	-	(60.50)	(16323.19)	-	(104360.45)
B) Intangible Assets													
Trade Mark	68.03	-	79.05	11.02	-	4.03	5.63	10.54	-	0.88	-	-	-
(Previous year)	-	(67.55)	-	(0.48)	(68.03)	-	(4.00)	-	-	(0.03)	(4.03)	-	(64.00)
Software	457.40	65.16	53.86	5.26	473.96	329.26	78.00	38.48	0.66	2.76	372.20	101.76	-
(Previous year)	(436.72)	(19.02)	-	(1.66)	(457.40)	(253.67)	(74.84)	-	-	(0.75)	(329.26)	-	(128.14)
Technical Know-how	140.66	-	-	-	140.66	-	-	-	-	-	140.66	-	-
(Previous year)	(140.66)	-	-	-	(140.66)	(140.66)	-	-	-	-	(140.66)	-	-
Intangible Assets - Total	666.09	65.16	132.91	16.28	614.62	473.95	83.63	49.02	0.66	3.64	512.86	101.76	-
(Previous year)	(577.38)	(86.57)	-	(2.14)	(666.09)	(394.33)	(78.84)	-	-	(0.78)	(473.95)	-	(192.14)
Total Assets	121349.73	4617.86	7909.08	483.52	118542.03	16797.14	1818.25	5432.00	2159.50	201.32	15544.21	102997.82	-
(Previous year)	(120355.56)	(1377.77)	(545.36)	(161.76)	(121349.73)	(15266.87)	(1833.60)	(364.61)	-	(61.28)	(16797.14)	-	(104552.59)

C. Details of Assets acquired under Hire Purchase Agreements:

₹ Lakhs

Particulars	Gross Block		Net Block	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Plant & Machinery	-	729.52	-	518.32
Vehicles	15.85	77.70	12.46	58.82
Total	15.85	807.22	12.46	577.14

D. Depreciation and Amortization expense relating to Continuing Operations:

Particulars	31st March 2014	31st March 2013
On Tangible Assets	1734.62	1754.76
On Intangible Assets	83.63	78.84
Total	1818.25	1833.60

E. Details of Assets given under Lease (Refer Note 39).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 12 Non-Current Investments		
I Trade investments (valued at cost unless stated otherwise)		
(a) In Equity Shares (Unquoted)		
500 Shares of ₹10 each fully paid-up in IDL Chemicals Employees' Co-operative Credit Society Limited	0.05	0.05
500 Shares of ₹ 10 each fully paid-up in IDL Chemicals Employees' Co-operative Credit Society Limited, Rourkela	0.05	0.05
1,14,000 Shares of ₹ 100 each fully paid-up in Gulf Ashley Motors Limited	114.00	114.00
12,490 Shares of ₹ 10 each fully paid-up in Mangalam Retail Services Limited	1.25	1.25
100 Shares of GBP 1 each fully paid-up in GHG Lubricants Holdings Limited	0.09	0.09
100,000 Shares of £1 each fully paid-up in GHGL London Limited	96.14	-
2 Shares of ₹ 100 each fully paid-up in Pachora Peoples Co-operative Bank Limited (₹ 300)	-	-
	<u>211.58</u>	<u>115.44</u>
(b) Preference Shares (Unquoted)		
Nil (31st March 2013 - 1,62,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each fully paid-up in APDL Estate Limited	-	162.00
Less: Nil (31st March 2013 - 1,62,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each) redeemed	-	162.00
	<u>-</u>	<u>-</u>
(c) Others		
27,978 units of ₹10 each fully paid-up in UTI Bond Fund of Unit Trust of India	2.97	2.97
II Non-trade Investments (valued at cost unless stated otherwise)		
Equity Shares (Quoted)		
100,000 Shares of ₹ 1 each fully paid-up in Ashok Leyland Limited	24.23	24.23
48 Shares of ₹ 10 each fully paid-up in Hinduja Global Solutions Limited	0.03	0.03
48 Shares of ₹ 10 each fully paid-up in Hinduja Ventures Limited	0.03	0.03
2,400 Shares of ₹ 10 each fully paid-up in Jammu & Kashmir Bank Limited	0.91	0.91
400 Shares of ₹ 10 each fully paid-up in IndusInd Bank Limited	0.18	0.18
	<u>25.38</u>	<u>25.38</u>
	<u>239.93</u>	<u>143.79</u>
Note:		
1. Aggregate Cost of Quoted Investments	25.38	25.38
2. Aggregate Market Value of Quoted Investments	74.79	74.42
3. Aggregate Cost of Unquoted Investments	214.55	118.41



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 13 Current Investments		
Trade Investments (valued at cost unless stated otherwise)		
In Equity Shares (Unquoted)		
100,000 Shares of ₹1 each fully paid-up in GHGL London Limited	-	87.10
	-	87.10

Note:

Consequent to the infusion of fresh equity to the extent of 90% by Gulf Oil International Limited in GHGL London Limited on August 6, 2013, the shareholding of the Company has reduced to 10% and has been reclassified as Non-current.

	As at 31st March 2014		As at 31st March 2013	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 14 Loans and Advances (Considered good unless otherwise specified)				
Capital Advances	157.66	-	25.08	-
Security Deposits				
Considered Good	375.28	927.70	344.98	1098.26
Considered Doubtful	110.17	-	110.17	-
Less: Provision for Doubtful Deposits	(110.17)	-	(110.17)	-
	<u>375.28</u>	<u>927.70</u>	<u>344.98</u>	<u>1098.26</u>
Loans and Advances to Other Companies				
IDL Speciality Chemicals Limited	-	137.84	-	137.84
Less: Provision for Doubtful Loans and Advances	-	(137.84)	-	(137.84)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Advance to Suppliers and Service Providers				
Considered Good	-	587.26	-	561.50
Considered Doubtful	-	106.02	-	72.65
Less: Provision for Doubtful Advances	-	(106.02)	-	(72.65)
	<u>-</u>	<u>587.26</u>	<u>-</u>	<u>561.50</u>
Loans and Advances to Employees	-	57.39	-	62.82
Loans and Advances to Related Parties				
-GHGL London Limited	117411.40	-	168100.71	-
Prepaid Expenses	54.98	372.59	55.66	348.30
Advance Income-tax (Net of Provisions)	-	961.51	-	772.30
MAT Credit Entitlement	-	45.00	-	474.65
Balance with Government Authorities	-	1381.63	-	903.76
Deposits with Government Authorities	1034.70	-	1118.82	-
	<u>118501.09</u>	<u>2818.12</u>	<u>169275.19</u>	<u>2561.83</u>
	<u>119034.02</u>	<u>4333.08</u>	<u>169645.25</u>	<u>4221.59</u>
Note 15 Other Assets				
Unamortised Expense - Ancillary Borrowing Cost	4282.92	1509.34	4941.07	1362.52
Interest Receivable on Term Deposits with Banks	14.84	542.86	100.05	736.90
Unbilled Revenue	-	-	-	335.24
Term Deposits with Banks (Refer Note Below)	-	-	54.45	-
Insurance Claims	-	12.22	-	-
	<u>4297.76</u>	<u>2064.42</u>	<u>5095.57</u>	<u>2434.66</u>

