



## Gulf Oil Lubricants India Limited

September 21, 2016

**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai- 400001

Tele.: 91-22-22721233/4, 91-22-66545695

Fax : 91-22-22721919

Email: corp.relations@bseindia.com

**Scrip Code:538567**

**Scrip ID: GULFOILLUB**

Dear Sir

**Sub.: Annual Report for FY 2015-16**

**Ref.: - Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

In compliance with Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for financial year 2015-16.

Request you to kindly take the same on record and acknowledge.

Thanking you

Yours faithfully

**For Gulf Oil Lubricants India Limited**

  
Vinayak Joshi  
Company Secretary &  
Compliance Officer

Encl.: as above



**Gulf Oil Lubricants India Limited  
Registered & Corporate Office:**

IN Center, 49/50,

12th Road, M.I.D.C.,

Andheri (E)

Mumbai - 400 093, India

CIN: L23203MH2008PLC267060

Tel: +91 22 6648 7777

Fax: +91 22 2824 8232

Email: info@gulfoil.co.in

[www.gulfoil.in](http://www.gulfoil.in)



HINDUJA GROUP



# SHIFTING INTO HIGH GEAR

GULF OIL SETS THE PACE  
FOR TOMORROW

GULF OIL LUBRICANTS INDIA LIMITED  
ANNUAL REPORT 2015-16

Quality Endurance Passion



HINDUJA GROUP



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## SAFE HARBOUR STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions.

This report and any other statement - written and oral - that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar substance in connection with any discussion of future performance. We cannot, of course, guarantee that

these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. Achievement of results is subject to risks, uncertainties, and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## BOARD OF DIRECTORS (As on August 3, 2016)



**SANJAY G. HINDUJA**  
Chairman



**M. S. RAMACHANDRAN**  
Independent Director



**KANCHAN CHITALE**  
Independent Director



**SHOM A. HINDUJA**  
Non-Executive Director



**ASHOK KINI**  
Independent Director



**RAVI CHAWLA**  
Managing Director

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

**KANCHAN CHITALE**  
Chairperson

**SANJAY G. HINDUJA**  
Member

**ASHOK KINI**  
Member

### NOMINATION AND REMUNERATION COMMITTEE

**ASHOK KINI**  
Chairman

**SANJAY G. HINDUJA**  
Member

**M. S. RAMACHANDRAN**  
Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

**M. S. RAMACHANDRAN**  
Chairman

**SANJAY G. HINDUJA**  
Member

**RAVI CHAWLA**  
Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**KANCHAN CHITALE**  
Chairperson

**SANJAY G. HINDUJA**  
Member

**RAVI CHAWLA**  
Member

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## KEY MANAGERIAL PERSONNEL

**RAVI CHAWLA**  
Managing Director

**MANISH KUMAR GANGWAL**  
Chief Financial Officer

**VINAYAK JOSHI**  
Company Secretary

## SENIOR MANAGEMENT

**NAGENDRA PAI**  
Sr. VP - Sales & Marketing

**SOMESH SABHANI**  
Head - Industrial Sales

**DIPNARAYAN K. TIWARI**  
Sr. GM - Infrastructure, Mining & Fleet

**SUNIL S. JAMBAVDEKAR**  
VP - Supply Chain & New Projects

**NILESH GARG**  
Sr. GM - Channel Sales

**ANAND SATHAYE**  
Sr. GM - HR & Administration

**SATYABRATA DAS**  
VP - OEM Business Operations

**CHANDRABHAN**  
Chief Marketing Officer

### AUDITORS

M/s Price Waterhouse Chartered Accountants (Firm Reg. No. 301112E)

M/s Dhananjay V. Joshi & Associates Cost Accountants (Cost Auditors)

### BANKERS

State Bank of India  
Yes Bank  
ICICI Bank Limited  
IDBI Bank Limited

### REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited,  
Karvy Selenium Tower B,  
Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.  
Toll Free No: 1800-3454-001  
Email: einward.ris@karvy.com

### REGISTERED OFFICE & CORPORATE OFFICE

IN Centre, 49/50, 12th Road, MID C Andheri (East), Mumbai - 400093.  
Website: [www.gulfollindia.com](http://www.gulfollindia.com)  
CIN: L23203MH2008PLC267060





## CHAIRMAN'S MESSAGE



Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your company after what has been yet another successful year in 2015-16. As envisioned earlier, our decision to demerge the lubricants operation as a 'pure play' company has unlocked tremendous value for all stakeholders backed by solid, consistent achievements of your company's industry leading business results, year-after-year.

Last year, your company has been able to meet the twin challenges of a slowing global economy and a less than expected recovery in the Indian context. Fall in crude oil prices, rupee depreciation, second successive poor monsoon and stagnating growth in emerging markets, especially China, impacted the business environment. Slowing demand conditions in the Indian lubricants market and competition, both international and local, continued to be aggressive. Undaunted, your company remained focused on delivering profitable growth in the year 2015-16 and recorded one of the best years in terms of operational and financial performance.

Your company has shown a healthy growth across all parameters and maintained its position as one of the fastest growing lubricants major in the Indian context. At volumes above 75000 KL in 2015-16, the company is on course to move up to be amongst the top 3 private sector players in India. In FY 2015-16, the turnover for your company reached at an all-time high of ₹1167

Crores, representing an increase of ~ 5 percent over the previous year. The net turnover crossed the ₹1000 Crore mark and net profit after tax surpassed ₹100 Crores for the first time ever, representing a ~ 30 percent increase over the previous year. Strengthening its balance sheet and financial position, your company further enhanced its cash liquidity and became net debt free for the first time in 2015-16.

Your company increased the dividends to reward the shareholders and had disbursed an interim dividend of ₹3 per equity share (150% on Face value of ₹2 per equity share) in Feb 2016. FY 2015-16 concluded with the Board recommending a final dividend of ₹4 per equity share (200% on Face value of ₹2 per equity share) aggregating to ₹7 per equity share (350% on Face value of ₹2 per equity share), subject to your approval at the Annual General Meeting.

Our commitment to offer products with differentiated value propositions, OEM tie-ups and innovative brand building efforts continued to form the core of our strategy this year as well. Furthermore, to drive up our market shares & reach the targeted segments, significant time & resources were invested in training our channel (B2C) & B2B teams. An energising theme, 'UDAAN - Higher, Faster, Further' was rolled out during the year for the channel team. New online systems for tracking distribution data from the market successfully complimented the innovative distribution, rural and independent workshop expansion related programmes

## YOUR COMPANY HAS SHOWN A HEALTHY GROWTH ACROSS ALL PARAMETERS AND MAINTAINED ITS POSITION AS ONE OF THE FASTEST GROWING LUBRICANTS MAJOR IN THE INDIAN CONTEXT.

implemented during the year. This is well reflected in our volume-led growth across segments.

Our teams worked closely with our esteemed OEM's, Industrial, Infrastructure, Mining & Fleet customers, Indian & International Marine customers to grow with them and won many new accounts, even as competition struggled to maintain their base.

In March 2016, Gulf Oil International entered into path breaking global partnerships with the world renowned Manchester United Football Club and Milwaukee BMW Superbike Team for the World Superbike Championships, which are being leveraged by Gulf in India. Your company will continue its strategies to invest in both Global & Indian brand associations & OEM tie-ups to further enhance its technology progress, brand & customer connect.

Last year, I had shared our capacity expansion plans for our Silvassa plant, from 75000 KL to 90000 KL, which positions us to meet our immediate growth needs. I am happy to report that these planned Capex investments have been successfully completed and your company has set new production and dispatch records in 2015-16. As you may be aware, to meet our future growth ambitions we are building a greenfield plant near Chennai with a capacity of ~ 40000 - 50000 KL, the Bhoomi Pooja was done in May 2016. We have awarded contracts for Civil and PEB works and construction has begun in Q2 of FY 2016-17.

Your company's aspiration to create sustainable societal value, inspired by a commitment to build the local areas in which it is located, is manifested in its CSR initiatives. During the year, your company initiated projects and activities in the field of education, healthcare and road safety in and around its area of operations and also in the local areas at Silvassa, DNH.

Looking ahead we expect the global economy in 2016 to remain challenging. As I view the business environment, the climate of uncertainty on the back of Brexit and the uncertain global economic & political scenario may have spillover effects in major economies.

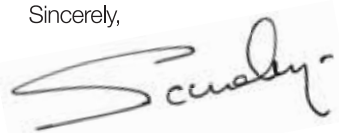
International Crude Oil prices are also far from seeing a stable, sustainable recovery, adding to more global economic woes originating from oil producing nations. However, the Indian economy continues to be an exception. With the Government of India ushering a series of reforms and spending on infrastructure projects, we are starting to see a pickup in the domestic market. An improvement in consumption of Lubricants on the back of a growing Automobile Industry, led by commercial and personal mobility vehicles, augurs well for your company. Most of the experts believe that India's growth story shall remain largely positive on the strength of its economy.

Going forward, I am confident that your company, with a strong business model in place along with the new initiatives being taken by the management, is ready to set the pace for tomorrow and SHIFT INTO HIGH GEAR to achieve the next levels of performance, brand equity and partnerships that will continue to enhance value creation for all stakeholders.

I would like to thank most sincerely all our shareholders for their continued confidence, trust and support. The achieved growth journey of your company would not be possible without this.

Our distribution partners, OEM and B2B customers, our suppliers and bankers make up the successful commercial operations of the company. The essence of the company is however, the management and the employees. I must single out each and every employee for the huge effort that they have put into the company to make this year an outstanding success. Thank you.

Sincerely,



Sanjay G Hinduja  
Chairman  
(DIN: 00291692)

**QUALITY.  
ENDURANCE.  
PASSION.**



## QUALITY

The Gulf brand carries with it a strong legacy of excellent customer service, reliability and technologically innovative products. Central to this, Gulf has always had a commitment to ensuring that the quality of products and services remains high. There are strict quality control and management processes put in place to ensure products that display the Gulf mark are consistently of the highest quality. However, quality is not only reflected in Gulf's products, it is also demonstrated in the high standard of service and care that is offered to its customers.

## ENDURANCE

Endurance and the Gulf brand go hand in hand, more than any other brand in the industry. Gulf is proud to be one of the original "seven sister" oil brands and its visual identity (logo), is so strong that it has remained the same over the past 50 years. This enduring value also transmits to its products and services, which are designed to perform consistently for longer than the competition. Gulf feels that customers should not

have to worry about the quality or durability of lubricants that they use in their vehicles, this should be guaranteed through association with the brand.

## PASSION

Passion is at the heart of the Gulf brand and makes it what it is today. It is a quality that is conveyed by its employees, distributors and customers alike. It is the differentiating factor for the brand and symbolises the energy and vitality that the brand exudes. Gulf people are passionate; they are dedicated and driven with a determination to do what it takes to get the result. This winning mentality mixed with flexibility and a genuine commitment to go the extra mile, is what sets the brand, its people and its products apart.





Gulf launched its range of Synthetic engine oil products for new generation cars. The launch was attended by Gulf's brand ambassador, M. S. Dhoni, in Delhi.

## AN ACTION PACKED CALENDAR

### Brand Activations



Launch of retail branding initiative for Gulf Ultrasynt X with engine DETOXIFIERS for an ULTRASMOOTH driving experience.



Gulf PowerTrac a synthetic engine oil engineered specially for bikes with higher engine capacity. The product was launched by a true power performer and captain of the Indian cricket team, M. S. Dhoni in Lucknow and Hyderabad.

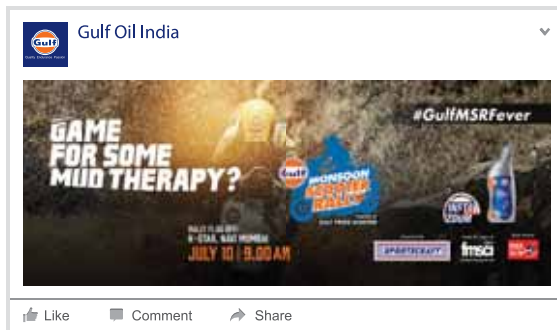




To create excitement in the trade and among consumers Gulf ran a promotion around the Rising Pune Super Giants association across key markets in India.



A communication initiative for our OEM co-branded products.



During the year Gulf effectively used digital as a medium to reach the right audience for various campaigns involving Rising Pune Super Giants, Manchester United and Gulf Monsoon Scooter Rally. It was also used as a medium to engage with consumers for product specific promotions. With these activities Gulf has managed to add a sizable number of followers to its social media pages. To know more, follow us on [www.facebook.com/gulfofindia](https://www.facebook.com/gulfofindia) [www.twitter.com/gulfofindia](https://www.twitter.com/gulfofindia).



Gulf participated in various leading industrial trade fairs during the year. Stall in the Industrial Maintenance Expo 2015 (Left) and EXCON 2015 to showcase your company's diversified portfolio for the construction industry (Right).

**AT GULF, A PASSION FOR EVERYTHING AUTOMOTIVE RUNS IN OUR BLOOD. THIS YEAR TOO WE HAD OUR HANDS FULL WITH A SERIES OF EXCITING EVENTS THAT CREATED A BUZZ IN THE MARKET.**



Powering the Motorsports passion: Gulf powers the maiden Volkswagen Vento Cup.





A promotional image for the Gulf Leader Talk program. On the left is N. Chandrababu Naidu, an elderly man with glasses, wearing a dark suit and a light-colored tie. On the right is a younger man with short brown hair, wearing a black polo shirt, standing with his arms crossed. The background is a vibrant blue with abstract, glowing circular patterns and a grid of light blue dots. In the center, the Gulf logo is visible above the text "Gulf Business Today". Below this, the words "LEADER TALK" are written in large, bold, orange 3D letters.



Gulf initiates a programme for select car garages to get associated with them with the common retail identity of Gulf Carstop.

**TOGETHER  
WE WIN**



Honoring the winners of the Indian Automotive Industry at the 2016 Zeegniton Auto Awards, sponsored by Gulf Oil. The awards culminated with a grand finale that took place alongside the 2016 Auto Expo in Greater Noida.

**TEAM GULF WAS AT THE FOREFRONT YET AGAIN, PLAYING AN IMPRESSIVE INNINGS AND WINNING ACCOLADES IN THE PROCESS.**



The Gulf Oil Leadership team receiving the Outstanding Business Performance Award from Mr. Frank Rutten (VP, Gulf Oil International) at the Gulf Oil International Global Conference held in China.





Partnering growth with channel partners: Gulf distributors, winners of the Switzerland incentive trip, being recognised for their achievements in FY 2015-16 at the Annual Sales Conference in Delhi.



Gulf Oil's global football partner, Manchester United on winning the FA Cup – regarded by most football fans as the world's most renowned domestic cup competition – for a record-equaling 12<sup>th</sup> time.



Gulf Oil Lubricants India Limited has been featured as one of India's Top 500 companies as per Dun & Bradstreet's 'India's Top 500 Companies 2016' publication.



Our Industrial Sales Head Mr. Somesh Sabhani (Right) honouring one of our top industrial distributors Mr. Koustabh Mohanty of Kinetic Commercial company during the distributor's meet.



Infrastructure Mining and Fleet team with leading industrial clients at a customer offsite in Singapore.



Officials from Gulf and key OEM customers – Ashok Leyland & Mahindra at 'Gulf Drive Day' in Yas Marina Circuit, Abu Dhabi.





## PARTNERSHIPS THAT TAKE US AHEAD



Gulf Oil signed on some of the biggest names in sport from football to motorsport. These new partnerships will help us further strengthen our brand position in India and other key markets worldwide.



In 2016, Gulf Racing team used Porsche 991 RSR to participate in the World Endurance Championship.



Gulf Oil's ground breaking partnership with Manchester United Football Club as the club's first global lubricant and fuel retail partner.



Gulf continues its association with multiple FIM European Drag Championship winner, Ian King.



The Gulf Oil International Group announced a new long-term technical partnership with the Milwaukee BMW WSBK Team.



Gulf Oil became one of the principal sponsors of Indian Premier League's latest debutante, Rising Pune Supergiants.







Mr. Amitabh Bachchan along with former Mumbai Police Commissioner Mr. Ahmad Javed handing over the Gulf-branded helmets to the Mumbai traffic police. This was part of a Ride for Safety campaign that was supported by Gulf Oil. Gulf also made an announcement for distribution of helmets for 2016.

## GIVING BACK TO SOCIETY



Gulf conducts an annual event 'Ride for Safety' to promote safety awareness amongst bikers.



Gulf Oil teamed up with Mukul Madhav Foundation (represented by the co-founders and trustees Shri Prakash Chhabria and Mrs. Ritu Chhabria) supporting underprivileged children at Bhatkya Vimukta Jati Shikshan Sanstha Ashram, Wagholi, Pune.



GULF'S ASPIRATION TO CREATE SUSTAINABLE SOCIETAL VALUE IS MANIFESTED IN ITS CSR INITIATIVES. DURING THE YEAR WE INITIATED PROJECTS AND ACTIVITIES IN THE FIELD OF EDUCATION, HEALTHCARE AND ROAD SAFETY.



Healthcare programme undertaken at tribal villages near Silvassa, DNH, through Mobile Medical Dispensary, wherein regular medical check-ups and free medicines were provided to villagers.





Gulf Oil created an opportunity for kids from Magic Bus an NGO in Kolkata, to learn finer skills of football from Manchester United ambassador Dwight Yorke.



Gulf Foster-A-Child Car Drive is a unique CSR initiative running for over 13 years. Every year, Gulf organises this event and offers special children from shelter homes an opportunity to participate in a fun car drive with some large hearted families from in and around Mumbai.





## SHIFTING INTO HIGH GEAR

On 4<sup>th</sup> May, 2016, a Bhoomi Pooja was performed at the site of our Greenfield Lubricant plant in Chennai. It was graced by the distinguished presence of Mr. Shom Hinduja and a large number of dignitaries from Ashok Leyland and Gulf's company personnel.

**GULF OIL HAS A STRONG BUSINESS MODEL IN PLACE, AND WITH A STRING OF NEW INITIATIVES, WE ARE READY TO SET THE PACE FOR TOMORROW AND SHIFT INTO HIGH GEAR TO ACHIEVE THE NEXT LEVELS OF PERFORMANCE, BRAND EQUITY AND PARTNERSHIPS.**



Proposed site layout rendering of Chennai Plant: Construction work is in progress and completion is expected by next financial year. (Site layout is for illustrative purpose only)





On successful completion of its augmentation drive at Silvassa Plant, the capacity has increased from 75000 KL to 90000 KL. This has resulted in setting records for highest production and dispatches taking place. Here you can see our Board of Directors having a look at the newly commissioned OCME automatic fast filling line.



Silvassa Plant Expansion: An Automated Storage and Retrieval System (ASRS) consisting of computer controlled systems for automatically placing and retrieving loads from defined storage locations was commissioned during the year.



Setting the tone for the new year at our National Sales Conference, Mr. Ravi Chawla, MD, Gulf Oil presented a scale down model of a Gulf liveried aeroplane to Mr. Nagendra Pai, Sr. VP, Sales and Marketing. The theme for the event was 'UDAAN' and the target set was to take Gulf Oil Higher, Faster & Further in all its endeavours.





Sales team at National Conference: UDAAN - Higher, Faster, Further.



Building Blocks for Success: Gulf employees participating in a team building activity held at the National Sales Conference in Delhi.