Note: Deposits made under Rule 3A of Companies (Acceptance of Deposits) Rules, 1975.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2014 ₹ Lakhs	As at 31st March 2013 ₹ Lakhs
Note 16 Inventories (valued at lower of cost and net realisable value)		
Raw Materials	7614.43	8456.23
Work-in-Progress	756.21	787.91
Finished Goods (Other than those acquired for Trading)	7823.18	7956.39
Stock-in-Trade	1804.73	770.40
Stores, Spares and Fuel	211.89	509.25
Packing Materials	593.47	666.22
Land / Buildings for Property Development, at cost	3610.66	3610.66
	<u>22414.57</u>	<u>22757.06</u>
Note 17 Trade Receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	322.27	1904.27
Considered Doubtful	2453.50	2762.03
	<u>2775.77</u>	4666.30
Less: Provision for Doubtful Receivables	2453.50	2,762.03
	<u>322.27</u>	<u>1904.27</u>
Other Receivables		
Considered Good	18869.33	15,806.18
Considered Doubtful	-	7.93
	<u>18869.33</u>	<u>15814.11</u>
Less: Provision for Doubtful Receivables	-	7.93
	<u>18869.33</u>	<u>15806.18</u>
	<u>19191.60</u>	<u>17710.45</u>
Note 18 Cash and Bank Balances		
A) Cash & Cash Equivalents:		
Cash on Hand	17.04	208.83
Balances with Banks:		
In Current Accounts	4130.87	4011.00
In Deposits Accounts	173.44	922.16
Total Cash & Cash Equivalents (A)	<u>4321.35</u>	<u>5141.99</u>
B) Other Bank Balances:		
In Earmarked Accounts		
- Margin Money Deposit	3915.07	14826.11
- Dividend Accounts	2602.67	111.39
- Share Application Money in respect of Rights Issue Allotment due for Refund	1.95	1.95
Total Other Bank Balances (B)	<u>6519.69</u>	<u>14939.45</u>
Cash and Bank Balances (A+B)	<u>10841.04</u>	<u>20081.44</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 19 Revenue from Operations		
Sale of Products (Refer Note (i) below)	146671.57	139670.94
Sale of Services (Refer Note (ii) below)	733.57	2908.75
Other Operating Income (Refer Note (iii) below)	127.48	76.53
	<u>147532.62</u>	<u>142656.22</u>
Less: Excise duty	17478.52	16176.91
	<u>130054.10</u>	<u>126479.31</u>
Note		
(i) Sale of Products		
Manufactured Goods		
Detonators	7167.40	6500.69
Detonating Fuse	416.88	1793.18
Cartriged ANFO & NCN (High Explosives)	26102.98	20379.84
Boosters	0.19	7.39
Single or Double or Multilayer clad plates	684.27	715.96
Lubricating Oils	110398.28	96090.78
Others	79.05	101.66
	<u>144849.05</u>	<u>125589.50</u>
Traded Goods		
Safety Fuse	19.12	39.58
Filters	1635.60	256.52
Car Care Lube Equipment and Battery	124.97	456.48
Lubricating Oils	-	12897.90
Ammonium Nitrate	-	430.96
Others	42.83	-
	<u>1822.52</u>	<u>14081.44</u>
	<u>146671.57</u>	<u>139670.94</u>
(ii) Service Income		
Income from Operation / Construction Contracts	304.11	2774.79
Marketing Services	310.83	104.70
Technical Services	118.63	29.26
	<u>733.57</u>	<u>2908.75</u>
(iii) Other Operating Income		
Export Incentives	6.11	-
Miscellaneous Income	121.37	76.53
	<u>127.48</u>	<u>76.53</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 20 Other Income		
Interest Income (Refer Note below)	9450.26	4874.13
Dividend Income on Long-term Investments	2.42	2.82
Dividend Income on Current Investments	40.29	-
Insurance Claims	60.50	2.50
Profit on Fixed Asset Sold / Scrapped / Written Off	26.08	-
Provision no longer required Written Back	3.55	184.04
Advisory and Consultancy Fee	1237.94	-
Gain on Sale of Investments in Mutual Funds	14.95	-
Miscellaneous Income	214.93	935.25
	<u>11050.92</u>	<u>5998.74</u>
Note: Interest income comprises:		
Interest on Term Deposits with Banks	1603.84	2030.33
Interest from Customer	426.38	127.51
Interest on Loans and Advances	7420.04	2716.29
	<u>9450.26</u>	<u>4874.13</u>
Note 21 Cost of Materials Consumed and Purchase of Stock-in-Trade		
(A) Cost of Materials Consumed		
Opening Stock	8456.23	11851.09
Add: Purchases	68241.46	61813.78
	<u>76697.69</u>	<u>73664.87</u>
Less: Stock transfer on Disinvestment in Subsidiaries	1001.19	-
Less: Closing stock	7614.43	8456.23
Cost of Materials Consumed	<u>68082.07</u>	<u>65208.64</u>
Less: Scrap Realisation	285.44	273.75
	<u>67796.63</u>	<u>64934.89</u>
Details of Materials Consumed		
Coating Materials	488.77	499.76
Chemicals	15269.24	12630.10
Metals	1368.48	1200.79
Yarn and Paper	26.57	85.77
Base Oil	39671.17	40492.80
Additives	10872.11	10131.29
Others	385.73	168.13
	<u>68082.07</u>	<u>65208.64</u>
(B) Purchase of Stock-in-Trade		
Ammonium Nitrate	-	375.65
Safety Fuse	10.07	10.10
Grease/Unprocessed Oils	6705.79	8055.89
Others	651.35	426.78
	<u>7367.21</u>	<u>8868.42</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 22 Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Inventories at the end of the year:		
Stock-in-Trade	1804.73	770.40
Contracts-in-Progress	-	-
Work-in-Progress	756.21	787.91
Finished Goods	7823.18	7956.39
	<u>10384.12</u>	<u>9514.70</u>
Inventories at the beginning of the year:		
Stock-in-Trade	770.40	943.03
Contracts-in-Progress	-	36.50
Work-in-Progress	787.91	791.53
Finished Goods	7956.39	6404.20
	<u>9514.70</u>	<u>8175.26</u>
Less: Inventory related to Subsidiaries which have been disposed off during the year	(1182.02)	-
	<u>8332.68</u>	<u>8175.26</u>
	(2051.44)	(1339.44)
Excise Duties etc. on (Decrease) / Increase of Finished Goods	(24.49)	17.48
Net Increase	<u>(2075.93)</u>	<u>(1321.96)</u>
Note 23 Employee Benefits Expenses		
Salaries, Wages and Bonus	7306.53	7766.79
Contribution to Provident and Other Funds	788.30	1015.87
Staff Welfare Expenses	872.54	847.79
	<u>8967.37</u>	<u>9630.45</u>
Note 24 Finance Costs		
Interest Expenses on:		
Borrowings	7049.34	3255.43
Others	251.06	198.76
Net Loss on Foreign Currency Transactions and Translations	614.54	1130.39
Bank and Other Financial Charges	2136.64	1682.24
	<u>10051.58</u>	<u>6266.82</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 25 Other Expenses		
Consumption of Stores and Spares	362.07	357.57
Processing Charges	1727.19	1338.89
Packing Material Consumed	6634.07	5476.55
Power and Fuel	1004.74	1000.79
Expenses on Operation Contracts	321.59	2323.99
Rent	680.25	1332.13
Rates and Taxes	390.17	556.68
Insurance	353.44	381.09
Repairs and Maintenance		
Plant and Machinery	628.85	513.23
Buildings	66.90	87.53
Advertising and Sales Promotion	6436.90	5752.98
Discounts on Sales	6946.67	6234.57
Selling Commission	435.09	526.63
Travelling and Conveyance	1016.64	1074.05
Distribution Expenses	4828.83	4797.51
Postage, Telephone and Telex	227.91	241.56
Legal and Professional Fee	1123.06	787.97
Directors' Sitting Fee	19.73	21.95
Doubtful Trade Receivables, Loans and Advances Written Off	475.17	586.53
Provision for Doubtful Trade Receivables, Loans and Advances	282.73	494.01
	<u>757.90</u>	1,080.54
Less: Provision for Doubtful Trade Receivables, Loans and Advances Written-Back	<u>266.98</u>	<u>936.26</u>
Bad Trade and Other Receivables, Advances etc. Written Off	-	445.29
Stores and Spares Written Off	204.82	-
Loss on Fixed Asset Sold / Scrapped / Written Off	199.10	130.19
Royalty	1393.44	1289.84
Net Loss on Foreign Currency Transactions and Translation	236.69	139.42
Miscellaneous Expenses	1080.92	948.46
	<u>36810.00</u>	<u>35903.15</u>
Legal and Professional Fee Includes:		
Auditors Remuneration:(net of service tax input credit)		
As Statutory Auditors:		
Audit Fee	17.50	17.50
Tax Audit Fee	3.00	3.00
Limited Review Fee	5.00	5.00
Other Services (Certification Fee)	5.86	15.80
Reimbursement of Expenses	0.78	2.28
	<u>32.14</u>	<u>43.58</u>
Branch Auditors Remuneration:		
As Statutory Auditors:		
Audit Fee	10.00	10.00
Tax Audit Fee	4.00	4.00
Other Services (Certification Fee)	5.03	9.66
Reimbursement of Expenses	2.75	1.61
	<u>21.78</u>	<u>25.27</u>
Cost Auditors Remuneration		
Cost Audit	1.50	1.50
	<u>1.50</u>	<u>1.50</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2014 ₹ Lakhs	Year ended 31st March 2013 ₹ Lakhs
Note 26 Exceptional Items		
1. Impairment of Fixed Assets	2159.50	-
2. Bad Trade Receivables / Advances Written Off	1022.80	-
3. Profit on Sale of Investments in Subsidiaries	(2096.01)	-
4. Recovery against claims and advances made and adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Hon'ble Court of Andhra Pradesh, Hyderabad in 2008-09.	-	(268.88)
5. Amount received towards redemption of 1,62,000 (March 31st 2012 - ₹ 15,00,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each of APDL Estates Limited. Provision for diminution in value of Investment adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh	-	(162.00)
	1086.29	(430.88)