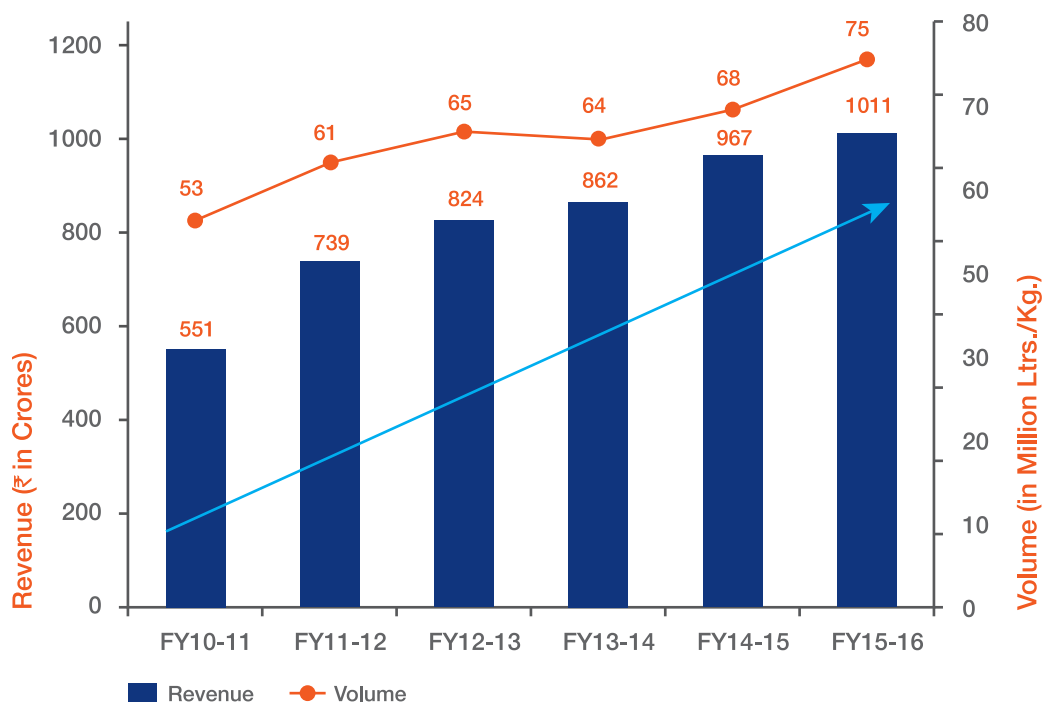




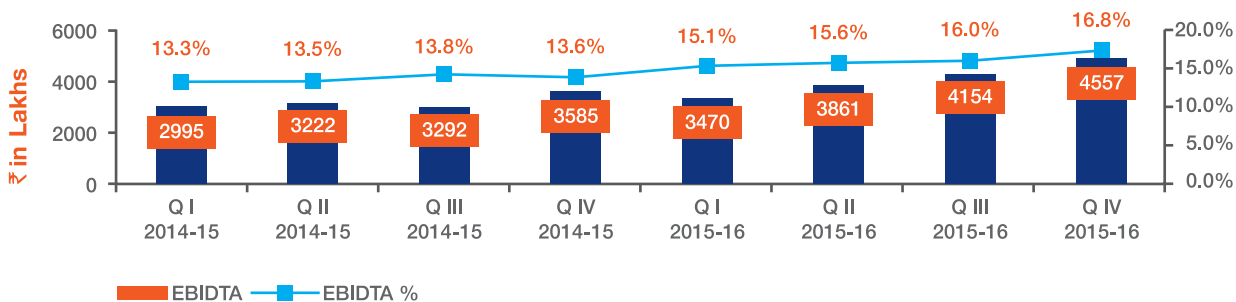
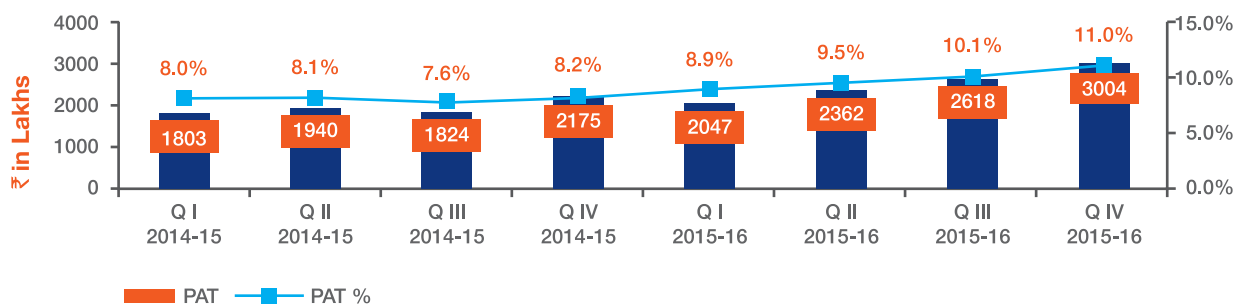
Gulf Oil developed an HR Management System for increased effectiveness of performance review and capability development.



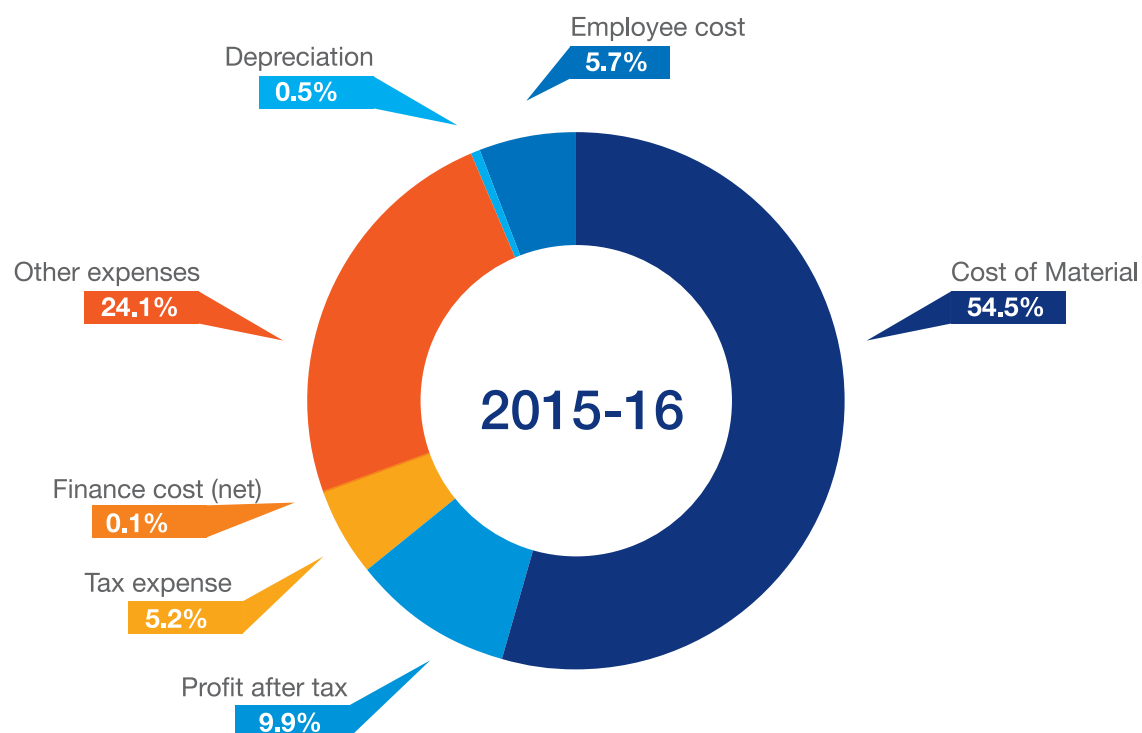
## REVENUE AND VOLUME GROWTH



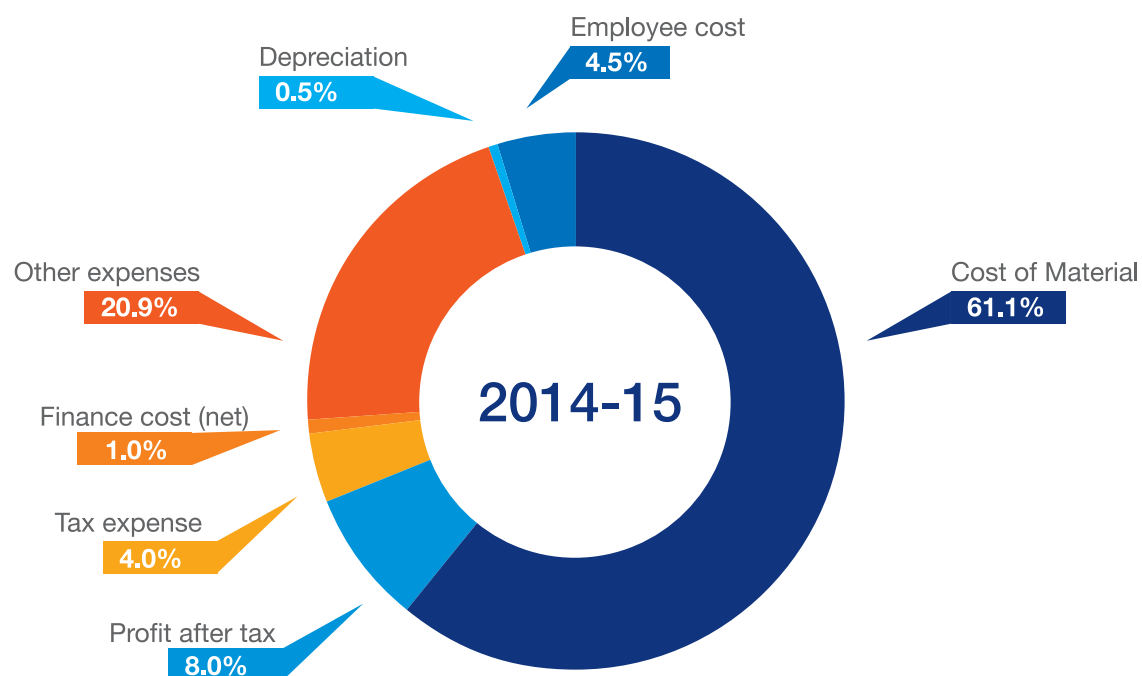
## KEY FINANCIALS - QUARTERLY TREND



## DISPOSAL OF REVENUE

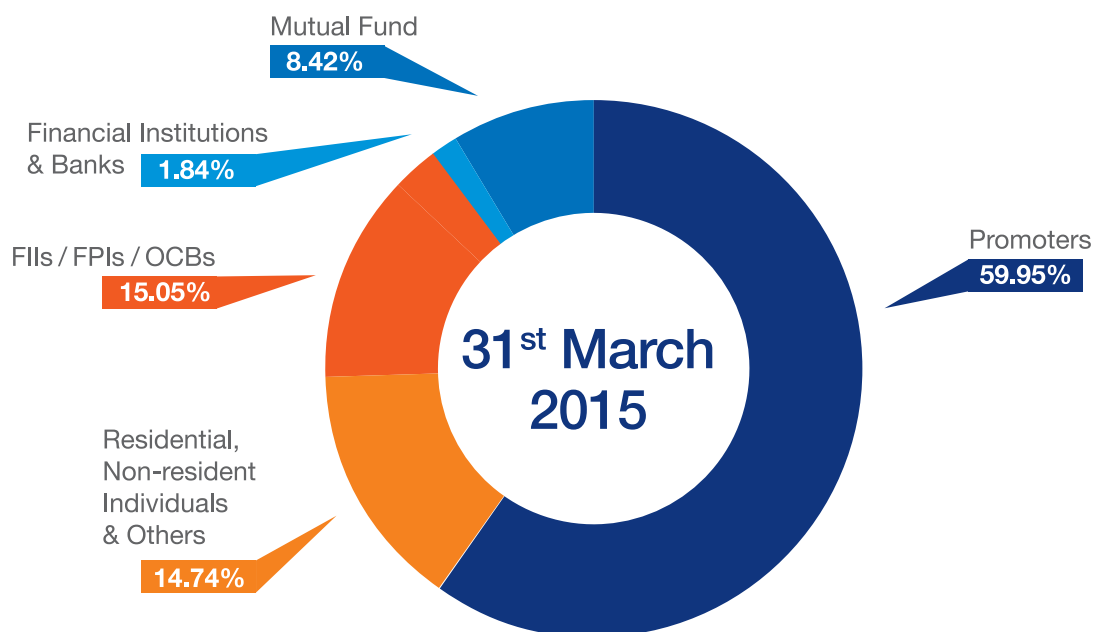
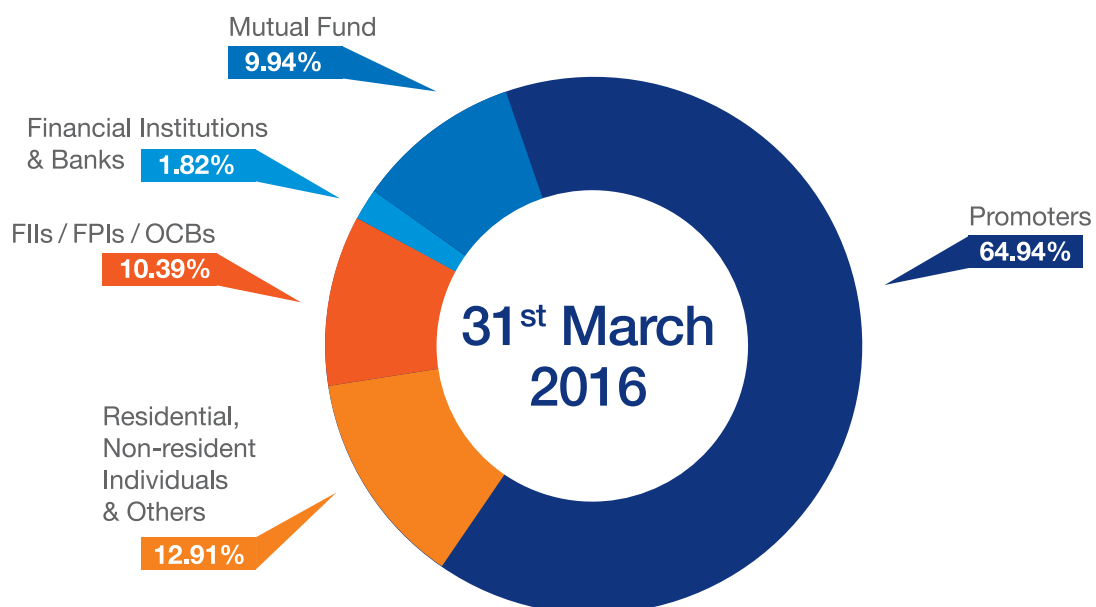


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## SHARE HOLDING PATTERN



## NOTICE OF EIGHTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 8th Annual General Meeting (AGM) of the members of Gulf Oil Lubricants India Limited (the Company) will be held on Tuesday, September 13, 2016 at 3.00 p.m. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai 400 018, to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt, the audited financial statements of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2016.
3. To appoint a Director in place of Mr. Sanjay G. Hinduja (DIN:00291692), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration, which shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 160, 152 and other applicable provisions of the Companies Act, 2013, the relevant rules made thereunder, (including any statutory amendment(s), modification(s), variation or re-enactment thereof, for the time being in force), Mr. Shom A. Hinduja (DIN:07128441), who was appointed as an Additional Director of the Company, with effect from August 3, 2016 and who holds office as such upto the date of this 8th Annual General Meeting of the Company and in respect of whom a Notice under Section 160 of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 has been received from a

Member signifying his intention to propose Mr. Shom A. Hinduja (DIN:07128441) as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, AND THAT Mr. Shom A. Hinduja (DIN:07128441) shall be liable to retire by rotation in terms of the relevant provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments, thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ended March 31, 2017, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Vinayak Joshi  
Company Secretary

Date: : August 3, 2016

Place: Mumbai

Registered Office:

IN Centre, 49/50, 12th Road

M.I.D.C., Andheri (East)

Mumbai 400 093, Maharashtra

CIN: L23203MH2008PLC267060

Email: secretarial@gulfoil.co.in

### NOTES:

1. The final Dividend of ₹ 4/- per equity share (200% of the face value of ₹ 2/-per equity share) has been recommended by the Board of Directors for the year ended March 31, 2016, subject to approval of shareholders. Final Dividend, if approved at this Annual General Meeting (AGM), shall be paid within 30 days from the date of AGM.





2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of not exceeding fifty members 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 total share capital of the Company carrying voting rights, may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.

3. Corporate members intending to send their authorized 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.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. 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.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday and Sunday, between 11.00 a.m. to 2.00 p.m. up to the date of the Meeting.
8. The Register of Members and share transfer books of the Company shall remain closed from Friday, September 2, 2016 to Tuesday, September 13, 2016 (Both days inclusive).
9. Final Dividend on Equity shares as recommended by the Board of Directors of the Company for the year ended March 31, 2016, if approved at the meeting, will be payable to those members who hold shares:
  - a. In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited as at the close of business hours on September 1, 2016.

- b. In physical mode, if their names appear in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company and its Registrar and Share Transfer Agent before close of business hours on September 1, 2016.
10. In support of the "Green Initiative" announced by the Government of India, an electronic copy of the Annual Report and this Notice, inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Company / Depository Participants unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of this Notice inter-alia indicating the process and manner of remote e-voting along with attendance slip and proxy form, will be sent to them in the permitted mode. The Notice of 8th Annual General Meeting of the Company and copy of Annual Report 2015-16 are also available on the Company's website [www.gulfoilindia.com](http://www.gulfoilindia.com).
  11. 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 and Circulars etc., from the Company electronically.
  12. The Company hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or the Karvy Computershare Private Limited, Registrar and Transfer Agent (R&T) of the Company ("Karvy"). Further, Members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants / R&T Agent of the Company. Members holding shares in physical mode are also requested to update their email addresses by writing to the R & T Agent of the Company quoting their folio number(s).
  13. A route map showing directions to reach the venue of the 8th AGM is given at the end of this Notice.
  14. Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting is given at the end of the Notice.
  15. Information and other instructions relating to e-voting are as under:
    - a. Pursuant to the provisions of section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and



regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has provided to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").

- b. The facility for voting through ballot paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot paper.
- c. The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- d. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- e. The Board of Directors of the Company has appointed Mr. A. Ravi Shankar, Practicing Company secretary as scrutinizer to scrutinize the ballot paper and remote e-voting process in a fair and transparent manner.
- f. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Member/Beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 6, 2016.
- g. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. September 6, 2016 only shall be entitled to avail facility of remote e-voting.
- h. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 6, 2016, may obtain the User ID and password by sending email to Karvy at [evoting@karvy.com](mailto:evoting@karvy.com) or may call Karvy's toll free number 1-800-3454-001
- i. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: from 9.00 am (IST) on September 9, 2016.

End of remote e-voting : upto 5.00 pm (IST) on September 12, 2016.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.

- j. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The result declared along with the consolidated scrutinizer's report shall be placed on the website of the company [www.gulfoilindia.com](http://www.gulfoilindia.com). The results shall be simultaneously communicated to the stock exchanges. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. September 13, 2016.

**k. Instructions and other information relating to remote e-voting:**

**1.A. In case a member receives an e-mail from Karvy** [for members whose e-mail addresses are registered with the Company /Depository Participant(s)]:

- (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- (b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a- z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you 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 E-Voting Event Number for Gulf Oil Lubricants India Limited.
  - (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, 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 on the cut- off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
  - (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
  - (k) 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, members can login any number of times till they have voted on the Resolution(s).**
  - (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: mail@rsfcs.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- 1.B. In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:
- a) User ID and initial password - These will be sent separately.
  - b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.

2. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
3. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

The Company has provided an option to Members who do not have access to the e-voting facility, to cast their votes by way of a ballot at the Annual General Meeting.

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")**

The following statements sets out all material facts relating to the Special business mentioned in the accompanying Notice:

##### **Item No. 5**

The Board of Directors at their meeting held on August 3, 2016 appointed Mr. Shom A. Hinduja (DIN:07128441) as an Additional Non-executive Director on the Board of the Company effective from same date upon recommendation of Nomination and Remuneration Committee of the Company. Under section 161 of the Companies Act, 2013, he continues to hold office of a Director of the Company upto conclusion of ensuing 8th Annual General Meeting of the Company. As required under section 160 of the Companies Act, 2013, the Company has received a Notice from a Member signifying his intention to propose Mr. Shom A. Hinduja (DIN:07128441) as a candidature for the office of the Director of the Company alongwith requisite deposit. Mr. Shom A. Hinduja (DIN:07128441) does not hold any equity shares of the Company. Mr. Shom A. Hinduja (DIN:07128441) has given his consent to act as Director and is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013.

Brief profile of Mr. Shom A. Hinduja in terms of SEBI Listing Regulations, 2015 has been provided at the end of the Notice.

Save and except Mr. Shom A. Hinduja and Mr. Sanjay G. Hinduja and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concern or interested, financially or otherwise, in the resolution set out at item No.5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by shareholders.

##### **Item No. 6**

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board has approved the appointment of M/s Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration No.000030) to conduct audit of cost accounting records maintained by the Company for the year ending on March 31, 2017 at a remuneration of ₹ 2,75,000 /- (Rupees Two lakhs Seventy Five Thousands Only) plus applicable service tax and out-of-pocket expenses if any, subject to the ratification of remuneration by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice, for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017. None of the Directors/Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

By order of the Board of Directors

Vinayak Joshi  
Company Secretary

Date: August 3, 2016

Place: Mumbai

Registered Office:

IN Centre, 49/50, 12th Road

M.I.D.C., Andheri (East)

Mumbai 400 093, Maharashtra

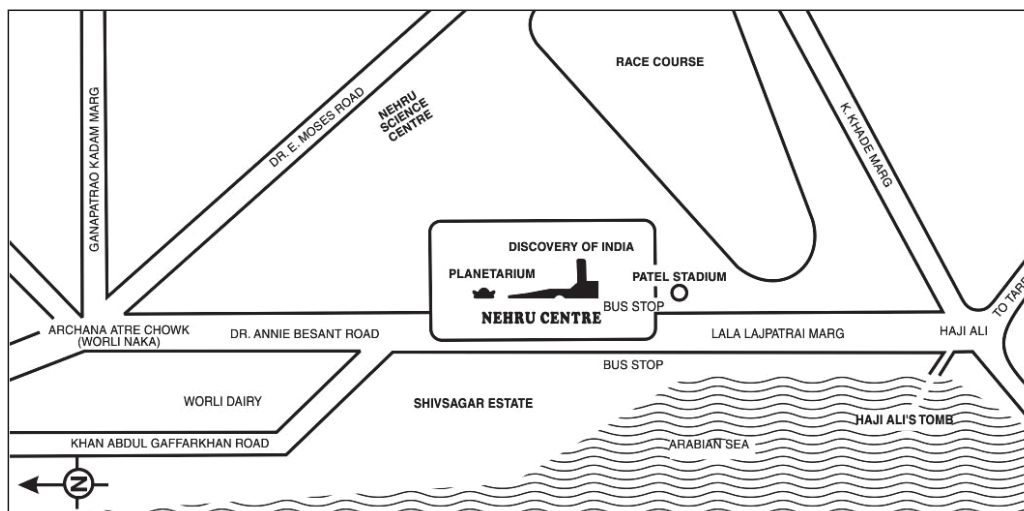
CIN: L23203MH2008PLC267060

Email: secretarial@gulfoil.co.in

Information of Directors seeking appointment /re-appointment at ensuing 8th Annual General Meeting of the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

- 1) Mr. Sanjay G. Hinduja (DIN: 00291692), age: 52 years, holds a Bachelors degree in Business Administration from Richmond College, London. He has professional experience with Credit Suisse Bank and Chase Manhattan Bank and has experience and knowledge in the global oil and energy sector. He is not holding Directorship in any other Companies except this Company. He is a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Company. He is not related to any Director except Mr. Shom A. Hinduja. He is not holding any shares of the Company.
- 2) Mr. Shom A. Hinduja, (DIN: 07128441), age: 26 years is the President - Alternative Energy and Sustainability Initiatives at the Hinduja Group. He is architecting the group's foray into the alternative energy sector. His key function is to introduce the sustainability strategy for the group. Prior to joining the offices in Mumbai, Mr. Shom A. Hinduja, worked in the Financial Due Diligence practice at KPMG, New York, as part of the M&A team. He holds a B.A. in Sustainable Development and an M.S. in Sustainability Management from Columbia University, NY. Apart from being green at heart, he is a food enthusiast and a certified deep sea diver. He is not related to any Director except Mr. Sanjay G. Hinduja and do not hold any shares of the Company.

#### Location map for venue of 8th Annual General Meeting





## BOARD'S REPORT

Your Directors are pleased to present the 8<sup>th</sup> Annual Report and Audited Accounts for the financial year ended March 31, 2016.

### 1. FINANCIAL RESULTS

(₹ Lakhs)

Particulars	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Revenue from Operations (Net)	1,01,135.42	96,748.17
Profit before finance cost, depreciation & tax	17,709.33	13,861.35
Less: Finance Cost	1,778.92	1,775.35
Profit before depreciation & tax	15,930.41	12,086.00
Less: Depreciation/ Amortization	604.15	482.12
Profit Before Taxation	15,326.26	11,603.88
Taxation:		
Current Tax	5,224.27	3,531.13
Deferred Tax	70.52	331.79
Profit After Taxation	10,031.47	7,740.96
Balance brought forward from previous year	3,862.94	(0.78)
Less :Transitional Depreciation on revision of useful life of Fixed assets, debited to opening Reserves and Surplus (Net of Tax)	----	129.05
Balance available for appropriation	13,894.41	7,611.13
<b>Appropriations:</b>		
Interim Dividend paid on Equity Shares for the year	1,487.17	991.45
Dividend distribution Tax on Interim Dividend	302.75	168.49
Proposed Final Dividend on Equity Shares for the year	1,982.90	1,735.04
Dividend distribution Tax on proposed Final Dividend	403.67	353.21
Transfer to General Reserve	750.00	500.00
Balance Carried to Balance Sheet	8,967.92	3,862.94

### PERFORMANCE HIGHLIGHTS:

The Company has continued its growth trajectory by outperforming the industry and has delivered a Net Revenue growth of 4.5%, EBITDA growth of 22.5%, PBT growth of 32.1% and PAT growth of 29.6% for the year over the last financial year.

Net revenues for the year 2015-16 was ₹ 101,135.42 lakhs (₹ 96,748.17 lakhs in the previous year), Profit before tax for the year 2015-16 was ₹ 15,326.26 lakhs (₹ 11,603.88 lakhs in the previous year). EBITDA has shown a healthy growth of 22.5% YOY with EBITDA margins at 15.9% an improvement of 230 bps for the year over previous year.

Profit after tax for the year was ₹ 10,031.47 lakhs (Previous year ₹ 7,740.96 lakhs) resulting in an Earnings Per Share (Basic) of ₹ 20.24 (Previous year ₹ 15.62).

Detailed Performance highlights are discussed in detail in the Management Discussion and Analysis enclosed as Annexure A and forming integral part of this Report.

### 2. DIVIDEND:

During the year, the Board at their meeting held on February 9, 2016, declared an Interim Dividend of ₹ 3/- per share i.e. 150% of the Face Value of the Equity Share. The said Interim Dividend was paid to all eligible shareholders on February 25, 2016. The Board has recommended a final dividend of ₹ 4 per equity share (200% on the Face Value of ₹ 2 per share) for the year 2015-16. The final dividend of ₹ 1,982.90 lakhs, if approved by the Shareholders at the ensuing Annual General Meeting, will be paid out of the profits for the current year to all Shareholders of the Company whose names appear on the Register of Members as on the date of the Book Closure.

With this, the total dividend for the full year 2015-16 shall stand at ₹ 7/- per share (350 % on Face Value of ₹ 2/-).

### 3. TRANSFER TO GENERAL RESERVE:

During the year, Board has appropriated ₹ 750 lakhs to General Reserves. (Previous year ₹ 500 lakhs.)

### 4. SHARE CAPITAL:

The paid up equity share capital of the Company as on March 31, 2016 was ₹ 991.45 lakhs. There was no change in the equity share capital of the Company during the year. During the year, the authorised capital of the Company has been increased to ₹ 10,46,27,228 divided into 5,23,13,614 equity shares of ₹ 2/- each.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS:

Management discussion and Analysis Report is provided separately in the **Annexure A** forming integral part of this Report.

### 6. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has adopted Whistle Blower and Vigil Mechanism policy for Directors and Employees of the Company. The Company has established a secured

system to enable Directors and Employees to report their genuine concerns, generally impacting / affecting business of our Company, including but not limited to improper or unethical behavior / misconduct / actual or suspected frauds / violation of Company's code of conduct. All protected disclosures concerning financial or accounting matters should be addressed, in writing, to the Chairman of the Audit Committee of the Company for investigation.

In respect of all other protected disclosures, those concerning the Ombudsman and employees at the levels of senior Vice President and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Ombudsman of the Company. The Ombudsman may refer the matter to the Chairman of the Audit Committee depending upon the importance of the matter. Further details are posted on the website of the Company [www.gulfoilindia.com](http://www.gulfoilindia.com). During the year, no complaints were received under vigil mechanism.

## 7. PUBLIC DEPOSITS:

The Company has not accepted any deposits during the year from the Public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## 8. RESEARCH & DEVELOPMENT:

Company's Research & Development (R&D) and Quality Control facility located at Silvassa has comprehensive testing facilities for testing and development of automotive and industrial lubricants. It is staffed with well qualified & experienced scientists and technologists for development of product formulations.

Although Company receives global product formulations from Gulf Oil International under the license agreement, the R&D Centre located at Silvassa adopts the global product formulations based on local raw materials and operating conditions meeting the specific needs of local OEM's and lubricants market in India.

## 9. SUBSIDIARIES:

The Company does not have any subsidiary as on March 31, 2016.

## 10. HUMAN RESOURCES / INDUSTRIAL RELATIONS/ ESOP SCHEME:

The Company successfully grew its talent acquisition, retention and development plans during the year, Cordial industrial relation and low absenteeism contributed to higher output levels. The focus on employee development and efforts to enhance competency levels through training programs continued. Detailed information on this section has been provided in the Management Discussion and Analysis in the Annexure A, which is forming integral part of this Report.

## EMPLOYEES STOCK OPTION SCHEME:

During the year under review, your Company has granted 7,19,215 stock options under "Gulf Oil Lubricants India Limited-Employees Stock Option Scheme-2015" to eligible employees of the Company. The total Stock Options outstanding as of March 31, 2016 are 7,19,215. The information as required under Regulation 14 of the SEBI(Share Based Employee Benefits) Regulations, 2014 are disclosed on the website of the Company weblink <http://www.gulfoilindia.com/upload/pdf/golil-esop.pdf>.

## 11. DISCLOSURE UNDER PREVENTION OF SEXUAL HARASSMENT POLICY (POSH):

The Company has adopted Prevention Of Sexual Harassment (POSH) policy. An internal Committee has been constituted under the policy. No complaints were received under POSH during the year ended March 31, 2016.

## 12. REMUNERATION POLICY:

The Board has adopted a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down the criteria for selection and appointment of Board members. The details of the policy are provided in the "Report on Corporate Governance", Annexure F to this Report.

## 13. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES AND PROGRAMS:

The Company has started several activities under CSR initiatives in the area of education, rural development and promoting health care in and around its area of operations and local area at Silvassa, DNH. These projects are in accordance with schedule VII of the Companies Act, 2013 and Company's CSR policy.

A report on CSR activities as required under Companies (Corporate Social Responsibilities Policy) Rules, 2014 is set out in Annexure B, forming part of this Report.

During the year, following initiatives were undertaken under CSR initiatives:

**a) Mobile Medical Unit:** The Company funded Mobile Medical unit was operative in the remote villages near Silvassa, DNH. This CSR project was conceived in conjunction with the Hinduja Foundation and provides much needed free medical support to the tribal of remote villages near Silvassa, DNH. The state of the art facilities available to the villagers free of cost, in the mobile van which includes diagnostic facility, laboratory tests, medicine dispensing and health checkup.

As of the date of this Report, more than 2,000 patients were treated under the project free of cost.





This is a multi-year project which will be continued for the needy people near Silvassa, DNH.

- b) **Foster a Child Rally:** The Company organizes "Foster a Child Drive" a unique, one of its kind CSR initiatives for the benefit of underprivileged children. This is the 7th year of the project wherein nearly 60 underprivileged children participated this year.
- c) **Primary Education:** CSR initiatives was undertaken through Mukul Madhav Foundation for providing primary educational support to the underprivileged children at Bhatkya Vimukta Jati Shikshan Sanstha (BVJSS), Wagholi, Pune.
- d) **Road safety drive:** one of the CSR initiative was undertaken for creating awareness about Road safety drive wherein safety helmets were distributed among Mumbai Police and briefed them about safety measures. A rally was conducted in Mumbai for creating awareness among youths about road safety measures.

This is the second year of separate operations for the Company and wherein few CSR areas have been identified and the projects were initiated during the year. During the year, the Board has not been able to spend full CSR amount as contemplated in the guidelines and has taken up various steps to identify additional CSR projects to meaningfully spend full amount under CSR in the coming years.

#### 14. DIRECTORS & KMPs:

The Board of Directors at their meeting held on August 3, 2016 appointed Mr. Shom A. Hinduja (DIN:07128441) as an Additional Non-executive Director on the Board of the Company effective from same date upon recommendation of Nomination and Remuneration Committee of the Company. Under section 161 of the Companies Act, 2013, he continues to hold office of a Director of the Company upto conclusion of ensuing 8th Annual General Meeting of the Company. As required under section 160 of the Companies Act, 2013, the Company has received a Notice from a Member signifying his intention to propose Mr. Shom A. Hinduja (DIN:07128441) as a candidature for the office of the Director of the Company alongwith requisite deposit.

Mr. Shom A. Hinduja (DIN:07128441) does not hold any equity shares of the Company. Mr. Shom A. Hinduja (DIN:07128441) has given his consent to act as Director and is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013. Brief profile of Mr. Shom A. Hinduja (DIN:07128441) in terms of SEBI Listing Regulations, 2015 has been provided at the end of the Notice for AGM.

Save and except Mr. Shom A. Hinduja & Mr. Sanjay G. Hinduja and their relatives, to the extent of their shareholding interest, if any, in the Company, none of

the other Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concern or interested, financially or otherwise, in the resolution set out at item No.5 of the Notice.

Your Board recommends appointment of Mr. Shom A. Hinduja (DIN:07128441) as a Director of the Company, liable to retire by rotation as per resolution No.5 of the Notice of ensuing 8th Annual General Meeting of the Company.

In accordance with the provisions of the Companies Act, 2013 ("Act") and the Articles of Association of the Company, Mr. Sanjay G. Hinduja (DIN: 00291692) retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers his candidature for re-appointment as a Director.

In accordance with section 149(7) of the Companies Act, 2013, each independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under section 149(6) of the Act.

During the year, Mr. R. P. Hinduja ceased to be a Director of the Company effective from September 22, 2015 and the Board places on record its appreciation for contributions made by Mr. R. P. Hinduja during his tenure as a Director.

#### KEY MANAGERIAL PERSONNEL:

The following persons have been continued as Key Managerial Personnel of the Company pursuant to section 2(51) and section 203 of the Act, read with rules framed thereunder. 1) Mr. Ravi Chawla, Managing Director, 2) Mr. Manish Kumar Gangwal, Chief Financial Officer and 3) Mr. Vinayak Joshi, Company Secretary and Compliance Officer. None of the Key Managerial Personnel have resigned during the year under review.

#### 15. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Board evaluation was completed through a process of structured questionnaire and taking into consideration various aspects of the Board's functioning, composition, culture, obligation and governance. The criteria for performance evaluation have been detailed in Corporate Governance Report, Annexure F to this Report. The Board of Directors expressed their satisfaction with the evaluation process.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo

as required pursuant to section 134(3) of the companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure C and forming integral part of this Report.

## 17. INFORMATION ON STOCK EXCHANGES:

The Company's equity shares are listed on BSE Limited (Designated Exchange) and The National Stock Exchange of India Limited.

## 18. CORPORATE GOVERNANCE:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a Report on Corporate Governance together with compliance certificate issued by Practicing Company Secretary is given separately in Annexure F forming an integral part of this Report.

## 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The details of Loan, Guarantees and Investments outstanding as on March 31, 2016 under Section 186(4) of the Companies Act, 2013 are provided in Note 11 and 25 to the Financial Statements.

## 20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2016 AND (AUGUST 3, 2016). (DATE OF THE REPORT):

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2016) and the date of the Report (August 3, 2016).

## 21. RISK MANAGEMENT POLICY:

The Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on regular basis to ensure that a robust system of risk controls and mitigation is in place. Senior management periodically reviews this risk management framework to keep updated and addresses emerging challenges. Risk Management policy followed by the company is elaborately detailed in the Management Discussion and Analysis, Annexure A forming an integral part of this Report.

## 22. INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

The Company has well defined and adequate internal control system, commensurate with size, scale and complexity of its operations. The internal financials controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. During the year, Internal Financial Controls (IFC) testing process was done in order to review

adequacy and strength of IFC followed by the company. As per the assessment, there are no major concerns and no reportable material weaknesses in the design or operation were observed. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems were adequate and operating effectively. The details of Internal control system and adequacy are mentioned in the Management Discussion and Analysis, Annexure A forming an integral part of this Report.

## 23. MEETINGS:

The details of number of meetings of the Board held during the Financial year 2015-16 are provided in Corporate Governance Report (Annexure F).

## 24. RELATED PARTY TRANSACTIONS:

All related party transactions were placed before the Audit Committee and the Board for their approval. Omnibus approval was obtained on a yearly basis for transactions which were of routine and repetitive nature. The transactions entered into pursuant to omnibus approval were placed before the Audit Committee and Board on quarterly basis. The policy on Related party transactions as approved by the Board of Directors has been uploaded on the website of the Company, [www.gulfoilindia.com/upload/pdf/policy-on-materiality-and-dealings.pdf](http://www.gulfoilindia.com/upload/pdf/policy-on-materiality-and-dealings.pdf). Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounting) Rules, 2014 there were no material transactions, contracts or arrangements entered with Related Party as on March 31, 2016. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except as disclosed at appropriate places. A statement showing Related Party Transactions entered during the year is given under Note 31 to the Financial Statements.

## 25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There were no significant and material orders passed by the Regulators /Courts that would impact the going concern status of the Company and its future operations.

## 26. DIRECTORS RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;





- b) the Board had 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 and loss of the company for that period;
- c) the Board had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Board had prepared the annual accounts on a going concern basis;
- e) the Board had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Board had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **27. AUDITORS INCLUDING COST AUDITORS, SECRETARIAL AUDITOR:**

M/s Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) who are the Statutory Auditors of the Company hold office upto the ensuing 8th Annual General Meeting. The Audit Committee and the Board of Directors have recommended their re-appointment for the financial year 2016-17. The necessary resolution is being placed before the Members for approval. As required under the provisions of section 139 and 141 of the Companies Act, 2013, the Company has obtained written confirmation from M/s Price Waterhouse, that their appointment, if made, would be in conformity with the limits specified in the said section.

### **Cost Auditors:**

As per the requirements of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to Company.

The Board, on recommendation of Audit Committee, has appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration No.000030), as Cost Auditors of the Company to audit the cost records of the company for the financial year 2016-17 for a remuneration of ₹2,75,000/- (Rupees Two lakhs Seventy Five Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses . As required,

under the Companies Act, 2013, a resolution seeking Members approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the 8th Annual General meeting of the Company.

### **Secretarial Auditor:**

Pursuant to section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s BS & Company, Company Secretaries LLP (Firm Registration No AAE-0638.) to carry out secretarial Audit of the Company. The secretarial audit Report enclosed as Annexure D and forming integral part of this Report.

There are no audit qualifications for the year under review.

## **28. EXTRACT OF ANNUAL RETURN:**

The details of extracts of Annual Return in Form MGT-9, as required under section 92 of the Companies Act, 2013 are enclosed as Annexure E and forming integral part of this Report.

## **29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

Pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) to 5(3) and pursuant to section 136 of the Companies Act, 2013 and relevant rules thereto, the disclosure pertaining to remuneration and other details of employees of the Company are made available for inspection at the Registered office of the Company with the Company Secretary during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same shall be provided without any fee.

## **30. ACKNOWLEDGMENT:**

Your Directors thank the various Government and other statutory bodies for the continued help and co-operation extended by them to your Company. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Sanjay G. Hinduja  
Chairman  
(DIN: 00291692)

Place: Mumbai  
Date: August 3, 2016

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. ECONOMY

The latest estimates of the Central Statistical Organization suggest that the growth of India's Gross Domestic Product for the fiscal year 2015-16 was at around 7.6%, which is not only higher than the previous year's 7.2% but also the highest amongst the large emerging economies. This was achieved in spite of a sub-par monsoon for the second year in a row and many stalled reforms due to political disharmonies.

India's growth story has remained largely positive on the strength of domestic economy. In the face of a volatile global environment, uncertainties in China and rate hike by US Federal Reserve, the macro-economic indicators remained largely stable in India. The rate of inflation, as per the wholesale price index, remained in the negative territory. Softening commodity prices and historically low crude oil prices provided the required impetus to the Indian economy.

The manufacturing growth in 2015 -16 was strong at 9.5% as compared to 5.5% in the last fiscal, although there was some loss of steam in certain sectors. However, spurt in manufacturing activity did not translate into growth in mining and construction sector, which remained sluggish. Sectoral data shows a muted agricultural growth and rural demand.

GDP growth for FY 16-17 is estimated to be in the range of 7.5 to 8%. The emphasis on "Make In India", investments in accelerating infrastructure & industry, pro-reform approach and efforts at fiscal consolidation are positive indicators for growth. However, the execution of the reform agenda and ability to restart the investment cycle would have a major bearing on India's economic performance.

#### 2. MARKET OVERVIEW

India is the third largest lubricant market in the world after the US and China and currently one of the fastest growing lubricants markets globally.

Broadly, the Indian market can be segmented into three major categories - Automotive, Industrial including marine applications and Process oils /White oils.

The market has a very competitive landscape with more than 15 national level players catering to the market needs. It is marked by the presence of the nationalized oil companies (NOCs), global marketers and a few domestic players. For the automotive and industrial lubricants segments, NOCs are the biggest lubricant suppliers in volume terms followed by the MNC brands

(including your Company).

Your company operates mainly in the Automotive and Industrial segments with a leading presence as one of the top players in the open market (Bazaar channel) through the distributor channel and also directly supplies to OEMs & other B2B customers.