Additional Information to the Consolidated Financial Statements

27. The Consolidated Financial Statements of the previous year do not include the financial statements of step down subsidiaries GHGL London Limited (Subsidiary of HGHL), including Houghton International Inc. as the control was intended to be temporary.

During the year, consequent to infusion of fresh equity to the extent of 90% by Gulf Oil International Limited in GHGL London Limited and its step-down subsidiaries including Houghton International Inc. have ceased to be subsidiaries of the company.

28. The excess of the net asset value over carrying cost of investment in the subsidiary companies viz., IDL Buildware Limited and Gulf Oil Carrosserie India Limited amounting to ₹ 765.70 Lakhs (As at 31st March 2013 - ₹ 765.70 Lakhs) and ₹ 5.29 Lakhs (As at 31st March 2013 - ₹ 5.29 Lakhs) respectively has been treated as Reserve on Consolidation.

29. Property Development:

- (i) Land meant for property development situated at Bengaluru and Hyderabad had been revalued as at 31st March 2008, based on a valuation by an approved valuer. The resultant surplus on such revaluation amounting to ₹ 183,896.69 Lakhs had been credited to Revaluation Reserve in the earlier years. In view of steep recession in the realty sector, management reassessed the valuation of the aforesaid properties as on 31st March 2009 and based on the guidelines issued by the Registration and Stamps Department of Karnataka and Andhra Pradesh, the value of the subject lands has been reassessed and the resultant surplus on revaluation amounted to ₹ 43,799.82 Lakhs. The resultant write down aggregating to ₹ 140,096.87 Lakhs has, in accordance with the requirement of Accounting Standard 10 - "Accounting for Fixed Assets", was debited to Revaluation Reserve.
- (ii) During the year ended 31st March 2012, the Parent Company surrendered certain portion of the land for road widening purposes to Greater Hyderabad Municipal Corporation. Consequently ₹ 3,285.67 Lakhs had been withdrawn from Revaluation Reserve.
- (iii) As at 31st March 2012, land meant for property development situated at Hyderabad had been revalued based on valuation by an approved valuer. The resultant surplus on such revaluation amounting to ₹ 63,027.56 Lakhs has been credited to Revaluation Reserve.
- (iv) During the year ended 31st March, 2011, land at Bengaluru (cost of ₹ 3,294.41 Lakhs) meant for Property Development has been transferred to Inventory as approvals necessary for development of land have been obtained. In terms of the Joint Development Agreement between the Parent Company and Hinduja Realty Venture Limited (HRVL), the Parent Company has granted development rights to develop the property. In consideration HRVL, at its own cost and expenses develop the said property. Further the built up area, amenities and facilities so constructed shall be shared by Parent Company and HRVL in the ratio of 30:70 respectively according to the other terms and conditions mentioned in the agreement. The Parent Company has created equitable mortgage by way of deposit of title deeds in respect of the aforesaid Land towards loan of ₹ 85,000 Lakhs availed by Co-Developer HRVL from various lenders.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

30. Contingent Liabilities and Commitments:

₹ Lakhs

	As at 31 st March 2014	As at 31 st March 2013
Contingent Liabilities:		
A. Claims against the Company not acknowledged as debts		
(a) Income Tax Demands	1454.47	2121.36
(b) Wealth Tax Demands	-	197.93
(c) Sales Tax Demands	2111.49	2178.18
(d) Excise Demands	872.04	874.72
(e) Service Tax Demands	4.49	4.49
(f) Entry Tax Demands	44.56	33.22
(g) Additional Demands towards Cost of Land	3.81	3.81
(h) Claims of Workmen / Ex- employees	145.75	96.41
(i) Other Matters (Refer Note below)	24.74	68.46
B Commitments:		
Estimated amount of contracts remaining to be executed on capital account [Net of advances of ₹ 157.66 Lakhs (As at 31 st March 2013 - ₹ 7.05 Lakhs)]	1498.18	4139.83

Note:

The Competition Commission of India has passed an order in a case filed by a customer imposing a penalty of ₹ 2,894.76 lakhs. Against the said order, the Parent Company filed an appeal in Competition Appellate Tribunal (COMPAT). The appeal was disposed off by reducing the penalty amount to ₹.289 Lakhs. The Parent Company has filed an appeal in the Supreme Court and appeal has been admitted. Interim stay for deposit of penalty amount has been granted until next hearing. The amount of ₹ 150.09 Lakhs deposited with Competition Commission of India in the previous year has been refunded during the year.

31. Fixed Assets:

A. Buildings include:

- (i) ₹ 7.09 Lakhs, which represents the cost of ownership of the flats ₹ 7.08 Lakhs and ₹ 0.01 Lakhs being the value of share money in Sett Minar Co-operative Housing Society Limited.
- (ii) ₹ 4.70 Lakhs, which represents the cost of ownership five flats ₹ 4.43 Lakhs and ₹ 0.27 Lakhs being the value of 270 ordinary shares of ₹ 100 each, fully paid-up in Shree Nirmal Commercial Limited.

B. Land includes land acquired by Gulf Oil Lubricants India Limited (Formerly Hinduja Infrastructure Limited) for ₹ 3,881.75 Lakhs and the same is not registered in the name of the said Company as at 31st March 2014.

32. Orissa Sales Tax

The Honorable Supreme Court vide its order dated 16th November 2007 held that the stock transfers constituted inter-state sale in respect of assessment years 1976-77 to 1983-84, 1989-90 & 1990-91 and also directed the authorities to examine the factual aspects and assess tax on the supplies made by the Parent Company to the subsidiaries of Coal India Limited (CIL) as inter-state sale.

The Parent Company has filed writ petitions in the Honorable High Court of Orissa in August 2009 impleading other State Governments, CIL and its subsidiary Companies seeking directions for issues of Form 'C' and pass over of local sales tax to the State of Orissa. The Honorable High Court has held it and permitted the Company to approach appropriate forum to take up the matter.

The Parent Company has been legally advised that as per the settled cases, the Company is entitled for concessional sales tax rates as per Central Sales Tax and interest should be charged from re-computation order. However, necessary provision has been made and is included in Provision – Indirect Taxes under Note 7.

33. Miscellaneous

- (i) Loans and Advances of IDL Buildware Limited, one of the subsidiaries, include ₹ 1.62 Lakhs (31st March 2013 - ₹ 4.88 Lakhs) and Trade Receivables of ₹ 5.61 Lakhs (31st March 2013 - ₹ 6.16 Lakhs) due from certain parties, which are outstanding from earlier years. The aforesaid Company is hopeful of recovering the dues in full and no provision has been considered necessary for this amount.
- (ii) Gulf Carrosserie India Limited one of the subsidiaries had entered into collaboration agreement with SIPAL, Arexons Spa, Italy, in terms of which it was agreed by the said collaborator to subscribe to 20% of the Capital of the Company for which a sum of ₹10.00 Lakhs (31st March 2013 - ₹ 10.00 Lakhs) had been received as share application money pending the final approval of the Reserve Bank of India. As the final approval of the Reserve Bank of India has not been forthcoming, the Company has decided to repay/ remit the said amount with required approvals and till that time to consider the said share application money as current liability.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (iii) The financial statements of IDL Buildware Limited, one of the subsidiaries, have been prepared on a going concern basis notwithstanding substantial erosion in the net worth of the Company.
- (iv) The Board of Directors of the Gulf Carrosserie India Limited at their meeting held on 24th March 2003 had in principle declared to look into various options and procedures for winding up of the company. Accordingly, the accounts are drawn up on the basis that the going concern assumption is not applicable.

34. Discontinuing Operations

- (a) The Board of Directors of the Company in its meeting held on 7th August 2013 have approved Scheme of Arrangement (“the Scheme”) for demerger of its ‘Lubricants Undertaking’ and transfer to Gulf Oil Lubricants India Limited (formerly Hinduja Infrastructure Limited), a wholly owned subsidiary, effective from 1st April 2014, subject to necessary regulatory and statutory approvals. The said Scheme has been approved by the Honorable High Court of Andhra Pradesh vide Order dated 16th April 2014.

In accordance with the Scheme, one equity share of ₹ 2 face value in Gulf Oil Lubricants India Limited (GOLIL) will be allotted to shareholders of the Company, for every 2 equity shares of ₹ 2 each of fully paid-up in the Company. In terms of the Scheme, the issued, subscribed and paid-up equity share capital of the Company shall be reduced by reducing the face value of the equity shares from one equity share of ₹ 2 each fully paid-up to one equity share of ₹ 1 each fully paid-up. As a result, the issued, subscribed and paid-up share capital of the Company shall stand reduced by an amount of ₹ 9,91,44,980 to ₹ 9,91,44,980 comprising 9,91,44,980 equity shares of ₹ 1 each. Simultaneously, 2 equity shares each of Re. 1 shall be consolidated into one fully paid-up equity share of ₹ 2 each.

- (b) The Company has sold its stake in the three foreign subsidiaries i.e., Gulf Oil Bangladesh Limited, PT Gulf Oil Lubricants and Gulf Oil (Yantai) Co. Limited. Accordingly, the profit on sale of the investments amounting to ₹ 2,096.01 Lakhs has been included under “Exceptional items” (Note 26). The above subsidiaries were in business of manufacturing and trading in Lubricants.
- (c) The operations of the Lubricants Undertaking and the Subsidiaries mentioned in (b) above have been considered as “Discontinuing Operations” and the disclosure as required under AS 24 – Discontinuing Operations is given under:

₹ Lakhs

	2013-14			2012-13		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Revenue						
Revenue from Operations	34445.09	113087.53	147532.62	32941.13	109715.09	142656.22
Less: Excise Duty	(3675.97)	(13802.55)	(17478.52)	(3160.00)	(13016.91)	(16176.91)
Revenue from Operations (Net)	30769.12	99284.98	130054.10	29781.13	96698.18	126479.31
Other Income	9038.62	2012.30	11050.92	3950.34	2048.40	5998.74
Total Revenue	39807.74	101297.28	141105.02	33731.47	98746.58	132478.05
Expenditure						
Cost of Materials Consumed	17328.20	50468.43	67796.63	14366.35	50568.54	64934.89
Purchase of Stock-in-Trade	110.24	7256.97	7367.21	354.67	8513.75	8868.42
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(257.66)	(1818.27)	(2075.93)	349.45	(1671.41)	(1321.96)
Employee Benefits Expense	4797.13	4170.24	8967.37	5814.43	3816.02	9630.45
Depreciation and Amortization Expense	1416.17	402.08	1818.25	1430.86	402.74	1833.60
Other Expenses	9077.15	27732.85	36810.00	10797.70	25105.48	35903.15
Total Expenses	32471.23	88212.30	120683.53	33113.46	86735.09	119848.55
Profit from Operations before Finance Costs and Exceptional Items	7336.51	13084.98	20421.49	618.01	12011.49	12629.50
Finance Costs	7857.66	2193.92	10051.58	4234.31	2032.51	6266.82
Profit from Ordinary Activities before Exceptional Items	(521.15)	10891.06	10369.91	(3616.30)	9978.98	6362.68
Exceptional Item	1086.29	-	1086.29	(430.88)	-	(430.88)
Profit from Ordinary Activities before Tax	(1607.44)	10891.06	9283.62	(3185.42)	9978.98	6793.56
Tax Expense	(1383.45)	3642.12	2258.67	(1622.61)	3662.45	2039.84
Net Profit for the Year	(223.99)	7248.94	7024.95	(1562.81)	6316.53	4753.72
Share of Minority interest	-	(252.63)	(252.63)	-	266.71	266.71
Profit after Minority interest	(223.99)	6996.31	6772.32	(1562.81)	6583.24	5020.43

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

Assets and Liabilities of Discontinuing Operations:

	As at 31st March 2014	As at 31st March 2013
Carrying Amount of Assets	45243.98	51072.99
Carrying Amount of Liabilities	28594.53	28796.18
Net Cash Flows attributable to Discontinuing Operations:		
	2013-14	2012-13
Cash from Operating Activities	13292.43	8024.82
Cash from Investing Activities	(13832.27)	(14661.64)
Cash from Financial Activities	(7568.05)	2634.91

35. Employee Benefits

(a) Disclosure in respect of Gratuity as required under Accounting Standard 15 – Employee Benefits:

	31st March 2014	31st March 2013
Components of Employer's Expense		
Current Service Cost	129.49	136.06
Interest Cost	129.37	119.31
Expected Return on Plan Assets	(49.75)	(37.14)
Actuarial Loss recognized in the year	(37.24)	112.97
Total Expense recognized in the Statement of Profit and Loss	171.87	331.20
Actual Contribution and Benefit Payments for the year		
Actual Benefit Payments	(369.63)	(409.17)
Actual Contributions	428.72	189.03
Net Asset / (Liability) recognized in the Balance Sheet		
Projected Benefit Obligation at the end of the year	1512.68	1,666.60
Fair value on Plan Assets at the end of the year	(761.52)	(482.25)
Liability recognized in the Balance Sheet	751.16	1,184.35
Change in Defined Benefit Obligation (DBO) during the year		
Present Value of DBO at the beginning of the year	1666.60	1696.00
Current Service Cost	129.49	136.06
Interest Cost	129.37	119.30
Actuarial Loss	(43.16)	124.41
Benefits Paid	(369.63)	(409.17)
Present Value of DBO at the end of the year	1512.67	1,666.60
Change in the Fair Value of Plan Assets during the year		
Plan assets at the beginning of the year	482.27	446.05
Expected Return on Plan Assets	49.75	37.14
Actual Contributions	428.72	189.03
Benefits Paid	(193.30)	(201.40)
Actuarial (Loss) / Gain on Plan Assets	(5.92)	11.45
Plan Assets at the end of the period	761.52	482.27
Assumptions		
Discount Rate (%)	8.88%	8%
Long-term Rate of Compensation Increase (%)	4%	4%
Mortality Table	L.I.C 2006-08 Ultimate	L.I.C 1994-96 Ultimate
Attrition Rate	3%	3%
Major categories of Plan Assets as a % of Total Plan - Funded with LIC	100%	100%