##### a. Automotive Segment

The lubricants market in India has been dominated largely by the automobile lubricants segment which comprises of applications for Commercial Vehicles, Cars, Tractors and Two wheelers. Diesel Engine Oils (DEO) account for over 55-60% of the automobile segment followed by Motor Cycle Oils (MCO) and Passenger Car Motor Oils (PCMO). The large vehicle population in existence and growing sales of new automobiles year after year augurs well to increase the demand for lubricants.

In FY 2015-16 the automobile industry sales remained subdued, growing by a modest 3.8% against 7.2% in the previous year.

(No. in Lakhs)

Segment	13-14	14-15	% Change over LY	15-16	% Change over LY
Passenger Vehicles	25	26	3.9	28	7.2
Commercial Vehicles	6	6	-2.8	7	11.5
Three Wheelers	5	5	10.8	5	1.0
Two wheelers	148	160	8.10	165	3.0
<b>Total</b>	<b>184</b>	<b>197</b>	<b>7.2</b>	<b>205</b>	<b>3.8</b>

Source: Society of Indian Automobile Manufacturers (SIAM)

As a prelude to the signs of anticipated pick up in the economy, we saw a revival in the demand for new commercial vehicles in the last year. Compared to the dismal performance in FY 14-15, Commercial Vehicles posted a strong growth of 11.5% in FY 15-16. Driven by trend towards replacement of ageing fleets and pre-buying ahead of change in emission norms, M&HCVs grew significantly at 29.91%. LCV sales growth was also positive but tractor





sales showed no signs of recovery with a decline of 10% against 13% degrowth in the previous year. While the overall growth in CV segment brings confidence to the lubricants industry, demand in the DEO segment has still been affected by lower movement of vehicles for transportation, bleak mining sector and stalled infra projects.

The 2 Wheeler segment was under pressure as subdued consumer sentiments affected purchase decisions and concerns increased on slowing down of the rural economy. However we have seen a good pickup in the scooter segment at 11.79% growth. This trend is attributable to changing lifestyle in semi-urban households, increasing women workforce and need for personal mobility. Consumption of Motorcycle Oils reflected this trend and these lubricants registered a positive growth towards the end of the year.

Passenger cars saw a improvement in the last year, with sales growth almost doubling at 7.2% when compared to FY 14-15. As per industry reports, this growth is primarily driven by new model launches, replacement demand as well as new launches in mini segment which attracted first time buyers. This in turn drives the consumption of Passenger Car Motor Oils.

#### **b. Industrial Segment**

Industrial lubricants include hydraulic fluids, metalworking fluids, greases and industrial gear oils. Industrial lubricants are used in a wide variety of applications in various industries including construction industry, manufacturing, textile, power generation, mining, food processing, light heavy engineering, marine operations and metalworking.

Industrial lubricant demand is dependent on industrial production (IIP) and overall growth trends in the economy. We have seen a positive demand for the Industrial (Road Building Segment) for the last year.

### **3. GOLIL – YEAR IN BRIEF**

Your company manufactures and markets complete range of lubricants which are used by automobiles as well as by the industrial sectors. In 2015-16, the Industry witnessed a normal 1% to 2% growth in overall volumes as it continued to operate in a challenging environment. Overall the Industry saw a positive growth in personal mobility as well as Commercial Vehicles led lube consumption.

The domestic commercial vehicle industry has shown significant growth in the financial year 2015-16. But despite this growth in Commercial Vehicle population, weak movement of commercial/mining related equipment led to reduced consumption of Diesel Engine Oils. Your company grew its DEO volumes by working together with its existing OEM tie-ups this resulted in a positive movement in OEM factory fill volumes throughout the year. Your Company also forging new tie-ups, the key new ones being for the tractor segment with Mahindra Gujarat & Swaraj, both key tractor OEMs in India. An institutional order in DEO category also contributed towards the volume growth during the year.

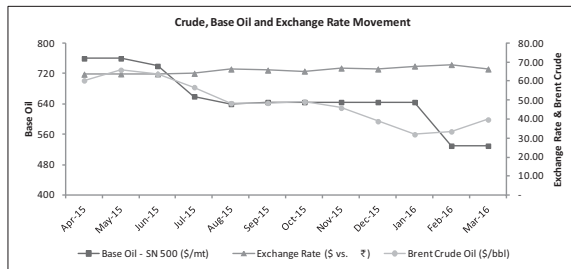
The growth in two wheeler population, especially Scooters, and the trend of increasing need for personal mobility in India, led to an increased consumption of lubricants for two wheelers and cars, more than the preceding year. Your company also recorded a matching growth in Personal Mobility lubricants segment. Your company revamped its PCMO portfolio, launched specialized products to tap the growing Scooter market and continued to strengthen its distribution base. With positive growth across its automotive range your company grew its overall estimated market share to 7.2% in the bazaar market (which comprises of spare parts stores, independent shops & garages).

With its focussed segment wise strategies, suitably backed by differentiated customer value propositions like 'longer drain' for the diesel engine oil fleet users, superior services, brand /distribution building initiatives, your Company has been able to deliver overall volume growth at 3-4 times the Industry growth rate and also remained ahead of market growth in the bazaar segment. Your company also grew its base with Direct Industrial customers fuelling higher B2B sales. Your company continued its double digit growth rate in Infrastructure, Mining, Fleet segment as well.

#### **Impact of Crude Oil and Foreign Exchange**

Fall in crude oil prices resulted in fall in Base Oil prices, with a lag, throughout the year. Base Oil is a significant raw material for lubricants. Additives on the other hand, which constitute 30-35% of Raw Material Cost, remained fairly stable during this period.

The competitive scenario intensified with sharper cuts in the pricing/discounting in the growing segments and your company also had to respond to these market dynamics by passing on the benefit of fall in input costs partially to the customers resulting on revenue growth being lower than volume growth. Still we have been able to expand gross margins during the year by a significant 6.3% due to fall in input costs partly offset by rupee depreciation.



(Source – ICIS, Brent and RBI)

During the year, your company continued to invest in its brand building initiatives across segments. Based on an internal market research extensively covering a wide reach of consumers, mechanics and retailers, 'Gulf' oil brand has retained and improved its position amongst the Top 3 lubricant brands in terms of brand awareness, purchase consideration and on other parameters as well. Association with Motor Sports, IPL & our Brand Ambassador Mr. Mahendra S. Dhoni continued to yield a positive build-up in Gulf's brand equity scores. Your company continued to invest in initiatives and innovative communications leveraging these associations.

## Key growth and brand building initiatives during 2015-16:

- The Passenger Car Motor Oils (PCMO) product portfolio was revamped with focus on fast growing synthetic segment. Ultrasynt (10W-40, 5W-30), an entry level synthetic portfolio product, was introduced during the year. Also Formula G series, High performance fully synthetic products, were launched on a grand scale in New Delhi by our brand ambassador M.S. Dhoni.
- Your Company continued to invest in the growing Independent Work Shops (IWS) Channel. Rapid expansion of Bike Stops (Branded IWS for motorcycle segment) contributed to roughly 15% the overall MCO volumes. Gulf Car Stops (Branded IWS for passenger car segment) initiative was also started during the year with focus on key cities.
- Your Company has gained further market share in Motor Cycle Oils (MCO) segment achieving double digit volume growth, which is two times the industry growth, aided by a TV campaign of 'Insta Pick Up'. During the year, your company also launched specialized lubricants - Gulf Pride Scooter Oil - for the fast growing scooter segment.
- Distribution reach programs for rural markets and appointment of Gulf Rural Stockiest to further strengthen the distribution channel in India. Additionally, an online software - Distribution Management System (DMS) was rolled out at an all India level.

- Launch of digital and social media campaigns across segments coupled with outdoor campaigns in select cities to communicate special consumer offers.
- Commenced in house manufacturing of AdBlue in Silvassa. Your company has a leading presence in AdBlue supplies in India.
- New OEM Tie-ups with Mahindra Gujarat and Swaraj for lubricants in the tractor segment.
- Gulf sponsorship of Zeeignition awards for automobile excellence (cars & bikes) and VW Vento Cup were used to maximize brand awareness and category presence.
- Continued association with Chennai Super Kings in last year's IPL and the new association with the Rising Pune Supergiants in the current year were key highlights.
- Gulf Oil International entered into global partnerships with Manchester United and Milwaukee BMW Superbike Team for the World Superbike Championship. Your company also announced the Manchester United global tie-up in Mumbai in a press conference and to the media, explaining how the tie-up will be leveraged in India. Your company's Brand Ambassador M.S. Dhoni also welcomed the association and tweeted for it and #UnitedForGulf was one of the top trending topics on twitter in that week.

## Capacity expansion in Silvassa

Your Company had augmented the manufacturing capacity of its existing plant in Silvassa from 75,000 to 90,000 KL with the addition of state of the art OCME automatic filling lines and Automa blow moulding machines. In FY 15-16, your Company further revamped base oil/raw material/finished goods storage, handling and other infrastructure facilities in line with this enhanced capacity. An automated storage and retrieval system (ASRS) consisting of a variety of computer – controlled systems for automatically placing and retrieving loads from defined storage locations was commissioned during the year.

Your Company is setting up its second plant at Ennore, Chennai with a capacity of around 40,000-50,000 KL pa. Bhoomi Pooja of this new green field lubricants plant was done in May 2016. The construction and PEB work contract is already awarded and the full scale construction work is expected to begin in Q2 of FY16-17. Chennai is a major Auto Hub with increasing presence of several OEMs. Your company expects to improve its strategic presence in South India and also derive cost benefits from this new plant.





Your Company is ISO 9001(QMS), ISO 14001(EMS), TS 16949:2009 & ISO 18001 (OHSAS) compliant which strengthens our quality systems and also provides added comfort to our business partners and regulatory bodies.

#### **4. OUTLOOK FOR THE CURRENT YEAR, OPPORTUNITIES AND THREATS**

Automobile Industry, driven by improvements in Commercial Vehicles and Personal Mobility segment, is expected to make a partial recovery from its low base in the last 3 years.

Policy reforms like GST, Government initiatives such as Make in India program and Mining Sector reforms are expected to unlock higher GDP growth in the current year; we already have seen a good uptick in the last few quarters. A well anticipated good monsoon and the Ninth Pay Commission are also significant demand drivers. The increased economic activity is expected to result in growth of lubricant demand in both Commercial & Consumer Mobility Vehicles. Accordingly the overall lubricant demand is expected to be marginally better in the current year.

An improvement in Commercial Vehicle segment, on account of increased on road movement, vehicle sales and monsoon driven tractor consumption is expected to lead to better volumes for the overall lubricants business; Commercial Vehicle Oils are a major portion of the product mix for the overall Indian lubricant Industry and also for your company.

The demand for lubricants in the Personal Mobility segment is expected to come from the growth in two wheeler population, gear less scooter market as well as from shift to synthetic and semi synthetic oils. Your company will continue to focus on improving its share in consumer lubricant space of PCMOs and MCOs.

Overall Volume growth in lubricant industry is expected to be slightly better than last year's flat to 1-2 % growth. The automobile industry growth is pegged at 10% (as per our Internal Estimates) with a sustained growth predicted for the Heavy Commercial Vehicles (HCVs), which should augur well for the lubricant industry as a whole.

Your company expects to continue its trend of outperforming the industry by at least two to three times, and also further its presence in B2B/OEM segment. Additional opportunities to increase the market share by extending the distribution base and network, especially in the rural areas, are also being tapped. New Synthetic lubricant products and mineral based products for specific market segments like Scooter and Passenger cars have been launched or are in the advance stages of being launched.

Your Company will continue to further strengthen its strategies around segment-wise focus, investments in the brand and initiatives to increase distribution reach and retain/ acquire OEMs & other B2B customers.

Aggressive pricing or discount strategies from the market leaders or other competitors, including new entrants to the market, could adversely affect the Company. Forex volatility and fluctuation in base oil prices can also impact the margins in the industry and for your company. Intense competition is expected to continue in the lubricant market, presenting the Company with various challenges in its ability to maintain growth rates and profit margins. Your company is fully geared up to meet these challenges with well defined strategies and to continue its journey on the high growth path, as demonstrated in the past years.

#### **5. RISK MANAGEMENT AND CONCERNS**

Businesses operate in a dynamic environment. Changes in government policies, legislation, information technology, customer preferences, competitors' initiatives, financial markets, etc contribute to this ever changing environment, a situation that demands a mechanism to proactively assess risks and design controls to mitigate those risks. Risk Management framework in the organization provides a systematic platform to identify, assess and manage potential risks and opportunities. It provides a way for managers to make informed management decisions. Effective Risk Management ensures sustenance of the organization and everyone associated with the Organization.

Your Company has put in place a comprehensive Risk Management Policy, which is framed around a common as well as industry specific understanding of various type of Risks - Corporate Risk (Strategic and Residual Risk), Operational Risk (specific Business and Functional risks including Economic, Market Risks), Financial, Human resources, Legal and Compliance Risks, etc. Your Company has documented key identified risks in all of these areas and also put in place an effective Mitigation plan for the same. To ensure a widespread understanding, Board members and all operational / business unit heads and managers are made familiar with, and all staff aware of, the principles of Risk Management Policy and framework.

During the year, some of the key risk mitigation actions taken by your company include diversifying product portfolio keeping specific market requirements such as launch of PCMO range to cater to synthetic demand, new Scooter Oil, Synthetic MCO oil, etc, creating a separate business vertical within the organization to systematically approach and get new OEMs and maintain existing OEMs in a more structured way as



OEMs are identified as key to future continued success, putting a forex hedging policy in place as per advise of forex experts and continuous review mechanism on fortnightly basis, implementation of legal compliance software with exhaustive coverage of laws for timely and proper legal compliance under various Acts, laws, rules and regulations applicable to your company, putting up a Whistle Blower Mechanism in place, etc.

Your Company has also embarked on an “Operational Excellence” program internally driven by EY India to enhance organizational capabilities and improve efficiencies. Company has also received OHSAS 18001, to further enhance plant safety standards.

## **6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company's Internal Control System has been designed to provide for Accurate recording of transactions with internal checks and prompt reporting, Adherence to applicable Accounting Standards and Policies, Compliance with applicable statutes, policies and procedures, guidelines, and authorizations.

Consequent to the implementation of Companies Act 2013 (Act), your company has complied with the specific requirements in terms of Section 134 (5)(e) of the Act calling for establishment and implementation of Internal Financial Control Framework that supports compliance with requirements of the Act in relation to Directors Responsibility Statement. The Internal Financial Control Framework document supports the Company in evaluating the operating effectiveness of the controls in a consistent manner.

Your company through its own Internal Audit department carries out periodic audits at all locations and functions based on the plan approved by the Audit Committee and brings out any deviation to Internal control procedures. The observations arising out of the audits are periodically reviewed and compliances are ensured.

The summary of the Internal Audit observations and status of implementation are submitted to the audit committee every quarter for its review and concerns if any are reported to the Board.

## **7. HUMAN RESOURCES, AWARDS AND RECOGNITION**

HR plays a vital role in achieving the vision and is a strategic pillar of your company. Your company places highest importance in implementation of contemporary HR practices to enhance the overall employee effectiveness. With a strong governance mechanism at

its roots, the code of conduct has been communicated & implemented for all the employees.

Being an equal opportunity employer, your company strives to implement the programs to promote various initiatives including awareness of ‘The Prevention of Sexual Harassment at Work Place Policy’. There has been no complaint of the sexual harassment at workplace in last year. Your company also consciously develops gender diversity through its campus relationship program. Your company takes pride to have complied with all the legal requirements. The continuous process of audits & gap analysis helps your company to have better compliance.

Regular communications through town hall and various media such as e mailers, employee intranet portal has helped build an excellent work culture and a spirit of teamwork.

### **Rewards & Recognition**

Your Company drives various Rewards & Recognition Programs. Recognizing their extraordinary efforts, the employees are rewarded through various schemes which help to boost their morale. In FY 2015-16, total 62 employees were honored under the ‘Long Service Award Programme’ for their loyalty and dedication towards your company.

### **Employee Benefits Programme**

Your Company has introduced a ‘Critical Illness Cover’ for all its employees to support the additional medical expenses on account of any critical illnesses. Both Medclaim Policy and an optional Top Up cover for the benefit of Employees, their families and parents are facilitated by your company. The term insurance & personal accident insurance cover also continues to be in place.

### **Capability Building**

Employee capability enhancement is of great importance to your Company. Launch of “GOLD” Academy (Gulf Oil Training & Development Academy) has helped to deliver the capability initiatives with the blended approach.

Functional competencies are defined for all the roles of the organization & integrated with various other HR processes. Specific capability development programs are also designed & implemented with the help of this competency framework.

Last year your Company implemented ‘New Ways of Working’ which helped the sales organisation and the channel partners to have a better alignment and processes. Development of the internal trainers has also been the focus. The new ways of working modules have been successfully driven by such internal trainers.

Total mandays clocked for the year for training were 1249. Specific post programme initiatives are planned so as to sustain the capability building initiatives.

Your company has plans to introduce the new performance management system “ASPIRE” (Align: Strive: Perform: Inspire: Reward: Enable) to drive the required business growth for the coming year.

## Employee Stock Option Scheme (GOLIL ESOP 2015)

Your Company believes that equity based compensation schemes are an effective tool to reward the employees in the growth of the company, to create an employee ownership, to attract new talents, to retain the key resources in the organization and for the benefit of the present and future employees of the company. In view of the above, your Company has instituted the ‘Gulf Oil Lubricants India Limited Employee Stock Option Plan 2015’ for its eligible employees. The Company has granted options as per the following vesting schedule –

At the end of Year 1	10% of the total grant of the eligible employees
At the end of Year 2	15% of the total grant of the eligible employees
At the end of year 3	15% of the total grant of the eligible employees
At the end of year 4	60% of the total grant of the eligible employees

The options granted under the scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment/issue of equity shares of the company.

## Employee Relations

Employee Relations at the Silvassa Plant remained cordial. This has helped to build a healthy relationship and resolve issues through mutual dialogue. The regular communication with the plant employees helps to create excellent team work & work culture.

## 8. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Key Highlights:

- Revenue from operations (net) increased to ₹ 101,135 lakhs from ₹ 96,748 lakhs (up by 4.5 %)
- EBIDTA stood at ₹ 16,042 lakhs (up by 22.5 % against ₹ 13,094 lakhs for previous year 2014-15).
- PAT stood at ₹ 10,031 lakhs (up by 29.6 % against ₹ 7,741 lakhs for previous year 2014-15).
- Board has recommended Final Dividend of ₹ 4 per equity share (i.e. 200% on FV of ₹ 2 each). During the year, the Board had declared and paid interim dividend of ₹ 3.00 per equity shares (i.e. 150% of face value). With this, the total dividend for the year stands at ₹ 7.00 per share (i.e. 350% of FV of ₹ 2 per equity shares).

(₹ Lakhs)

	Year ended March 31, 2016	Year ended March 31, 2015	Growth %
Sales (Gross)	116,667	111,392	4.7%
Revenue (Net)	101,135	96,748	4.5%
EBITDA	16,042	13,094	22.5%
PBT	15,326	11,604	32.1%
PAT	10,031	7,741	29.6%
EPS (Basic) FV - ₹ 2 per equity share	20.24	15.62	

### Revenues (₹ Lakhs)

Revenue (Net) stood at ₹ 101,135 lakhs in FY16 from ₹ 96,748 lakhs in FY15. The Company continued its volume and revenue growths across all key segments on the back of an overall double digit growth in volumes. However, the revenue growth was at 4.5% due to lower price realization in light of sharp fall in key raw material prices, benefit of which has partly been passed on to customers.



## 1. Breakup of various cost items as a % of Revenue (Net)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Amount ₹ Lakhs	%	Amount ₹ Lakhs	%
<b>Revenue (Net)</b>	<b>101,135</b>	<b>100%</b>	<b>96,748</b>	<b>100%</b>
Cost of goods sold	55,090	54.5%	59,113	61.1%
Employee Benefit Expenses	5,744	5.7%	4,398	4.5%
Manufacturing & Other Expenses	24,385	24.1%	20,298	21.0%
<b>Total Expenses</b>	<b>85,219</b>	<b>84.3%</b>	<b>83,809</b>	<b>86.6%</b>
Other Income	1,793	1.8%	922	0.9%
<b>Profit before Finance Costs, Depreciation and Tax</b>	<b>17,709</b>	<b>17.5%</b>	<b>13,861</b>	<b>14.3%</b>
<b>Operational EBITDA</b>	<b>16,042</b>	<b>15.8%</b>	<b>13,094</b>	<b>13.5%</b>
Finance Costs	1,779	1.8%	1,775	1.8%
Depreciation/ Amortization	604	0.6%	482	0.5%
<b>PBT (Profit before Tax)</b>	<b>15,326</b>	<b>15.1%</b>	<b>11,604</b>	<b>12.0%</b>
Tax Expenses	5,295	5.2%	3,863	4.0%
<b>PAT (Profit after Tax)</b>	<b>10,031</b>	<b>9.9%</b>	<b>7,741</b>	<b>8.0%</b>

### a. Cost of goods sold

Cost of goods sold decreased by 6.8% to ₹ 55,090 lakhs in FY16 from ₹ 59,113 lakhs in FY15 mainly due to fall in base oil prices which is key Raw Material for lubricants manufacturing. Cost of goods sold as a percentage to Net Revenue has also decreased from 61.1% in FY15 to 54.5% in FY16.