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (b) The details of Experience Adjustments arising on accounts of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are as under:

₹ Lakhs

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of Defined Benefit Obligation	1512.68	1666.60	1696.01	1699.98	1594.57
Fair Value of Plan Assets	(761.51)	(482.25)	(446.05)	(425.51)	(194.47)
Funded Status (Surplus / Deficit)	751.16	1184.35	1249.96	1274.47	1400.10
Experience (Loss) / Gain adjustment on Plan Liabilities	(43.16)	124.41	7.31	(44.94)	252.82
Experience (Loss) / Gain adjustment on Plan Assets	(5.92)	11.45	1.17	14.31	(15.71)

36. Details of contract revenue and costs:

Particulars	Year ended 31 st March 2014	Year ended 31 st March 2013
Contract revenue recognized as revenue during the year	-	19.56
Aggregate amount of contract costs incurred in respect of contracts net of recognized profits (less recognized losses) upto 31 st March 2014	-	2397.69
Advance payments received (net of recoveries from progressive bills)	-	-
Retention amount as at 31 st March 2014	-	259.29
Gross amount due from customers	59.45	103.62

37. Earnings per Share:

Loss / Profit after Tax (₹ Lakhs)		
- Continuing Operations	(223.99)	(1562.81)
- Total Operations	6772.32	5020.43
Weighted average number of Equity Shares outstanding during the year	99144980	99144980
Weighted Average number of Equity Shares in computing diluted earnings per share	99144980	99144980
Face value of each Equity Share (₹)	2.00	2.00
Earnings per Share – Basic and Diluted (₹)		
- Continuing Operations	(0.23)	(1.58)
- Total Operations	6.83	5.06

38. Related Party Disclosures:

- (i) Information relating to Related Party Transactions as per "Accounting Standard 18" notified by the Companies (Accounting Standards) Rules, 2006.

Name of the Related Party	Relationship
Gulf Oil International (Mauritius) Inc. Company	Entity holding more than 20% of the shareholding in the
S. Pramanik, Managing Director	Key Management Personnel

- (ii) Details of transactions between the Company and Related Parties and the status of outstanding balances at the year-end:

	Entity holding more than 20% of the shareholding in the Company		Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13
Transactions during the Year:				
Royalty	1281.27	1134.87	-	-
Dividend	1089.80	1089.79	0.12	0.10
Directors' Remuneration	-	-	107.95	95.33
Outstanding Balances:				
Trade Payables	1281.27	1021.38	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

39. Leases

(i) Operating Lease: Where the Parent Company is a Lessee:

- (a) The Parent Company's significant leasing arrangements are in respect of operating leases for premises (residences, office, storage godowns for finished goods etc.). The leasing arrangements, which are not non-cancellable range generally between 11 months to 5 years and are usually renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as Rent in the Consolidated Statement of Profit and Loss.
- (b) The Parent Company has taken certain Vehicles under non-cancellable leases. The future minimum lease payments in respect of these as at 31st March 2014 are as follows:

₹ Lakhs

Particulars	As at 31 st March 2014			As at 31 st March 2013		
	Total	Payments not later than one year	Payments Later than one year but not Later than five years	Total	Payments not later than one year	Payments Later than one year but not Later than five years
Total of future minimum payments at the balance sheet date Vehicles	1.00	1.00	-	2.98	1.98	1.00

(ii) Where the Parent Company is Lessor:

Details in respect of assets given on operating lease:

	Gross Block as at		Accumulated Depreciation as at		Depreciation for the year	
	2014	2013	2014	2013	2014	2013
Building	71.09	71.09	12.26	10.98	1.28	1.28
Plant & Machinery	80.32	80.32	69.74	65.92	3.82	3.82

The assets given on lease are not non-cancellable and range generally between 11 months to 5 years and are usually renewable by mutual consent, on agreeable terms. The aggregate lease rentals are recognized as income from property in the Consolidated Statement of Profit and Loss. Initial direct costs are recognized as an expense in the year in which these are incurred.

(iii) Hire Purchase:

- (a) The Parent Company has taken plant and machinery, motor vehicles under purchase arrangements for which the ownership will be transferred to the Company at the end of the hire purchase term.
- (b) Reconciliation between the total of minimum hire purchase payments at the balance sheet date and the present value:

	As at 31 st March 2014			As at 31 st March 2013		
	Total	Payments not later than one year	Payments Later than one year but not Later than five years	Total	Payments not later than one year	Payments Later than one year but not Later than five years
Total of future minimum payments at the balance sheet date Vehicles	4.78	4.78	-	459.29	298.00	161.29
Less: Future Finance Charges	0.22	0.22	-	42.74	36.15	6.60
Present value of minimum hire purchase payments at the balance sheet date	4.56	4.56	-	416.55	261.85	154.69



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

40. Segment information for the year ended 31st March 2014

(i) Primary Business Segments

₹ Lakhs

	Explosives		Mining & Infrastructure Contracts		Property Development (Refer Note below)		Lubricating Oils		Others		Unallocated		Eliminations		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue																
External	30486.17	27106.75	491.80	2794.63	-	-	98960.87	96587.39	29.63	-	11136.55	5989.28	-	-	141105.02	132478.05
Inter-segment	-	-	-	-	-	-	380.76	250.78	-	-	-	-	(380.76)	(250.78)	-	-
Total Revenue	30486.17	27106.75	491.80	2794.63	-	-	99341.63	96838.17	29.63	-	11136.55	5989.28	(380.76)	(250.78)	141105.02	132478.05
Result																
Segment result	2058.48	943.12	(5184.96)	(3251.23)	-	-	11193.50	10185.84	(32.49)	775.47	-	-	-	-	8034.53	8653.20
Unallocated Corporate Income net of unallocated Expenses															2893.99	(900.65)
Interest Expense															(10051.58)	(6266.82)
Interest Income															9450.26	4874.13
Dividend Income															42.71	2.82
Profit before Taxation & Exceptional Items															10369.91	6362.68
Exceptional Items															1086.29	(430.88)
Net Profit															9283.62	6793.56
Other Information																
Segment Assets	18026.75	16398.80	442.58	5726.00	97617.30	97617.30	41857.58	51072.99	10491.84	7026.21	121309.43	170612.11	-	-	289745.49	348453.41
Segment Liabilities	9858.41	10055.24	983.43	1983.64	-	-	25212.35	28796.18	3659.44	264.78	137335.84	195926.18	-	-	177049.47	237026.02
Capital Expenditure	580.17	579.66	0.42	-	-	-	2746.20	640.79	3381.75	-	15.93	29.27	-	-	6724.47	1249.72
Depreciation and Amortization	346.76	329.83	1019.82	1046.37	-	-	402.09	402.75	11.85	13.79	37.72	40.86	-	-	1818.25	1833.60

Note: Includes ₹. 92,697.34 lakhs (31st March 2013 – ₹ 92,697.34 lakhs) arising on revaluation of fixed assets (Refer Note 29)

(ii) Information about Secondary Business Segments

₹ Lakhs

	India		Outside India		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue by Geographical Market	116821.45	112282.37	24283.56	20195.68	141105.02	132478.05
Inter Segment	-	-	-	-	-	-
Total	116821.45	112282.37	24283.56	20195.68	141105.02	132478.05
Carrying Amount of Segment Assets	165458.92	163330.29	124286.57	185123.11	289745.49	348453.40
Additions to Fixed Assets	6724.47	1158.24	-	91.51	6724.47	1249.75

(iii) Notes:

(a) Business Segment

The Group has considered business segment as the primary segment for disclosure.

Segments have identified and reported taking into account the Organization structure, the nature of products and services, the deferring risks and returns of the segments.

The business segments of the Group are (i) Explosives, (ii) Consult dealing in Mining & Infrastructure Contracts, (iii) Property Development (iv) Lubricating Oils and (v) Others.

(b) Geographical Segment

The Geographical segments considered for disclosure are as follows:

- Revenue within India includes sales to customers located within India and earnings in India
- Revenue outside India includes sales to customers located outside India and earnings outside India.

41. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification disclosure.

For and on behalf of Board of Directors

Manish K. Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S. G. Hinduja
Chairman

Place : Mumbai
Date : May 8, 2014

A. Satyanarayana
Company Secretary

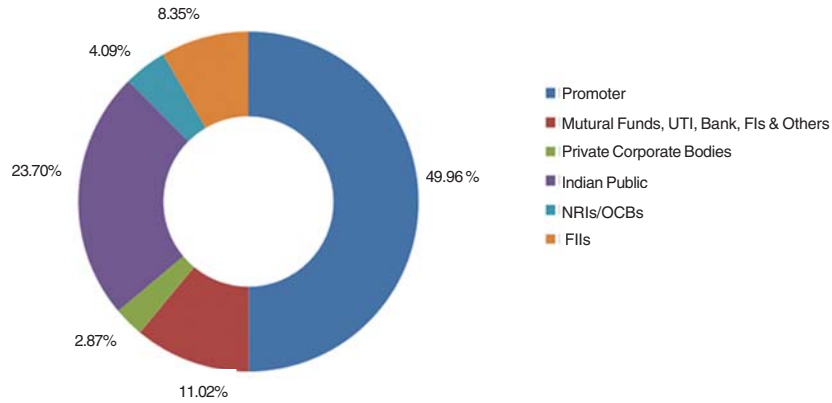


In India

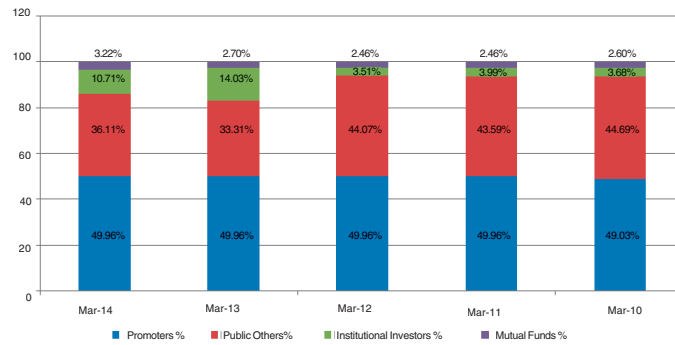


Notes:
 1. Not to Scale
 2. Boundary representation is not necessarily authoritative
 3. Excludes Andaman & Nicobar Islands and Lakshdweep Islands

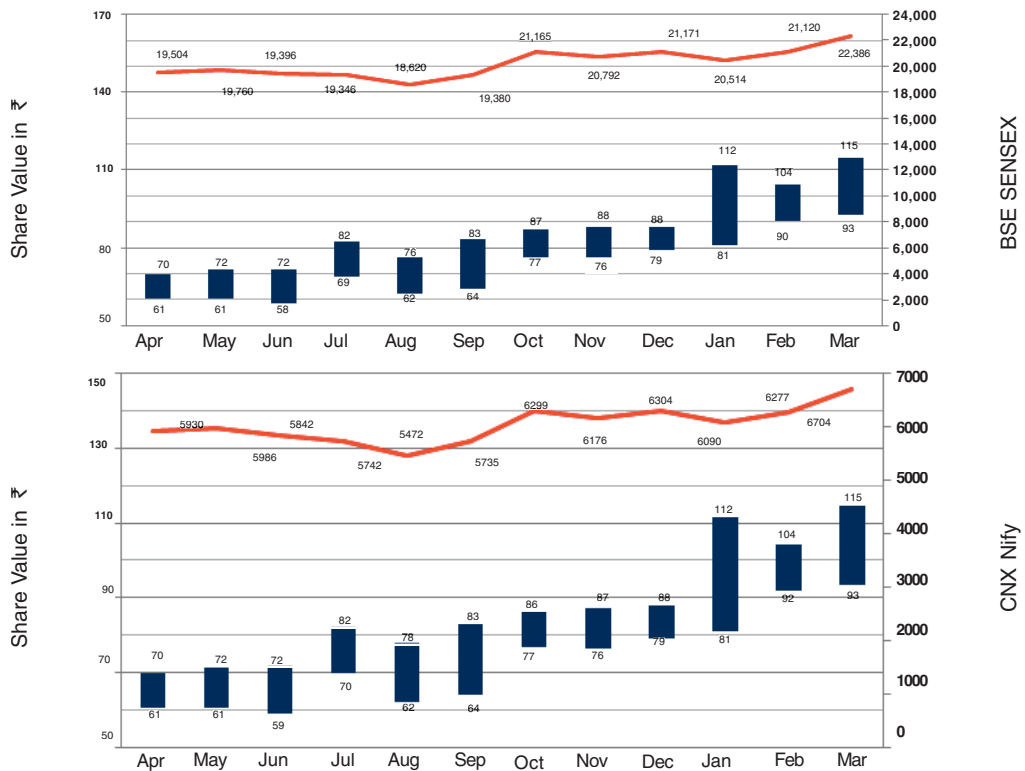
Shareholding Pattern - Current Year



Shareholding Pattern - Last 5 years



Share Price Movement





Gulf Oil Corporation Limited

Regd. Office : Kukatpally, Sanathnagar (IE), PO, Hyderabad - 500 018.
CIN : L24292AP1961PLC000876

Please fill attendance slip and hand it over at the entrance of the Meeting Hall
Joint shareholders may obtain additional slip at the venue of the meeting.