### b. Employee Benefit Expenses

Employee Benefit Expenses increased by 30.6% to ₹ 5,744 lakhs in FY16 from ₹ 4,398 lakhs in FY15 mainly on account of increase in head count, usual increments resulting in increase in payroll cost by ₹ 751 lakhs, increase in provision for bonus & incentives by ₹ 263 lakhs and additional charge of ₹ 288 lakhs on account of employee stock options granted during the year.

### c. Manufacturing and other expenses

Manufacturing & other expenses increased by 20.1% to ₹ 24,385 lakhs in FY16 from ₹ 20,298 lakhs in FY15. Increase is mainly on account of increase in Advertising and Sales Promotion by ₹ 1,161 lakhs, increase in Selling and Marketing Expenses by ₹ 1,249 lakhs, increase in Royalty by ₹ 329 lakhs and increase in freight & forwarding expenses by ₹ 633 lakhs, which is in line with increase in volume/value additions.

### d. Finance Costs

Finance costs increased marginally to ₹ 1,779 lakhs in FY16 from ₹ 1,775 lakhs in FY15.

### e. Depreciation/Amortization

Depreciation/amortization charges increased to ₹ 604 lakhs in FY16 from ₹ 482 lakhs in FY15 mainly on account of additions to fixed asset during the current year ended March 31, 2016.

## Balance Sheet (Standalone)

(₹ Lakhs)

Particulars	As at 31.03.16	As at 31.03.15	Change
<b>Sources of Funds</b>			
Share Holder's funds/ Net Worth	24,854	18,711	6,143
Non-current liabilities	639	530	109
Current liabilities (including Short Term Borrowings)	39,366	37,210	2,156
<b>Total</b>	<b>64,859</b>	<b>56,451</b>	<b>8,408</b>
<b>Application of Funds</b>			
Fixed Assets	10,883	9,761	1,122
Other Non-current assets	1,175	1,016	159
Current assets	52,801	45,674	7,127
<b>Total</b>	<b>64,859</b>	<b>56,451</b>	<b>8,408</b>

### 2. Capital Deployment

During FY16, capital employed increased from ₹ 56,451 lakhs to ₹ 64,859 lakhs mainly due to increase in Fixed Assets by ₹ 1,122 lakhs and increase in Current and Non Current Assets by ₹ 7,286 lakhs which is largely in line with double digit growth in volumes.

### 3. Net Worth

Net Worth at the end of FY16 increased by ₹ 6,143 lakhs to ₹ 24,854 lakhs from ₹ 18,711 lakhs as at FY15.

There is no change in Share Capital during the year and remain at ₹ 991 lakhs. The Reserves and Surplus of the Company has increased by ₹ 6,143 lakhs in FY16 at ₹ 23,863 lakhs from ₹ 17,720 lakhs as at FY15.

### 4. Non-Current Liabilities

Non-Current liabilities at the end of FY16 marginally increased by ₹ 109 lakhs to ₹ 639 lakhs from ₹ 530 lakhs as at FY15.

### 5. Current Liabilities (including Short Term Borrowings)

Trade payables have increased by ₹ 3,427 lakhs to ₹ 13,103 lakhs in FY16 from ₹ 9,676 lakhs in FY15.

Short term borrowings were down by ₹ 2,071 lakhs at the end of FY16 at ₹ 19,472 lakhs over previous year of ₹ 21,543 lakhs.

However, the Company has net cash (net of short term debts) of ₹ 4,034 lakhs as at March 31, 2016 as against Net Debt of ₹ 3,500 lakhs as of March 31, 2015 which demonstrates that the company is Net Debt free as at March 31, 2016.

Short Term provisions increased by ₹ 548 lakhs mainly due to increase in proposed dividend & Dividend tax by ₹ 299 lakhs and increase in Income Tax provision of ₹ 249 lakhs.

### 6. Fixed Assets

Net block of fixed assets (including CWIP) increased by ₹ 1,122 lakhs to ₹ 10,883 lakhs in FY16 from ₹ 9,761 lakhs includes mainly assets capitalized at Silvassa factory as part of expansion activities.

### 7. Other Non-Current Assets

Other Non-Current Assets at the end of FY16 marginally increased by ₹ 159 lakhs to ₹ 1,175 lakhs from ₹ 1,016 lakhs at the end of FY 15, Increase is partly on account of additional non-current investments of ₹ 51 lakhs.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 8. Current Assets

The overall inventory increased by ₹ 1,530 lakhs to ₹ 15,689 lakhs in FY16 from ₹ 14,159 lakhs in FY15.

Trade Receivables decreased from ₹ 11,411 lakhs in FY15 to ₹ 10,643 lakhs in FY16.

Cash and Bank Balances increased significantly by ₹ 5,463 lakhs and stands at ₹ 23,507 lakhs at the end of FY16 as compared to ₹ 18,044 lakhs at the end of FY15.

## 9. Liquidity

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. Our primary liquidity requirements have been to finance our working capital requirements for our operations and for capital expenditures and investments. We have financed our capital

requirements primarily through funds generated from our operations and also through borrowings.

## 10. Cash Flows

The table below summarizes our cash flow for the periods indicated

(₹ Lakhs)

	March 31, 2016	March 31, 2015
Net cash generated from operating activities	11,783	13,141
Net cash used in investing activities	(327)	(2,861)
Net cash used in financing activities	(7,875)	1,964
Net change in Cash and Cash Equivalents	3,581	12,244

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## ANNEXURE-B

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:  
The Company's CSR policy is aimed at demonstrating care for the community through its focus on medical, educational and other support to the communities at the area around it where it operates and local area around Silvassa, DNH. The projects undertaken shall be within the broad framework of Schedule VII of the Companies Act, 2013. Web-link: <http://www.gulfoilindia.com/stakeholders/CSR>.
- Composition of CSR Committee: Mrs. Kanchan Chitale, Chairperson (Independent Director), Mr. Sanjay G. Hinduja, Member (Non-Executive Director) and Mr. Ravi Chawla, Member (Managing Director).
- Average net profit of the Company for last three financial years: ₹ 11,082.08 lakhs.  
(\*Considering the profits of Lubricants division of demerged Company (GOCL), prior to demerger.)
- Prescribed CSR Expenditure (Two percent of the amount as in item 3 above): The Company is required to spend for the financial year : ₹221.64 lakhs.
- Details of CSR spend for the financial year:
  - Total amount spent for the financial year: ₹ 96.20 lakhs.
  - Amount unspent, if any: ₹125.44 lakhs.
  - Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Project / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs	Amount spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
			Districts (State)	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
1	Mobile Medical Dispensary	Healthcare	Rural villages near Silvassa, DNH	40.00	40.00	40.00	40.00 (through Hinduja Foundation)
2	School Expansion project	Education for Children	Village: Golap, Ratnagiri, MH	25.50	25.50	25.50	25.50 (through Mukul Madhav Foundation)
3	"Road Safety- Drive Safety" awareness program	Education	Mumbai, MH and other metro cities	15.00	13.00	13.00	13.00 (Direct)
4	Foster a Child-Project for supporting Orphan children	Reducing inequalities	Mumbai, MH	30.00	7.70	7.70	7.70 (Direct)
5	Collage grants	Education for all	Silvassa, DNH	25.00	10.00	10.00	10.00 (Direct)
<b>Total</b>				<b>135.5</b>	<b>96.20</b>	<b>96.20</b>	<b>96.20</b>

\* Details of implementing agencies.

- Reason for not spending two percent of the average net profit of the last three financial years: -  
This is the second financial year of the Company with full separate operations post-demerger. Therefore, the Board could spend only partial amount as contemplated in the guidelines and has taken up various steps to identify additional CSR projects to meaningfully spend full amount under CSR in the coming years. Some of the programs initiated by the Company are multi-year projects.
- We hereby confirm that implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

Place : Mumbai  
Place : May 11, 2016

**Ravi Chawla**  
Managing Director  
DIN: 02808474

**Kanchan Chitale**  
Chairperson of CSR Committee  
DIN: 00007267

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

#### (A) CONSERVATION OF ENERGY:

Silvassa Manufacturing plant continued their efforts in conserving energy in various forms like energy conservation projects, use of alternate sources & resources, continuous monitoring etc.

- At its Silvassa plant, to save energy, the Company replaced halogen lights with CFL lights on the shop floor.
- Regular checking is done to stop air leakages.
- Repaired and started all the capacitor banks to consistently maintain power factor at desired levels resulting in substantial reduction in electricity consumption.
- Planned for additional higher capacity pumps for storage tanks to save on energy and time.
- Servicing of all the old AC units carried out and set properly for better energy conservation.

#### (B) TECHNOLOGY ABSORPTION:

The R&D Centre of your organisation located at Silvassa developed various products and formulations to meet the changing market requirements:

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

#### New Development

- Synthetic Diesel engine oil launched in the market place to meet the performance requirement of mining tippers in the most demanding Infrastructure segment.
- Fuel economy potential heavy duty engine oil developed for our customer and progressing with evaluation.
- Customised farm tractor engine oil developed specifically for a major tractor OEM was validated and OEM branded genuine oil launched.
- To meet the fast growing Passenger Car OEM segment, launched the most advanced fuel economy credential product in the market.
- Dedicated engine oil developed and commercialised for small commercial vehicles (SCV segment).
- Customised Fuel Economy potential high performance Hydraulic Fluids for an OEM in the injection moulding segment were developed alternate formulations for various existing products were introduced for supply chain flexibility and also cost competitiveness.

**Benefits derived from R&D**

- Introduction of OEM endorsed products in the farm segment would help gain customer confidence apart from market penetration and growth.
- Fuel economy and advanced technology Passenger Car segment product will create additional demand for our products in the market place and enhance our brand image.
- Launch of customised, OEM endorsed hydraulic fluids would help make further inroads in the construction segment which is poised for high growth owing to enhanced focus and spending in the infrastructure sector.

**Future Plans**

- Synthetic range of products with advanced technology for the high end motorcycle segment.
- High performance Long Drain Commercial Vehicle range of products including engine, gear and axle oils.
- Synthetic range of products for compressors and gears.
- Semi synthetic and fully synthetic soluble cutting oil.
- Fuel Efficient Passenger Car Motor Oils.
- Long Life / High Performance Metal Working Fluids.

**(C) FOREIGN EXCHANGE EARNING AND OUTGO:**

Details of earnings accrued and expenditure incurred in foreign currency are given in Note 27 and 26 respectively of the financial statements. The Company continues to strive to improve its earnings from exports.



### FORM NO. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

To,  
The Members,  
Gulf Oil Lubricants India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gulf Oil Lubricants India Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Gulf Oil Lubricants India Limited** ("the Company") for the financial year ended on **31st March, 2016** according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;

- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

- (6) The Company has identified the following Acts specifically applicable to the Company in addition to labour and industrial laws:

- i. Environment Protection Act, 1986
- ii. Air (Prevention and Control of pollution) Act, 1981
- iii. Water (Prevention and Control of pollution) Act, 1974
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- v. Manufacture, Storage and import of Hazardous Chemicals Rules, 1989
- vi. Petroleum Act, 1934
- vii. Electricity Act, 2003

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited upto November 30, 2015 and
- (iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from December 1, 2015.



During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

- a. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- b. Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- c. during the period under review resolutions were carried through majority decisions. The minutes of the meetings held during the audit period did not reveal any dissenting members' view. As confirmed by the management, there were no dissenting views expressed by any of the members or any business transacted at the meetings held during the period under review;
- d. based on the information, documents provided and the representations made by the Company, its officers during our audit process and also on review of the compliance reports of the Company Secretary taken on record by the Board of Directors of the Company periodically.

- e. the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed by us since the same have been subject to review by statutory auditors and other professionals;

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has:

- (i) shifted its registered office from the State of Telangana to the State of Maharashtra;
- (ii) ratified the appointment of Mr. Ravi Chawla as Managing Director;
- (iii) increased the authorized share capital of the Company;
- (iv) approved the Employees Stock Option Scheme.

**For BS & Company Company Secretaries LLP**  
(Formerly BS & Company, Company Secretaries)

Date: 01.08.2016  
Place: Hyderabad

**A. Ravi Shankar**  
Designated Partner  
FCS No. 5335  
C P No.: 4318

**FORM NO. MGT – 9**

EXTRACTS OF ANNUAL RETURN as on Financial Year ended on March 31, 2016  
(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration)Rules, 2014)

<b>I REGISTRATION AND OTHER DETAILS:</b>		
1.	Corporate Identification No.(CIN)	L23203MH2008PLC267060
2.	Registration Date	July 17, 2008
3.	Name of the Company	Gulf Oil Lubricants India Limited
4.	Category / sub-category of the Company	Company Limited by share / Indian Non-government Company
5.	Address of the Registered Office and Contact details	IN Centre, 49/50, 12th Road, MIDC, Andheri (East) Mumbai – 400 093, Maharashtra, India. Telephone No. - +91-022-6648 7777 Fax No. - +91-022-2824 8232 Email ID – secretarial@gulfoil.co.in
6.	Whether listed company	Yes
7.	Name, address & contact details of the Registrar & Share Transfer Agent, if any	Mr. Sandeep Sanghi Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Ganchibowli, Financial District, Nanakramaguda, Hyderabad – 500 032 Email ID: - sanghi.sandeep@karvy.com Toll Free No. – 1800-3454-001

<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> (All the business activities contributing 10% or more of the total turnover of the company shall be stated)			
Sr. No.	Name and Description of main products/ services	NIC code of the products/services	% to total turnover of the Company
	Lubricants Oil	19201	98.6%

<b>III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>						
Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section	
1	Gulf Oil International (Mauritius) INC 3rd Floor, 3B Citius Building, 31 Cybercity, Ebene, Mauritius	Foreign Company	Holding Company	64.94%	Section 2(46)	





IV Shareholding pattern (Equity share Capital breakup as percentage to Total Equity)										
i) Category-wise Shareholding										
	Category of Shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
<b>A Promoters</b>										
<b>(1) Indian</b>										
a) Individual / HUF		0	0	0	0	0	0	0	0	0
b) Bodies Corporate		0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1)</b>		0	0	0	0	0	0	0	0	0
<b>(2) Foreign</b>										
a) NRIs – Individuals		0	0	0	0	0	0	0	0	0
b) Other Individuals		0	0	0	0	0	0	0	0	0
c) Bodies Corporate		29,718,167	0	29,718,167	59.95%	32,193,167	0	32,193,167	64.94%	4.99%
d) Banks / FIs		0	0	0	0	0	0	0	0	0
e) Any Other		0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2)</b>		<b>29,718,167</b>	<b>0</b>	<b>29,718,167</b>	<b>59.95%</b>	<b>32,193,167</b>	<b>0</b>	<b>32,193,167</b>	<b>64.94%</b>	<b>4.99%</b>
<b>B Public Shareholding</b>										
<b>(1) Institutions</b>										
a) Mutual Funds		4,171,782	0	4,171,782	8.42%	4,927,299	0	4,927,299	9.94%	1.52%
b) Banks/FI		910,736	120	910,856	1.84%	899,913	120	900,033	1.82%	(0.02%)
c) Central Govt.		0	0	0	0	0	0	0	0	0
d) State Govt.		0	149,490	149,490	0.30%	0	149,490	149,490	0.30%	0
e) Venture Capital Fund		0	0	0	0	0	0	0	0	0
f) Insurance Companies		0	0	0	0	0	0	0	0	0
g) FIs & FPIs		6,126,789	0	6,126,789	12.36%	3,816,784	0	3,816,784	7.70%	(4.66%)
h) Foreign Venture Capital		0	0	0	0	0	0	0	0	0
i) Funds Others		0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1)</b>		<b>0</b>	<b>149,610</b>	<b>11,358,917</b>	<b>22.91%</b>	<b>9,643,996</b>	<b>149,610</b>	<b>9,793,606</b>	<b>19.76%</b>	<b>(3.15%)</b>
<b>(2) Non-Institutions</b>										
a) Bodies Corporate										
i) Indian		768,733	18,030	786,763	1.59%	460,542	18020	478,562	0.97%	(0.62%)
ii) Overseas		1,333,333	0	1,333,333	2.69%	1,333,333	0	1,333,333	2.69%	0
b) i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh		4,735,458	815,630	5,551,088	11.20%	4,669,824	746,713	5,416,537	10.93%	(0.27%)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh		469,050	119,688	588,738	1.19%	0	119,688	119,688	0.24%	(0.95%)



# EXTRACTS OF ANNUAL RETURN

c)	<b>Others</b>									
	i) Clearing Members	38,749	0	38,749	0.08%	99,201	0	99,201	0.20%	0.12%
	ii) Non Resident Indians	192,103	3,382	195,485	0.39%	129,297	3382	132,679	0.27%	(0.12%)
	iii) Trusts	1,250	0	1,250	0.00%	2,650	0	2,650	0.00%	0
	iv) Others	0	0	0	0.00%	3,067	0	3,067	0.00%	0
	<b>Sub-Total B(2)</b>	<b>7,538,676</b>	<b>956,730</b>	<b>8,495,406</b>	<b>17.14%</b>	<b>6,697,914</b>	<b>887,803</b>	<b>7,585,717</b>	<b>15.30%</b>	<b>(1.84%)</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>18,747,983</b>	<b>1,106,340</b>	<b>19,815,574</b>	<b>40.05%</b>	<b>16,341,910</b>	<b>1,037,413</b>	<b>17,379,323</b>	<b>35.06%</b>	<b>(4.99%)</b>
<b>C)</b>	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	<b>(Grand Total A+B+C)</b>	<b>48,466,150</b>	<b>1,106,340</b>	<b>49,572,490</b>	<b>100.00%</b>	<b>48,535,077</b>	<b>1,037,413</b>	<b>49,572,490</b>	<b>100.00%</b>	<b>0</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Gulf Oil International (Mauritius) Inc.*	29,718,167	59.95%	Nil	32,193,167	64.94%	Nil	4.99%*
	<b>TOTAL</b>	<b>29,718,167</b>	<b>59.95%</b>	<b>Nil</b>	<b>32,193,167</b>	<b>64.94%</b>	<b>Nil</b>	<b>4.99%</b>
* Gulf Oil International (Mauritius) Inc., Promoter has acquired the additional shares during the financial year 2015-16 through creeping acquisition from open market.								

## (iii) Change in Promoters' shareholding\* (Please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	29,718,167	59.95%	0	0
	Date wise increase / decrease if any with reasons				
	April 29, 2015	12,37,500	2.5%	30,955,667	62.45%
	May 7, 2015	800,000	1.61%	31,755,667	64.06%
	May 8, 2015	437,500	0.88%	32,193,167	64.94%
	At the end of the year	<b>32,193,167</b>	<b>64.94%</b>		
* Gulf Oil International (Mauritius) Inc., Promoter has acquired the additional shares during the financial year 2015-16 through creeping acquisition from open market.					