ATTENDANCE SLIP

DP ID*	
--------	--

Folio No.	
-----------	--

Client ID*	
------------	--

No. of Shares	
---------------	--

I hereby record my presence at the 53rd Annual General Meeting of the Company held on Thursday, the 25th day of September, 2014 at 2.30 P.M. at Kohinoor, Hotel Taj Deccan, Banjara Hills, Hyderabad - 500 034.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy



Gulf Oil Corporation Limited

Regd. Office : Kukatpally, Sanathnagar (IE), PO, Hyderabad - 500 018.
CIN : L24292AP1961PLC000876

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the
Companies (Management and Administration) Rules, 2014

Name of the Member (s): Registered address :		E-mail Id :	
		Folio No. / DP ID* :	
		Client ID* :	

I/we, being the member(s) of _____ shares of Gulf Oil Corporation Limited, hereby appoint :

- 1) _____ of _____ having e-mail id _____ Signature _____ or failing him
- 2) _____ of _____ having e-mail id _____ Signature _____ or failing him
- 3) _____ of _____ having e-mail id _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Thursday, 25th day of September, 2014 at Kohinoor, Hotel Taj Deccan, Banjara Hills, Hyderabad - 500 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	For	Against
Ordinary Business			
1	Adoption of Audited Statement of Profit & Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended 31 st March 2014		
2	Appointment of a Director in place of Mr.Ramkrishan P Hinduja, who retires by rotation and is eligible for re-appointment.		
3	Appointment of Auditors		
Special Business			
4	Further Issue of share capital		
5	Appointment of Ms.Kanchan Chitale as an Independent Director		
6	Appointment of Mr.K.N.Venkatasubramanian as an independent Director		
7	Appointment of Mr.M.S.Ramachandran as an Independent Director		

* Applicable for investors holding shares in electronic form

(Contd. on page 112)



(Contd. from page 111)

S.No.	Resolutions	For	Against
8	Appointment of Mr.Ashok Kini as an Independent Director		
9	Appointment of Mr.Prakash Shah as an Independent Director		
10	Re-appointment of Mr.Subhas Pramanik as Managing Director		
11	Authorisation for payment of commission to non-executive directors		
12	Increase of Borrowing Limit		
13	Creation of mortgages, charges, etc. on the properties of the Company		
14	Charges for providing copies of documents		
15	Approval of Related Party Transactions		
16	Mr.Sanjay G. Hinduja, retiring director by rotation and not offering for reappointment.		

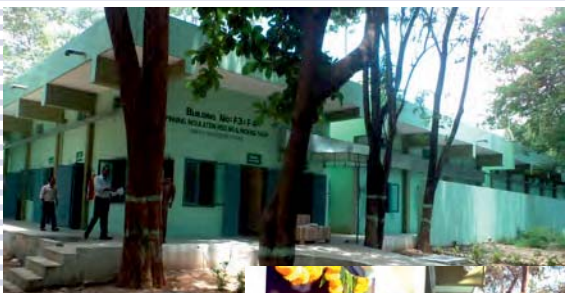
Signed thisthe day of2014

Signature of shareholder / Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

EVENTS OF THE YEAR



Environment initiatives - Go Green 30 KLD Sewage treatment and PulseJet bag Filters installed for Boiler at Hyderabad



New DF plant at Hyderabad factory inaugurated by Deputy Chief Controller of Explosives, Hyderabad



Medical camp organised at Hyderabad factory



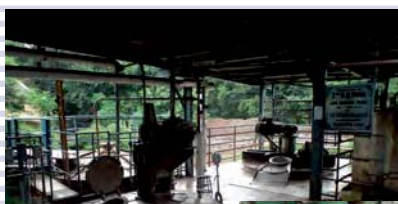
Safety Day celebrations at Hyderabad factory



Property Development. "Ecopolis" at Yelahanka, Bangalore. Ist Building in the SEZ for IT / ITES



Wholly Owned Subsidiary - IDL Explosives Limited



Cartridge Emulsion Plants at Rourkela



Refurbished Bulk Explosives Plant at Ramagundam



Gulf Oil Corporation Limited

Registered & Corporate Office
Kukatpally, Post Bag No. 1
Sanathnagar (IE) P.O.
Hyderabad 500018

www.gulfoilcorp.com

Manufacturing Facilities

Silvassa
Hyderabad | Rourkela | Singrauli | Korba
Rajrappa | Ramagundam | Dhanbad | Udaipur

Regional Offices

Ahmedabad | Asansol | Bangalore | Bilaspur
Chandigarh | Delhi | Dhanbad | Guwahati | Hyderabad
Kolkata | Mumbai | Nagpur | Ranchi | Udaipur



Gulf Oil Corporation Limited

Corporate Office

Kukatpally, Post Bag No. 1, Sanathnagar (IE) P O
Hyderabad 500018 Andhra Pradesh, India.

T : +91 (40) 23810671-9
F : +91 (40) 23813860, 23700747
E : info@gulfoilcorp.com
W : http://www.gulfoilcorp.com

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1. Name of the Company : Gulf Oil Corporation Limited
2. Annual financial statements for the year Ended : 31st March, 2014
3. Type of Audit observation : Un-qualified
4. Frequency of observation : Not applicable
5. To be signed by –

Mr.Subhas Pramanik
Managing Director

x

Mr.Manish K Gangwal
Chief Financial Officer

For Deloitte Haskins & Sells

Authorized Signatory

Auditor of the Company

Ms.Kanchan Chitale
Audit Committee Chairperson