(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)							
Sr. No.	Name of the Shareholder	Date	Remark	Shareholding at the beginning of the year 01st April 2015		Cumulative shareholding during the year 31st March 2016	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Axis Mutual Fund Trustee Limited						
		01/04/2015	At the beginning of the year	10,13,369	2.04%	10,13,369	2.04%
		01/05/2015	Purchase	24,590	0.05%	10,37,959	2.09%
		08/05/2015	Purchase	25,410	0.05%	10,63,369	2.15%
		15/05/2015	Purchase	20,000	0.04%	10,83,369	2.19%
		10/07/2015	Purchase	35,000	0.07%	11,18,369	2.26%
		31/07/2015	Purchase	1,07,349	0.23%	12,25,718	2.47%
		21/08/2015	Purchase	25,000	0.05%	12,50,718	2.52%
		28/08/2015	Purchase	50,000	0.10%	13,00,718	2.62%
		04/09/2015	Purchase	50,000	0.10%	13,50,718	2.72%
		31/12/2015	Purchase	1,50,000	0.30%	15,00,718	3.03%
		31/03/2016	At the end of the year	15,00,718	3.03%	15,00,718	3.03%
2	IAM Limited						
		01/04/2015	At the beginning of the year	13,33,333	2.69%	13,33,333	2.69%
		31/03/2016	At the end of the year	13,33,333	2.69%	13,33,333	2.69%
3	New Leaina Investments Limited						
		01/04/2015	At the beginning of the year	12,30,989	2.48%	12,30,989	2.48%
		21/08/2015	Purchase	12,30,989	2.48%	24,61,978	4.97%
		21/08/2015	Sale	(12,30,989)	2.48%	12,30,989	2.48%
		31/03/2016	At the end of the year	12,30,989	2.48%	12,30,989	2.48%
4	Reliance Capital Trustee Company Limited						
		01/04/2015	At the beginning of the year	10,25,002	2.07%	10,25,002	2.07%
		31/03/2016	Purchase	1,00,000	0.20%	11,25,002	2.27%
		31/03/2016	At the end of the year	11,25,002	2.27%	1125,002	2.27%





# EXTRACTS OF ANNUAL RETURN

5	<b>Franklin India Smaller Companies Fund</b>						
		01/04/2015	At the beginning of the year	6,50,294	1.31%	6,50,294	1.31%
		24/04/2015	Purchase	10,086	0.02%	6,60,380	1.33%
		01/05/2015	Purchase	1,65,333	0.33%	8,25,713	1.67%
		08/05/2015	Purchase	18,471	0.04%	8,44,184	1.70%
		15/05/2015	Purchase	15,894	0.03%	8,60,078	1.73%
		05/06/2015	Purchase	9,192	0.02%	8,69,270	1.75%
		12/06/2015	Purchase	23,993	0.05%	8,93,263	1.80%
		19/06/2015	Purchase	22,550	0.05%	9,15,813	1.85%
		31/07/2015	Sale	(24,265)	0.05%	8,91,548	1.80%
		07/08/2015	Purchase	9,265	0.02%	9,00,813	1.82%
		28/08/2015	Purchase	30,746	0.06%	9,31,559	1.88%
		04/09/2015	Purchase	3,571	0.01%	9,35,130	1.89%
		30/10/2015	Purchase	2,179	0.00%	9,37,309	1.89%
		06/11/2015	Purchase	29,258	0.06%	9,66,567	1.95%
		13/11/2015	Purchase	9,246	0.02%	9,75,813	1.97%
		22/01/2016	Purchase	8,591	0.02%	9,84,404	1.99%
		29/01/2016	Purchase	102	0.00%	9,84,506	1.99%
		31/03/2016	Purchase	10,000	0.02%	9,94,506	2.01%
		31/03/2016	At the end of the year	9,94,506	2.01%	9,94,506	2.01%
6	<b>The New India Assurance Co. Limited</b>						
		01/04/2015	At the beginning of the year	7,22,929	1.46%	7,22,929	1.46%
		31/03/2016	Sale	(10,000)	0.02%	7,12,929	1.44%
		31/03/2016	At the end of the year	7,12,929	1.44%	7,12,929	1.44%
7	<b>Bridge India Fund</b>						
		01/04/2015	At the beginning of the year	19,93,672	4.02%	19,93,672	4.02%
		24/04/2015	Sale	(1,50,000)	0.30%	18,43,672	3.72%
		01/05/2015	Sale	(8,00,000)	1.61%	10,43,672	2.11%
		15/05/2015	Sale	(4,37,500)	0.88%	6,06,172	1.22%
		31/03/2016	At the end of the year	6,06,172	1.22%	6,06,172	1.22%
8	<b>Afrin Dia</b>						
		01/04/2015	At the beginning of the year	17,82,783	3.60%	17,82,783	3.60%
		01/05/2015	Sale	(4,37,500)	0.88%	13,45,283	2.71%
		08/05/2015	Sale	(8,00,000)	1.61%	5,45,283	1.10%
		31/03/2016	At the end of the year	5,45,283	1.10%	5,45,283	1.10%



# EXTRACTS OF ANNUAL RETURN

<b>9 Morgan Stanley Sicav (Mauritius) Limited</b>								
		01/04/2015	At the beginning of the year	1,82,982	0.37%	1,82,982	0.37%	
		10/04/2015	Purchase	41,096	0.08%	2,24,078	0.45%	
		19/02/2016	Purchase	2,51,000	0.51%	4,75,078	0.96%	
		31/03/2016	At the end of the year	4,75,078	0.96%	4,75,078	0.96%	
<b>10 Birla Sun Life Trustee Company Private Limited</b>								
		01/04/2015	At the beginning of the year	6,38,495	1.29%	6,38,495	1.29%	
		10/04/2015	Purchase	24,000	0.05%	6,62,495	1.34%	
		10/04/2015	Sale	(2,000)	0.00%	6,60,495	1.33%	
		03/07/2015	Purchase	1,600	0.00%	6,62,095	1.34%	
		03/07/2015	Sale	1,600	0.00%	6,60,495	1.33%	
		10/07/2015	Purchase	41,200	0.08%	7,01,695	1.42%	
		17/07/2015	Purchase	8,126	0.02%	7,09,821	1.43%	
		24/07/2015	Purchase	5,000	0.01%	7,14,821	1.44%	
		31/07/2015	Purchase	10,000	0.02%	7,24,821	1.46%	
		28/08/2015	Purchase	4,000	0.01%	7,28,821	1.47%	
		28/08/2015	Sale	(10,000)	0.02%	7,18,821	1.45%	
		16/10/2015	Sale	(1,253)	0.00%	7,17,568	1.45%	
		23/10/2015	Sale	(1,347)	0.00%	7,16,221	1.44%	
		06/11/2015	Sale	(3,600)	0.01%	7,12,621	1.44%	
		13/11/2015	Sale	(3,300)	0.01%	7,09,321	1.43%	
		18/12/2015	Sale	(1,600)	0.00%	7,07,721	1.43%	
		25/12/2015	Sale	(1,500)	0.00%	7,06,221	1.42%	
		01/01/2016	Sale	(7,000)	0.01%	6,99,221	1.41%	
		12/02/2016	Sale	(2,00,709)	0.40%	4,98,512	1.01%	
		19/02/2016	Sale	(50,000)	0.10%	4,48,512	0.90%	
		26/02/2016	Sale	(574)	0.00%	4,47,938	0.90%	
		04/03/2016	Purchase	2,000	0.00%	4,49,938	0.91%	
		04/03/2016	Sale	(3,016)	0.01%	4,46,922	0.90%	
		11/03/2016	Sale	(8,600)	0.02%	4,38,322	0.88%	
		18/03/2016	Purchase	57,000	0.11%	4,95,322	1.00%	
		18/03/2016	Sale	(32,700)	0.07%	4,62,622	0.93%	
		25/03/2016	Sale	(5,110)	0.01%	4,57,512	0.92%	
		31/03/2016	Purchase	14,000	0.03%	4,71,512	0.95%	
		31/03/2016	At the end of the year	4,71,512	0.95%	4,71,512	0.95%	
Note: Top ten shareholders of the Company as on March 31, 2016 has been considered for the above disclosure.								



<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>							
Sr. No.	Name of Director and KMP	Shareholding at the beginning of the year		Change in shareholding (no of shares) and Reasons	Shareholding at the end of the year		
		No of shares	% of total shares of the company		No of shares	% of total shares of the company	
	<b>DIRECTORS</b>						
	Sanjay G. Hinduja	Nil	Nil	Nil	Nil	Nil	
	M. S. Ramachandran	2,000	0%	Nil	2,000	0%	
	Ashok Kini	Nil	Nil	Nil	Nil	Nil	
	Kanchan Chitale	Nil	Nil	Nil	Nil	Nil	
	Ravi Chawla	Nil	Nil	Nil	Nil	Nil	
	<b>KEY MANAGERIAL PERSONNEL</b>						
	Manish K. Gangwal Chief Financial Officer	200	0%	Nil	200	0%	
	Vinayak Joshi Company Secretary	Nil	Nil	Nil	Nil	Nil	

<b>(vi) INDEBTEDNESS</b>					<b>(₹ Lakhs)</b>
	Indebtedness at the beginning of the financial year	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
i) Principal Amount		1,250.00	20,293.14	Nil	21,543.14
ii) Interest due but not paid		Nil	Nil	Nil	Nil
iii) Interest accrued but not due		0.22	31.64	Nil	31.86
<b>TOTAL OF (I+II+III)</b>		<b>1250.22</b>	<b>20,324.78</b>	<b>Nil</b>	<b>21,575.00</b>
Change in Indebtedness during the financial year					
Addition		Nil	20,792.64	Nil	20,792.64
Reduction		(1,250.22)	(21,596.39)	Nil	(22,846.61)
<b>Net Change</b>		<b>(1,250.22)</b>	<b>(803.75)</b>	<b>Nil</b>	<b>(2,053.97)</b>
Indebtedness at the end of the financial year		Nil	Nil	Nil	Nil
i) Principal Amount		Nil	19,471.91	Nil	19,471.91
ii) Interest due but not paid		Nil	Nil	Nil	Nil
iii) Interest accrued but not due		Nil	49.12	Nil	49.12
<b>TOTAL OF (I+II+III)</b>		<b>NIL</b>	<b>19,521.03</b>	<b>Nil</b>	<b>19,521.03</b>





# EXTRACTS OF ANNUAL RETURN

(vii) Remuneration to Directors and Key Managerial Personnel				
A. Remuneration to Managing Director, Whole-time Directors and/or Manager				
Sr No.	Particulars of Remuneration	Name of Managing Director	Whole-time Director / Manager	Total Amount ₹
		Ravi Chawla	Not applicable	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,33,26,550	-	1,33,26,550
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,43,223	-	9,43,223
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others - Annual Performance Pay	70,00,000	-	70,00,000
5	Others-Retirals	7,80,400	-	7,80,400
	Total (A)	2,20,50,173	-	2,20,50,173
	Ceiling as per the Act	5% of net profit		

B. Remuneration to other Directors (Amount in ₹)					
Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
1)	<b>Independent Directors</b>	<b>M. S. Ramachandran</b>	<b>Ashok Kini</b>	<b>Kanchan Chitale</b>	
	- Fees for attending Board/- Committee meetings	7,50,000	8,50,000	7,00,000	23,00,000
	- Commission	17,18,000	16,79,000	16,03,000	5,00,000
	- Others, please specify				
	<b>TOTAL B (1)</b>	24,68,000	25,29,000	2,303,000	73,00,000
2)	<b>Other Non-Executive Directors</b>	<b>Sanjay G. Hinduja</b>	<b>-</b>	<b>-</b>	<b>Total</b>
	- Fees for attending Board/- Committee meetings	8,50,000	-		8,50,000
	- Commission	50,00,000			50,00,000
	- Others, please specify				
	<b>TOTAL B (2)</b>	58,50,000		-	58,50,000
	<b>Total Managerial Remuneration</b>	₹ 10,000,000/- (excluding sitting fees)			
	<b>Overall ceiling as per the Act</b>	1% of net profit			

**EXTRACTS OF ANNUAL RETURN**

<b>C. Remuneration to Key Managerial Personnel other than Managing Director/WTD/Manager</b>					
			<b>Chief Financial Officer</b>	<b>Company Secretary</b>	<b>Total</b>
			<b>Manish Kumar Gangwal</b>	<b>Vinayak Joshi</b>	
1	Gross Salary		69,91,536	34,42,484	1,04,34,020
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		39,600	1,29,600	1,69,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- As % of profit		-	-	-
	- Others, specify		-	-	-
5	Others-Retirals		2,91,060	1,36,080	4,27,140
	<b>Total (C)</b>		<b>73,22,196</b>	<b>37,08,164</b>	<b>1,10,30,360</b>

**(viii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT ]	Appeal made if any (give details)
<b>A. COMPANY</b>						
	Penalty			Nil		
	Punishment			Nil		
	Compounding			Nil		
<b>B. DIRECTORS</b>						
	Penalty			Nil		
	Punishment			Nil		
	Compounding			Nil		
<b>C. DIRECTORS</b>						
	Penalty			Nil		
	Punishment			Nil		
	Compounding			Nil		

for Gulf Oil Lubricants India Limited

Date: August 1, 2016  
Place: Mumbai

**Vinayak Joshi**  
Company Secretary

### 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.

The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The said Code of Conduct is uploaded on the website of the Company – [www.gulfoilindia.com](http://www.gulfoilindia.com). The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended 31st March, 2016. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

#### 2. BOARD OF DIRECTORS:

Your Company has a balance mix of eminent executive, non-executive and independent directors on the Board. As of 31st March, 2016, the Board consists of three

Independent Directors including one woman Director, one Non-Executive Director and one Managing Director.

During the financial year 2015-16, five meetings of the Board of Directors were held on 26th May 2015, 28th July 2015, 22nd September 2015, 31st October 2015, 09th February 2016.

The Board consists of the following Directors as on 31st March, 2016, categorized as indicated below:

Chairman (Non-Executive)	Mr. Sanjay G. Hinduja
Director (Non executive Independent)	Mr. M. S. Ramachandran
Director (Non executive Independent)	Mr. Ashok Kini
Director (Non executive Independent)	Mrs. Kanchan Chitale
Managing Director	Mr. Ravi Chawla

The names and categories of the Directors on the Board, their attendance at the Board meeting and the Annual General Meeting held during the year and the number of Directorships and committee chairmanships/ Memberships held by them in other companies as on 31st March, 2016 are given below:

Name of the Director	Number of Board Meetings Attended during the FY 2015-16	Whether attended last AGM	Number of Directorship in other Public Companies as on 31st March, 2016	Number of committee positions held in other public companies#	
				Member	Chairman
Mr. Sanjay G Hinduja	5	Yes	-	-	-
Mr. M.S. Ramachandran	5	Yes	5	2	-
Mr. Ashok Kini	5	Yes	5	2	2
Mrs. Kanchan Chitale	5	Yes	9	5	4
Mr. Ravi Chawla	5	Yes	1	-	-

# As per Clause 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Membership/ Chairmanship of Audit Committee, and Stakeholders Relationship Committee have been considered for the purpose. (Note: During the year, Mr. R. P. Hinduja ceased to be a Director of the Company effective from September 22, 2015.)

The Company had issued formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company. As on 31st March, 2016, none of the Directors of the Company are related to each other. The Company has not issued any convertible instruments as of date and none of the Directors

are holding equity shares of the Company except Mr. M. S. Ramachandran who is holding 2,000 equity shares as on March 31, 2016.

#### Meeting of Independent Directors

During the year, meeting of Independent Directors was held to review the performance of the Board as



a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

### Familiarization Program and Training

Your Company follows a structured orientation and familiarization program through various reports/codes/ internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. The details of familiarization program have been posted on the website of the Company under the web link <http://www.gulfoilindia.com/upload/pdf/familiarisation-program-for-ID-pdf>.

Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

### 3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors meets the criteria laid down under section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Kanchan Chitale, Non-Executive Independent Director is the Chairperson of the Audit Committee. The other members of the Audit Committee include Mr. Sanjay G. Hinduja and Mr. Ashok Kini. Mr. Sanjay G. Hinduja was appointed as a member of the Audit Committee w.e.f. September 22, 2015 in place of Mr. Ramkrishan P. Hinduja who ceased to be a member on same day.

The brief terms of reference of the Audit Committee includes:

The audit committee shall have, inter alia, the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee. (This would be limited to Heads of functions or divisions who could choose to bring anyone else concerned for the meeting).
- To obtain outside legal or other professional advice depending on inputs required.
- to secure attendance of the auditors, internal auditor, if any, and the CFO and of outsiders with relevant expertise, if it is considered necessary; the committee will review and decide on who should be invited from time to time.

The role of the audit committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial

information to ensure that the financial statements are correct, sufficient and credible.

- Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with management the annual financial statements and auditors' report before submission to the board, focusing primarily on;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications, if any in draft audit report.
  - Significant adjustments and/or provisions arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with listing and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
  - Disclosure of any related party transactions.
- Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Prior approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter- corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.

- k. Reviewing the adequacy of internal audit function, 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.
- l. Discussion with internal auditors any significant findings and follow up there on.
- m. 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.
- n. Discussion with external auditors before the audit commences regarding nature and scope of audit and post-audit discussion to ascertain any area of concern.
- o. Reviewing the company's financial and risk management policies especially enterprise level risks. A separate risk management group consisting of various functional heads would review and submit summary report to the Audit Committee.
- p. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- q. Reviewing, with the management – i) the quarterly, and annual financial statements before submission to the board for approval, ii) the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- r. To affirm to the Board that no personnel have been denied access to the audit committee and to review and regulate the functioning of the Whistle Blower mechanism.
- s. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t. The Audit Committee shall inter-alia mandatorily review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- u. To ensure and confirm on a quarterly basis to the Board, the compliance of the conditions of corporate governance to enable the Board to file the Quarterly Compliance Report on Corporate Governance with the Stock Exchanges.

During the financial year 2015-16, four meetings of Audit Committee were held on 25th May 2015, 27th July 2015, 31st October 2015 and 08th February 2016. The necessary quorum was present at all the meetings. The attendance of members during the financial year 2015-2016 is as follows:

Name of the Audit Committee member	Position	Category	No of meetings attended
Mrs. Kanchan Chitale	Chairperson	Non-Executive Independent	4
Mr. Sanjay G. Hinduja	Member	Non-Executive	2
Mr. Ashok Kini	Member	Non-Executive Independent	4

Mr. Vinayak Joshi, Company Secretary is the Secretary to the Committee.

The Managing Director, Chief Financial Officer and Internal Auditor are invitees to the meetings of the Audit Committee. The Statutory Auditors of the Company were invited to join the Audit Committee in the meetings for discussing the quarterly unaudited financial results and the Annual / Audited Accounts before placing it to the Board of Directors.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) of the Board of Directors meets the criteria laid down

under section 178 of the Companies Act, 2013, read with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Ashok Kini, Non-executive Independent Director, is the Chairman of the Committee. The other members of the NRC are Mr. Sanjay G. Hinduja and Mr. M. S. Ramachandran. During the year three meetings were held on 26th May 2015, 08th February 2016 and 19th March 2016. The requisite quorum was present for all meetings. The attendance of the NRC members is given below:

Name of the NRC member	Position	Category	No of meetings attended
Mr. Ashok Kini	Chairman	Independent Director	3
Mr. Sanjay G. Hinduja	Member	Non-Executive Director	3
Mr. M. S. Ramachandran	Member	Independent Director	3

Mr. Vinayak Joshi, Company Secretary is the Secretary to the Committee.

The brief description of terms of reference of Nomination and Remuneration Committee is given below:

1. The Committee shall be constituted as a Board Committee and be formally empowered to ;
  - a. identify persons who are qualified to become Directors and who may be appointed in the Senior Management as per criteria laid down by the Company and recommend to the Board their appointment or removal;
  - b. provide the terms of engagement for independent directors, non-executive directors, Managing Director and senior management;
  - c. carry out evaluation of every Director's performance

Role of the Committee shall inter- alia include the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity and succession planning for Board/Senior Management;

- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

2. While formulating the policy on the basis of criteria's enumerated above, the Committee shall ensure that;
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Further, the policy formulated taking into consideration the above, shall be disclosed in the Board's Report.

3. The Committee shall (subject to compliance of the Companies Act and other applicable regulations):
  - a. Establish the KRAs and clear metrics of performance for Managing Director against which their performance shall be appraised at the end of the year.
 

Review and approve KRAs and performance metrics for senior management proposed by the Managing Director.

Document the expectations and the actual achievements for a full Board review as may be taken as an audit.
  - b. Have the responsibility for a) setting the remuneration for the Managing Director and, b) review and approval of senior management (one level below MD) remuneration proposed by Managing Director. Remuneration in this context will include salary; performance based variable component and any compensation payments, such as retiral benefits or stock options.
  - c. Make available its terms of reference, its role, the authority delegated to it by the Board and what it has done for the year under review to the shareholders in a separate section of the chapter on corporate governance in the Annual Report.
4. The committee shall be able to appoint external consultants for assistance on policy and compensation inputs whenever required.

5. The Nomination and Remuneration Committee shall comprise of three members, including its Chairman who shall be an independent director.
6. The Chairperson of the Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the Company.

#### 4 (a) Performance evaluation criteria for independent Directors:-

The Nomination and Remuneration Committee of the Board has laid down the criteria for performance evaluation of Independent Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concern being evaluated. The criteria for performance evaluation are as follows:

Factor	Attributes
Role and Accountability	- Application of knowledge for rendering advice to Management for resolution of business issues
	- Offer constructive challenge to Management strategies and proposals
	- Active engagement with the Management and attentiveness to progress of decisions taken
Objectivity	- Non-partisan appraisal of issues
	- Own recommendations given professionally without tending to majority or popular views
Leadership and initiative	- Heading Board sub-committees
	- Supporting any function or identified initiative based on domain knowledge and experience
Participation in and contribution to effective Board meetings	- Commitment to role and fiduciary responsibilities as a Board Member
	- Attendance and active participation in Board and Committee meetings
	- Proactive, strategic and lateral thinking

#### 4 (b) Remuneration to Directors:

The Governance policies of the Company contain policy on remuneration to Directors, KMPs, Senior Management Personnel and other employees. While deciding on the remuneration including commission if any, for Directors, the Board and Nomination and Remuneration Committee consider the performance of the Company, the current trends in the industry, the director's participation in the board and committee meetings during the year and other relevant factors.

The details of remuneration paid to the Non Executive Directors are given below.

Sr. No.	Name of the Director	Category	Sitting fees ₹	Commission ₹ #
1	Mr. Sanjay G. Hinduja	Non-Executive	8,50,000	50,00,000
2	Mr. M. S. Ramachandran	Independent	7,50,000	17,18,000
3	Mr. Ashok Kini	Independent	8,50,000	16,79,000
4	Mrs. Kanchan Chitale	Independent	7,00,000	16,03,000

#The Commissions to the Non-executive Directors will be paid after the approval of Financial statements for the year ended 31st March, 2016, at the forthcoming Annual General Meeting.

No stock options were issued to Non-executive Directors of the Company.

The details of remuneration paid to Managing Director are given below:

The remuneration paid to Mr. Ravi Chawla, Managing Director for the FY 2015-16 is ₹ 2,20,50,173/-, which includes i) Perquisites and allowances ₹ 9,43,223/- ii) Annual Performance Pay ₹ 70,00,000/- and iii) Retiral benefits ₹ 7,80,400/-. As per "Gulf oil Lubricants India Limited-Employees Stock Option Scheme-2015 ("Scheme"), 183,196 options were granted to Mr. Ravi Chawla, which will be priced, vested and exercised as per the Scheme. The salient features of the Scheme are available on the website of the Company.

#### 4 (c) The Remuneration policy of the Company is as follows:

##### 1. Objective

The objective of Gulf Oil Lubricants India Limited (GOLIL) Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context



around remuneration and recognizing the interests of GOLIL stakeholders.

## 2. The Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("Committee") is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, Key Managerial Personnel (KMP) and Senior Executives of GOLIL from time to time.

## 3. Remuneration for Non-Executive Directors

Non-Executive Directors ("NED") are remunerated by way of Sitting Fee for each meeting of the Board/ Committees of the Board attended by them and an annual commission on the profits of the Company. Commission to respective NED is determined on the basis of an objective criteria discussed and agreed upon by the Committee Members unanimously. NED's are reimbursed of any out of pocket expenses incurred by them for the purpose of the Company.

## 4. Remuneration for Executive Directors, Key Managerial Personnel (KMP) and Senior Executives

The following elements are taken into consideration for determining the Remuneration of Executive Directors, KMP and Senior Executives:

- The remuneration policy reflects a balance between the interests of GOLIL main stakeholders as well as a balance between the Company's short-term and long-term strategy. As a result, the structure of the remuneration package for the Directors, KMP and Senior Executives is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders. GOLIL strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment.
- To ensure that highly skilled and qualified KMP/ Senior Executives can be attracted and retained, GOLIL aims for a total remuneration level that is comparable to levels provided by other companies that are similar to GOLIL in terms of size and complexity.
- In designing and setting the levels of remuneration for the Directors, KMP and Senior Executives, the Committee also takes into account the relevant statutory provisions and provisions of the corporate governance regulations, societal and market trends and the interests of stakeholders.

- GOLIL's Remuneration policy is to offer the Directors, KMP and Senior Executives a total compensation comparable to the peer group.

## TOTAL COMPENSATION

The total compensation of the Managing Director and Senior Executives consists of the following components:

1. Base salary
2. Variable income –
  - Annual Performance Pay (APP)
  - Performance-related Long-Term Incentive Plan (LTIP)

## BASE SALARY

On joining the Company, the Managing Director, KMP and Senior Executives receive a base salary comparable to the peer group. Every year, base salary levels are reviewed by the Committee.

## VARIABLE INCOME

The variable income part of remuneration consists of APP and LTIP. The distribution between APP and LTIP for (on target) performance aims to achieve a proper balance between short-term result and long-term value creation. The parameters relating to the various elements of the variable income part of the remuneration are established and where necessary adjusted by and at the discretion of the Committee, taking into account the general rules and principles of the remuneration policy itself.

The targets are determined each year by the Committee in consultation with the respective Director/KMP / Executive, based on historical performance, the operational and strategic outlook of the Company in the short term and expectations of the Company's management and stakeholders, among other things. The targets contribute to the realization of the objective of long-term value creation.

With respect to KMPs and Senior Management, the Company aims to progressively increase the proportion of variable component in overall compensation.

## 5. Remuneration for other Employees.

Remuneration of middle and lower level employees of the Company consists of fixed pay and Performance Linked Variable Pay. This is reviewed on an annual basis. Increase in the remuneration of employees is effected based on an annual review taking into account performance of the employee and the performance of the Company also.

## 6. Remuneration for Workmen.

Remuneration of workmen employed in the factories of the Company consists of fixed pay and performance incentives, which is negotiated and agreed upon on

periodical basis. Increase in the remuneration of workmen is effected based on a review of performance of the Company and increase in the general price levels / cost of living index, etc.

## 7. Employee Stock Options

Company has introduced Employee Stock Options to inculcate a sense of ownership among the employees of the Company.

## 8. Alignment of Remunerations

The Company strives to achieve that the remunerations of the Directors, Senior Executives, Middle and lower level employees of GOLIL are aligned to each other.

## 9. Term of Appointment

Term of Managing Director and other Executive Directors is generally for a period of 3 years and renewed for similar periods from time to time. Whereas, term of the other employees, generally is upto the age of superannuation. However, Company also employs contractual employees as 'consultants' for shorter periods on need basis.

## 10. Post Retirement Benefits

All the executive directors and employees are entitled for retirement benefits such as provident fund, superannuation fund and gratuity.

## 11. Severance Arrangements

Contracts of employment with executive directors and regular employees, provide for compensation of upto three months pay or advance notice of similar period.

At all times the Company will be compliant with all applicable laws in the matter of compensation of Directors, KMPs and Senior Management.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) of the Board of Directors of the Company meets the criteria laid down under section 178 of the Companies Act, 2013, read with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. M. S. Ramachandran, Independent Director is the Chairman of the Committee. Mr. Sanjay G. Hinduja and Mr. Ravi Chawla are other members of the Committee. Mr. Vinayak Joshi, Company Secretary is the Secretary to the Committee and the Compliance Officer appointed for the compliance of capital market related laws. During the year, four meetings were held on 26th May 2015, 28th July 2015, 31st October 2015 and 09th February 2016, which were attended by all Committee members.

Terms of reference in brief: The Stakeholders Relationship Committee looks into redressal of shareholders' and

investors' complaints, issue of duplicate/consolidated share certificates and transfers/transmission etc. To complete the process of transfers in time in compliance with listing agreement, the Committee has delegated authority to approve transfers/transmissions/duplicate etc. to the Managing Director and Company Secretary. The said transactions are noted at the subsequent meeting of the Committee.

The status of complaints received and resolved during the year as under:

No of complaints pending as on 1st April, 2015	: Nil
No of complaints received during the year	: 128
No of complaints resolved during the year	: 128
No of complaints pending as on 31st March, 2016	: Nil

## 6. GENERAL BODY MEETINGS

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

Financial Year	Location of AGM	Date & Time of AGM
2014-15	Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai – 400 018	22nd September 2015 3.00 p.m.
2013-14	Registered Office, IDL Road, Kukatpally, Sanathnagar (IE) P.O. Hyderabad, - 500 018	4th June, 2014 3.00 p.m.
2012-13	Registered Office, IDL Road, Kukatpally, Sanathnagar (IE) P.O. Hyderabad, - 500 018	30th September, 2013 10.00 a.m.

### ii. Whether any special resolutions were passed in the previous three AGMs

The details of special resolutions passed during previous three AGMs are given below.

Seventh AGM held on 22nd September 2015

a) Pursuant to the provisions of Section 14 and other applicable provisions of Companies Act, 2013 and

rules made there-under Articles of Association of the Company has amended by adding clause 33A and 49A

Sixth AGM held on 4th June, 2014

- a) Appointment of Mr. Sanjay G. Hinduja (DIN:00291692) as a Director of the Company and liable to retire by rotation.
- b) Appointment of Mr. Ramkrishan P. Hinduja (DIN:00278711) as a Director of the Company and liable to retire by rotation.
- c) Appointment of Mr. M. S. Ramachandran (DIN: 00943629), as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from June 4, 2014 to June 3, 2019 (both days inclusive) and not liable to retire by rotation.
- d) Appointment of Mr. Ashok Kini (DIN: 00812946), as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from June 4, 2014 to June 3, 2019 (both days inclusive) and not liable to retire by rotation.
- e) Appointment of Mrs. Kanchan Chitale (DIN: 00007267), as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from June 4, 2014 to June 3, 2019 (both days inclusive) and not liable to retire by rotation.
- f) Approval for Payment of Commission on net profits of the Company for the financial year 2014-15 and four years thereafter, of an aggregate amount not exceeding the maximum limit permitted under the provisions of section 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and any other applicable provisions of the Companies Act, 2013 and computed in the manner referred to in Section 198 of the Companies Act, 2013 as may be decided by the Chairman of the Board of Directors of the Company / Nomination & Remuneration Committee, to be distributed amongst such Non-executive Directors in such manner and to such extent to each Non-executive Director as may be decided by the Chairman of the Board of Directors / Nomination & Remuneration Committee.
- g) Approval pursuant to Sec. 180(1)(c) and such other applicable provisions, if any, of the Companies Act, 2013 for amount not exceed ₹1,500 Crores at any time.
- h) Approval pursuant to Section 180(1)(a) and such other applicable provisions, if any, of the

Companies Act, 2013 to create charge by way of mortgage and/or hypothecate in addition to existing charges, mortgages, hypothecation created by the Company on such movable and immovable properties and/ or the undertaking(s) of the Company.

- i) Approval pursuant to the provisions of Section 186 and other applicable provisions, and applicable rules made there under of the Companies Act, 2013 upto an aggregate limit of ₹ 200/- Crores.
- j) Approval subject to the provisions of Companies Act, 2013 and pursuant the Scheme of Arrangement, for issuing cash deficit undertaking in favour of the State Bank of India, Hyderabad for the Letter of Credit facility of USD180 million given to Gulf Oil Corporation Limited.
- k) Approval pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration to the Cost Auditors of ₹ 2,25,000/- (Rupees Two lakhs Twenty Five Thousand Only) plus applicable service tax and out-of-pocket expenses if any
- l) Approval pursuant to the provisions of Section 88 and 94 and of the Companies Act, 2013 and the rules made thereunder for keeping the Register of Members, Index of Members, copies of Annual Returns and documents required to be annexed thereto and any other documents as required to be maintained under the said Sections, at the office of Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company instead of being kept at Registered Office of the Company

Fifth AGM held on 30 September, 2013:

- a) Approval pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Ravi Chawla, is appointed as a Director of the Company.

### iii. Whether any special resolution passed last year through postal ballot- details of voting pattern and person who conducted postal ballot exercise and its procedure and voting pattern:

Company has passed certain special resolutions through postal ballot process pursuant to the provisions of section 110 and applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (the Rules) and Clause 35B of the Listing Agreement. Mr. A. Ravi Shankar, Partner M/s Ravi & Subramanyam,

Company Secretaries (FCS No.5335 and C.P.No.4318), the Scrutinizer, conducted the postal ballot and e-voting process. The procedure for the postal ballot process and details of voting pattern were submitted to the stock exchange and posted on the website of the Company [www.gulfoilindia.com](http://www.gulfoilindia.com).

Following resolutions were passed through postal ballot.

- Shifting of Registered office of the Company from Hyderabad, State of Telengana to Mumbai, State of Maharashtra
- Appointment of Mr. Ravi Chawla as Managing Director
- Increase in authorised capital of the Company
- Alteration of capital clause of the Memorandum of Association
- Alteration of the Capital clause of the Articles of Association of the Company
- Approval of Gulf Oil Lubricants India Limited-Employees stock option scheme 2015 and issue securities thereto
- Approval for extending benefits of Gulf Oil Lubricants India Limited-Employees stock option scheme 2015 to the employees of holding/subsidiary/associate company(ies).

## 7. MEANS OF COMMUNICATION:

The quarterly unaudited results and annual audited results are published in nationwide English newspapers Business Standard / Economic Times and in the local newspaper (Marathi) in the district where registered office of the Company is situated and are also disseminated on the website of the Stock Exchanges i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The said financial results are also simultaneously published on the website of the Company at [www.gulfoilindia.com](http://www.gulfoilindia.com). The Official press releases and Official media releases are sent to stock exchanges and simultaneously published on the website of the Company. The transcripts of the conference call held with Investors/ Analysts are also disseminated on the website of the stock exchanges and the website of the Company.

## 8. GENERAL SHAREHOLDERS INFORMATION

### (a) Annual General Meeting for the financial year 2015-16:

Date - September 13, 2016 (Tuesday)

Venue - Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018

Time - 3.00 p.m.

### (b) Financial Calendar for the year 2016-17 (Tentative):

Financial year of the Company : 1st April to 31st March

- Unaudited results for 1st quarter of next Financial Year – on or before August 14, 2016
- Unaudited results for 2nd quarter of next Financial Year – on or before October 14, 2016
- Unaudited results for 3rd quarter of next Financial Year – on or before February 13, 2017
- Audited results for next Financial Year – on or before May 30, 2017

### (c) Date of Book Closure:

September 2, 2016 to September 13, 2016 (both days inclusive)

### (d) Date of Dividend Payment:

During the year the Company paid final dividend of ₹ 3.50 per equity share (i.e. 175% on face value of ₹ 2/- per equity share) for the financial year 2014-15 to eligible shareholders on September 29, 2015.

During the financial year 2015-16, the Company declared and paid Interim Dividend of ₹ 3/- per equity share i.e. 150% of face value, paid on February 25, 2016. The Board of Directors have recommended a final dividend of ₹ 4 per equity share (i.e. 200% on face value of ₹ 2/- per equity share) for the financial year 2015-16, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company. The final dividend shall be paid to the eligible shareholders on or before October 12, 2016.

Dividend for the last three years

2013-14 : Nil

2014-15 : Declared and paid Interim Dividend of ₹ 2/- per equity share i.e. 100% of face value during the financial year 2014-15 and final dividend of ₹ 3.50 per equity shares i.e. 175% on face value of ₹ 2/- each.



**REPORT ON CORPORATE GOVERNANCE**

2015-16 : Declared and paid Interim Dividend of ₹ 3/- per equity share i.e. 150% of face value during the financial year 2015-16.

The Board has recommended a final dividend of ₹ 4 per share (200% on the Face Value of ₹ 2 per share) per equity share for the year 2015-16.

**(e) Listing of Equity Shares**

The equity shares of the Company are listed on BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com). The listing fees for the year 2015-16 have been paid to the Stock Exchanges.

**(f) Stock (Scrip) Code : Stock (Scrip) Code**

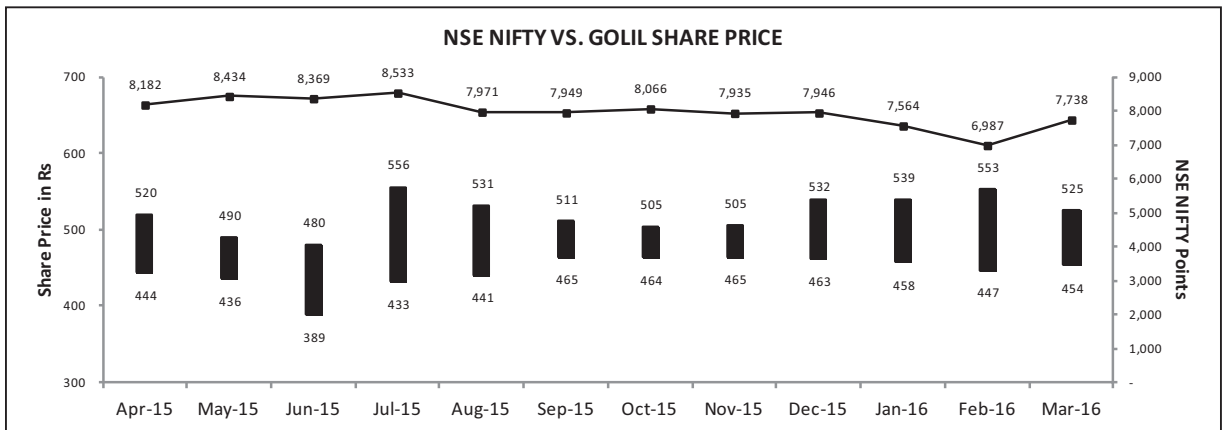
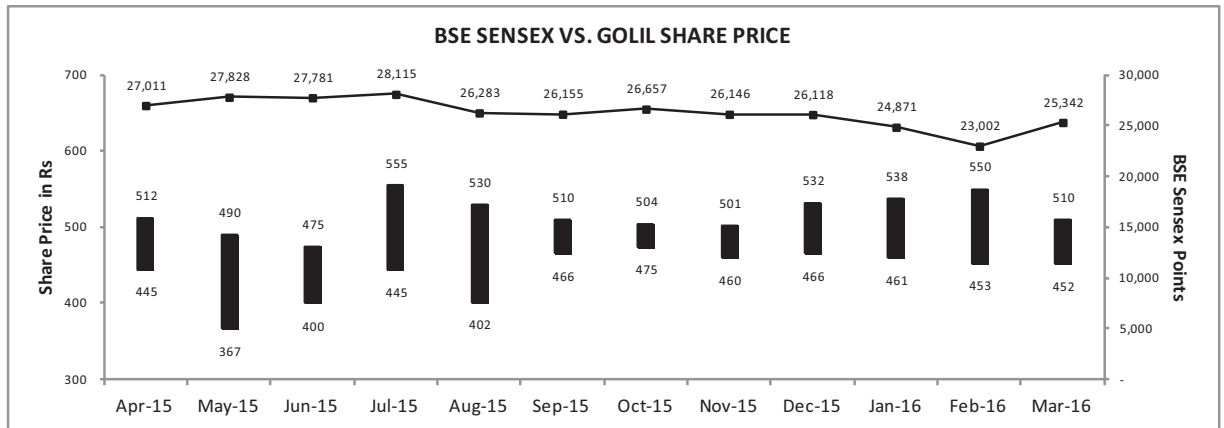
BSE Limited 538567  
National Stock  
Exchange  
of India Limited GULFOILLUB  
ISIN INE635Q01029  
Face value per  
equity share ₹ 2/-  
Corporate  
Identification  
No. (CIN) L23203MH2008PLC267060

**(g) There were no suspension of trading of scrip during the year.****(h) Market Price Data of equity shares of the Company(in Rupees):**

High and low during each month in last financial year on BSE Limited and the National Stock Exchange of India Limited.

Month & Year	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	512.10	445.15	520.00	444.10
May 2015	490.00	367.00	490.05	436.10
June 2015	475.00	400.00	480.00	388.95
July 2015	555.00	444.75	556.00	432.55
August 2015	530.00	401.90	530.90	441.00
September 2015	510.00	465.70	511.00	465.00
October 2015	504.00	475.00	505.00	464.20
November 2015	501.40	460.00	505.00	465.00
December 2015	505.00	465.50	532.00	463.00
January 2016	538.00	460.50	539.00	457.70
February 2016	550.00	453.00	552.50	447.40
March, 2016	510.00	452.10	525.00	453.60

## (i) Performance of Stock in comparison to BSE Sensex and NSE Nifty:



## (j) Registrar and Share Transfer Agent:

The Company has appointed M/s Karvy Computershare Private Limited as its Registrar and Share Transfer Agent. The contact details are given below:

### **Karvy Computershare Private Limited,**

Unit: Gulf Oil Lubricants India Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad – 500 032.

Phone No. 040-6716 1500

Fax No. 040-23420814

Toll Free No: 1800-3454-001

Contact person: Mr. Sandeep Sanghi

Email: einward.ris@karvy.com

www.karvycomputershare.com

## (k) Share Transfer System:

The transfer of shares in physical form are processed by the Registrar and Share Transfer Agent M/s Karvy Computershare Private Limited on weekly basis and approved by the Managing Director and Company Secretary on weekly basis under delegated authority from Stakeholders Relationship Committee. The said transfers are being noted at the subsequent meeting of Stakeholders Relationship Committee. In case of shares in electronic form, the transfers are processed by NSDL and CDSL, through respective Depository Participants. In compliance with listing agreement with Stock Exchanges, a Practicing Company Secretary carries out audit of the system of Transfer and a certificate in prescribed format is issued to the Stock exchanges.

## (l) Distribution of Shareholding as on March 31, 2016:

Paid up Share Capital	Number of Shareholders		Number of Shares	
	Number	%	Number of shares	%
Up to 5000	54510	99.42	39,53,801	7.98
5001 – 10000	149	0.27	5,29,399	1.07
10001 – 20000	75	0.14	5,42,510	1.09
20001 – 30000	35	0.06	4,43,215	0.89
30001 – 40000	6	0.01	1,00,851	0.20
40001 – 50000	5	0.01	1,19,553	0.24
50001 – 100000	20	0.04	7,27,805	1.47
100001 and above	29	0.05	4,31,55,356	87.06
<b>Total</b>	<b>54,829</b>	<b>100.00</b>	<b>4,95,72,490</b>	<b>100.00</b>

## (m) Shareholding Pattern as on March 31, 2016:

Category	Number of Shareholders	No. of Shares	% of Share-holding
Promoters	1	3,21,93,167	64.94*
Public :			
Institutional Investors:			
- Mutual Funds & UTI, Banks, Financial Institutions & Others	39	58,27,332	11.76
Bodies Corporate	505	4,80,569	0.97
Indian Public	53,843	56,86,875	11.47
Directors and their relatives	1	2,000	0.00
Foreign Nationals/NRIs/OCBs/FPIs	376	41,44,664	8.36
FII's	9	11,38,682	2.30
Clearing Members	55	99,201	0.20
<b>GRAND TOTAL</b>	<b>54,829</b>	<b>4,95,72,490</b>	<b>100.00</b>

\* Subsequent to the year end, the promoters has acquired additional 18,37,161 equity shares of the Company and consequently the promoters shareholding was increased to 68.65% to the total capital.

## (n) Dematerialization and liquidity of equity shares:

As on March 31, 2016, 4,85,35,077 equity shares (97.91% of the total paid-up capital) were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). International Securities Identification Number (ISIN) in NSDL and CDSL is INE635Q01029. The stock has reasonable liquidity on NSE and BSE.

## (o) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on March 31, 2016, the Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**(p) Disclosure of commodity price risks and commodity hedging activities:**

The Company being a sizable user of Base oil, exposes it to the price risk on account of exchange fluctuations. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions.

**(q) Plant Locations**

The Lubricants plant of the Company is located at Silvassa, DNH, Union Territory. The Company is in the process of putting up its 2nd Lubricants Plant at Ennore, Chennai.

**(r) Address for correspondence:**

Registered Office:	IN Centre, 49/50, 12th Road, M.I.D.C Andheri (East) Mumbai 400093 Maharashtra India Tele: +91 22 6648 7777 Fax: +91 22 2824 8232
Website of the Company	www.gulfoilindia.com
Registrar and Share Transfer Agent	<b>Karvy Computershare Private Limited,</b>  Unit: Gulf Oil Lubricants India Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Phone No. 040-6716 1500 Fax No. 040-23420814 Toll Free No: 1800-3454-001 Contact person: Mr. Sandeep Sanghi Email: einward.ris@karvy.com www.karvycomputershare.com
Designated email id for Investors	secretarial@gulfoil.co.in
For all investor related matters	<b>Mr. Vinayak Joshi</b> <b>Company Secretary &amp;</b> <b>Compliance Officer</b> <b>Gulf Oil Lubricants India Limited</b> IN Centre, 49/50, 12th Road, M.I.D.C Andheri (East) Mumbai 400093 Maharashtra India Tele: +91 22 6648 7777 Fax: +91 22 2824 8232

**9. DISCLOSURES:****a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large:**

There were no materially significant related party transactions which may have potential conflict with the interests of the Company at large.

**b. Details of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years:**

None in last three years.

**c. Details of establishment of vigil mechanism, Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:**

The Company has established vigil mechanism in compliance with Regulation 22 of the SEBI(Listing Obligations and Disclosure Requirements)Regulations 2015 and the details of establishment including contact details of Chairman of Audit Committee are displayed on the website of the Company www.gulfoilindia.com and further confirmed that no personnel has been denied access to the Audit Committee of the Company.



**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:**

The Company has complied with all mandatorily applicable requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of compliance of non-mandatory requirements are given in para no.10 of this report.

**e. The Company do not have subsidiary company as on date.****f. The policy on related party transaction is hosted on company's website at <http://www.gulfoilindia.com/upload/pdf/policy-on-materiality-and-dealings.pdf>****10 Disclosure about discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which have been adopted by the Company:-****Chairman of the Board:**

The Chairman of the Board does not maintain a Chairman's office at the Company's expense. However the Company from time to time reimburse the travelling expenses and expenses in relation to the Chairman's office in connection with performance of his duties as the Chairman of the Company.

**Shareholders Rights:**

The quarterly and annual financial results of the Company are published in the English newspapers having nationwide circulation and in regional language newspaper. The said results alongwith press release are published on the website of the Company and hence the same are not sent to the shareholders separately.

**Audit qualification:**

There are no qualifications contained in the Audit Report.

**Separate Post of Chairman and CEO**

The posts of Chairman and Managing Director/CEO are held by two separate persons.

**Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

**11 The Company has complied with all corporate governance requirements of SEBI(Listing obligations and Disclosure Requirements)Regulations, 2015.****12 Disclosures with respect to demat suspense account/unclaimed suspense account**

- a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year:17 shareholders (510 shares)
- b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- c. Number of shareholders to whom shares were transferred from suspense account during the year :Nil
- d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year:17 shareholders (510 shares)
- e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: (510 shares)

## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

(Under Regulation 34(3) read with Schedule V(E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

**The Members**

**Gulf Oil Lubricants India Limited**

We have examined all the relevant records of **GULF OIL LUBRICANTS INDIA LIMITED (the Company)** for the purpose of certifying the compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the erstwhile listing agreements entered with BSE Limited and National Stock Exchange of India Limited for the period commencing from April 01, 2015 till November 30, 2015 and under Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period commencing from December 01, 2015 and ended on March 31, 2016. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 under Clause 49 of the erstwhile listing agreements entered with BSE Limited and National Stock Exchange of India Limited for the period commencing from April 01, 2015 till November 30, 2015 and under Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period commencing from December 01, 2015 and ended on March 31, 2016.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For BS & Company, Company Secretaries LLP**  
(Formerly BS & Company, Company Secretaries)

**(Soumya Dafthardar)**

Designated Partner

C. P. No. 13199

Place: Hyderabad

Date: : 01.08.2016

## DECLARATION ON CODE OF CONDUCT

It is 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 March 31, 2016.

**Ravi Chawla**  
Managing Director

Place: Mumbai

Date: May 10, 2016

## CERTIFICATION TO THE BOARD BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

(Regulation 17(8) of SEBI(Listing Obligations and Disclosure Requirements) Regulation, 2015.)

We, Ravi Chawla, Managing Director and Manish Kumar Gangwal, Chief Financial Officer, of the Company, hereby certify as follows :-

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief
  1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are to the best of our 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. We 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 they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  1. There were no significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  3. There were no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: May 10, 2016

**Ravi Chawla**  
Managing Director  
DIN: 02808474

**Manish Kumar Gangwal**  
Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF GULF OIL LUBRICANTS INDIA LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Gulf Oil Lubricants India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the 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 Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered

Accountants of India. Those Standards and pronouncements 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.

6. 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 auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

8. 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and 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.
- (c) 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.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge

## AUDITORS' REPORT

and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its financial statements.
- ii. The Company has long-term contracts as at March 31, 2016 for which there were no material foreseeable losses. The Company does not have long term derivative contracts as at March 31, 2016.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **Price Waterhouse**

Chartered Accountants

Firm Registration Number: 301112E

**Partha Ghosh**

Partner

Membership Number: 055913

Mumbai, May 11, 2016

## ANNEXURE-A

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls over financial reporting of Gulf Oil Lubricants India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods



are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Price Waterhouse**

Chartered Accountants

Firm Registration Number: 301112E

**Partha Ghosh**

Partner

Membership Number: 055913

Mumbai

May 11, 2016

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## ANNEXURE-B

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax and duty of custom which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	32.58	1999-2001, 2003-2004 and 2012-2013 (Assessment Year)	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	81.82	1998-1999 (Assessment Year)	High Court
Income Tax Act, 1961	Income Tax	15.05	2006-2007 (Assessment Year)	Supreme Court
Income Tax Act, 1961	Income Tax	17.95	2010-2012 (Assessment Year)	Appellate Tribunal
Local Sales Tax Act, VAT Act and Central Sales Tax Act	Sales Tax	2,120.61	1999-2000, 2003-2005, and 2009-2011	Appellate Tribunal
Local Sales Tax Act, VAT Act and Central Sales Tax Act	Sales Tax	2,486.77	2006-2014	Joint Commissioner of Sales Tax





Name of the statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Local Sales Tax Act, VAT Act and Central Sales Tax Act	Sales Tax	6.54	1999-2000	High Court
Local Sales Tax Act, VAT Act and Central Sales Tax Act	Sales Tax	9.11	1997-2000	Assistant Commissioner of Commercial Tax
Local Sales Tax Act, VAT Act and Central Sales Tax Act	Sales Tax	1.64	2011-2012	Deputy Commissioner of Sales Tax
Local Sales Tax Act, VAT Act and Central Sales Tax Act	Sales Tax	6.59	2011-2013	Commissioner of Sales Tax
Central Excise, Custom and Service Tax	Excise Duty	124.35	2005-2006, 2008-2009 to 2012-2013	Appeal with Appellate Tribunal
Central Excise, Custom and Service Tax	Excise Duty	4.11	October 2009 to April 2014	Commissioner of Central Excise & Custom

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company does not have any borrowings from any financial institution nor has it issued any debentures as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse**  
Chartered Accountants  
Firm Registration Number: 301112E

**Partha Ghosh**  
Partner  
Membership Number: 055913

Mumbai  
May 11, 2016

## BALANCE SHEET AS AT MARCH 31, 2016

	Note No	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	991.45	991.45
Reserves and Surplus	3	23,862.28	17,719.31
		<b>24,853.73</b>	<b>18,710.76</b>
<b>Non-current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	328.38	257.86
Other Long-Term Liabilities	5	54.00	56.00
Long-term Provisions	6	256.78	215.70
		<b>639.16</b>	<b>529.56</b>
<b>Current Liabilities</b>			
Short-term Borrowings	7	19,471.91	21,543.14
Trade Payables			
Micro and small enterprises	8	-	-
Other than micro and small enterprises	8	13,103.32	9,675.86
Other Current Liabilities	9	3,916.66	3,680.67
Short-term Provisions	6	2,874.40	2,310.96
		<b>39,366.29</b>	<b>37,210.63</b>
<b>TOTAL</b>		<b>64,859.18</b>	<b>56,450.95</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	10	10,599.54	8,868.12
Intangible Assets	10	93.08	50.15
Capital Work-in-Progress		190.08	842.44
Non-current Investments	11	314.58	263.69
Long-term Loans and Advances	12	854.89	668.21
Other Non-current Assets	13	5.27	84.01
		<b>12,057.44</b>	<b>10,776.62</b>
<b>Current Assets</b>			
Inventories	14	15,688.96	14,158.72
Trade Receivables	15	10,643.51	11,411.71
Cash and Bank Balances	16	23,506.72	18,043.64
Short-term Loans and Advances	12	2,741.22	1,895.84
Other Current Assets	13	221.33	164.42
		<b>52,801.74</b>	<b>45,674.33</b>
<b>TOTAL</b>		<b>64,859.18</b>	<b>56,450.95</b>
Corporate Information and Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements			

In terms of our report attached

For **Price Waterhouse**

Chartered Accountants

Firm Registration Number: 301112E

**Partha Ghosh**

Partner

Membership No. 055913

Place: Mumbai

Date: May 11, 2016

**Manish K Gangwal**

Chief Financial Officer

**Vinayak Joshi**

Company Secretary

For and on behalf of Board of Directors

**Ravi Chawla**

Managing Director

DIN : 02808474

**S.G. Hinduja**

Chairman

DIN: 00291692

# STATEMENT OF PROFIT AND LOSS

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note No	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
<b>REVENUE</b>			
Revenue from operations (Gross)	17	116,935.49	111,606.63
Less: Excise duty		15,800.07	14,858.46
Revenue from operations (Net)		101,135.42	96,748.17
Other income	18	1,793.17	922.28
<b>Total Revenue</b>		<b>102,928.59</b>	<b>97,670.45</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	53,172.17	54,489.95
Purchase of traded goods	19	3,446.26	3,589.78
Decrease/(Increase) in inventory of finished Goods, work-in-progress and traded goods	20	(1,528.26)	1,033.19
Employee benefit expenses	21	5,744.16	4,398.18
Other expenses	22	24,384.93	20,298.00
<b>Total</b>		<b>85,219.26</b>	<b>83,809.10</b>
<b>Profit before Finance Costs, Depreciation and Amortization Expense and Tax Expense</b>		<b>17,709.33</b>	<b>13,861.35</b>
Finance costs	23	1,778.92	1,775.35
Depreciation and amortization expense	10	604.15	482.12
<b>Profit Before Tax</b>		<b>15,326.26</b>	<b>11,603.88</b>
<b>Tax Expense</b>			
Current Tax		5,224.27	3,531.13
Deferred Tax		70.52	331.79
<b>Total Tax Expense</b>		<b>5,294.79</b>	<b>3,862.92</b>
<b>Profit for the Year</b>		<b>10,031.47</b>	<b>7,740.96</b>
Earnings per Equity Share [Nominal value per share: ₹ 2 (March 31, 2015: ₹ 2)]	34		
Basic (in ₹)		20.24	15.62
Diluted (in ₹)		20.15	15.62
Corporate Information and Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements.			

In terms of our report attached

For **Price Waterhouse**  
Chartered Accountants  
Firm Registration Number: 301112E

For and on behalf of Board of Directors

**Partha Ghosh**  
Partner  
Membership No. 055913  
Place: Mumbai  
Date: May 11, 2016

**Manish K Gangwal**  
Chief Financial Officer  
  
**Vinayak Joshi**  
Company Secretary

**Ravi Chawla**  
Managing Director  
DIN : 02808474

**S.G. Hinduja**  
Chairman  
DIN: 00291692

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Sr. No.	Particulars	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax	15,326.26	11,603.88
	Adjustments for:		
	Depreciation and Amortization Expenses	604.15	482.12
	Dividend income	(145.55)	(267.10)
	Loss on Sale/Discarding of Fixed Assets(Net)	0.61	10.41
	Interest Income	(1,523.01)	(499.75)
	Unrealised foreign exchange loss (Net)	166.91	12.68
	Finance cost	1,778.92	1,775.35
	Provision for doubtful debts (Net)	(46.21)	(300.46)
	Bad debts written off	96.21	300.46
	Employee Compensation expense towards ESOP	287.99	-
	<b>Operating Profit Before Working Capital Changes</b>	<b>16,546.28</b>	<b>13,117.59</b>
	Adjustments for changes in working capital :		
	(Increase)/Decrease in Other Assets and bank balances	(1,746.83)	(276.10)
	(Increase)/Decrease in Loan and Advances	(943.72)	(732.29)
	(Increase)/Decrease in Trade Receivables	726.64	1,331.68
	(Increase)/Decrease in Inventories	(1,530.24)	472.53
	Increase/(Decrease) in Trade Payables	3,446.23	1,273.76
	Increase/(Decrease) in Provisions	56.43	(19.08)
	Increase/(Decrease) in Other Liabilities	202.66	1,350.57
	<b>Cash Flow Generated from Operations</b>	<b>16,757.45</b>	<b>16,518.66</b>
	Income Tax paid	(4,974.49)	(3,377.42)
	<b>Net Cash Flow from Operating Activities</b>	<b>11,782.96</b>	<b>13,141.24</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets and Capital Work-in-Progress	(1,846.50)	(3,545.52)
	Sale of Fixed Assets	15.08	14.52
	Purchase of Non Current Investments	(50.89)	(263.69)
	Dividend Received	145.55	267.10
	Interest Received	1,409.62	666.15
	<b>Net Cash Flow used in Investing Activities</b>	<b>(327.14)</b>	<b>(2,861.44)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds/(Repayment) from Short Term Borrowings (Net)	(2,265.39)	4,496.91
	Expense paid towards scheme of arrangement (Refer Note 1A)	-	(19.83)
	Dividend Paid (including Tax on dividend)	(3,847.74)	(1,148.90)
	Finance Costs	(1,761.67)	(1,363.76)
	<b>Net Cash Flow from / (used in) Financing Activities</b>	<b>(7,874.80)</b>	<b>1,964.42</b>
	<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>3,581.02</b>	<b>12,244.22</b>
	Cash and Cash Equivalents at the beginning of the year	15,229.39	4.60
	Add: Cash and Cash Equivalents received as per Scheme of Arrangement	-	2,980.57
	<b>Cash and Cash Equivalents at the end of the year (Refer Note 2 below)</b>	<b>18,810.41</b>	<b>15,229.39</b>



# CASH FLOW STATEMENT

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statement".
2. Cash and Cash Equivalents comprise:

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
Cash on Hand	3.26	5.65
Balances with Banks:		
In Current Accounts	5,304.83	2,825.09
In Deposit Accounts	13,502.32	12,398.65
<b>Cash and Cash Equivalents at the end of the year (Refer Note 16)</b>	<b>18,810.41</b>	<b>15,229.39</b>

3. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

In terms of our report attached

For **Price Waterhouse**

Chartered Accountants

Firm Registration Number: 301112E

For and on behalf of Board of Directors

**Partha Ghosh**

Partner

Membership No. 055913

**Manish K Gangwal**

Chief Financial Officer

**Ravi Chawla**

Managing Director

DIN : 02808474

**S.G. Hinduja**

Chairman

DIN: 00291692

Place: Mumbai

Date: May 11, 2016

**Vinayak Joshi**

Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 1 General Information

Gulf Oil Lubricants India Limited is engaged in the business of manufacturing, marketing and trading of automotive and non automotive lubricants. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

### A Scheme of Arrangement

During the previous year, the Hon'ble High Court of Andhra Pradesh, vide its Order dated April 16, 2014 had approved the Scheme of Arrangement between GOCL Corporation Limited (formerly Gulf Oil Corporation Limited) ("Transferor Company/GOCL") and the Company and their respective shareholders and creditors. The Scheme provided for demerger and transfer of the "Lubricants Undertaking" of GOCL into the Company w.e.f. April 1, 2014 (the Appointed Date under the Scheme). Upon filing the Order of the High Court with the Registrar of Companies at Hyderabad, the Scheme became effective on May 31, 2014. In accordance with the Scheme, one fully paid-up equity share of face value of ₹ 2 each of the Company had been allotted on June 12, 2014, to those eligible shareholders of GOCL whose names were appearing in the Register of Members of GOCL as on the Record Date i.e. June 5, 2014, in lieu of every two equity shares of Face Value of ₹ 2 each held by them in GOCL prior to giving effect to reduction of capital in GOCL as envisaged in the Scheme. Accordingly, 49,572,490 Shares of Gulf Oil Lubricants India Limited had been issued to shareholders of GOCL Corporation Limited (formerly Gulf Oil Corporation Limited) and the existing equity share capital (50,000 equity share of ₹ 10 each) held by GOCL Corporation Limited (formerly Gulf Oil Corporation Limited) had been cancelled.

### B Significant Accounting Policies

#### I. Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standard of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in

all material aspects with accounting standards notified under Section 211(3C) [Companies (Accounting Standard) Rules, 2006, as amended] and other relevant provision of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of asset and liabilities.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting periods commencing on or after the date of notification i.e. April 01, 2016."

### II. Use of estimates

The preparation of the financial statements in conformity with Indian generally accepted accounting principles require the management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent liabilities as at the end of year 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. Actual 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.

### III. 1. Tangible Assets

- (a) Tangible Assets are stated at acquisition cost (net of Cenvat credit wherever applicable), net of accumulated depreciation and accumulated impairment losses, if any. Acquisition cost comprises of the purchase price (net of refundable duties and taxes) and any attributable cost of bringing the assets to its working condition for its intended use.
- (b) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard performance.

- (c) Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately under the head "Other current assets", in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.
- (d) Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.
- (e) Tangible fixed assets that are not yet ready for their intended use, are carried at costs, comprising direct cost and other incidental / attributable expenses and reflected under Capital work-in-progress.

## 2. Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Acquisition cost comprises of the purchase price (net of refundable duties and taxes) and any attributable cost of bringing the assets to its working condition for its intended use.

## IV. Depreciation / amortization on tangible and intangible assets

- (a) Depreciation is provided on a pro-rata basis on the straight-line method over estimated useful lives of the assets determined by management in the manner prescribed under Schedule II to the Companies Act 2013.:

Assets	Estimated Useful Lives
Factory Building	30 years
Residential and Other Buildings	60 years
Office Equipment	5 years
Plant and Machinery (Other than Research and Development Equipment and Electrical Installation)	15 years
Research and Development Equipment and Electrical Installation	10 years
Furniture and fixtures	10 years
Computer Software	4 years
Computers	3 years
Vehicles	8 years

- (b) Leasehold improvements are amortised over lease period on straight line basis.
- (c) Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions

## V. Borrowing costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

## VI. Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## VII. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However,

provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

## VIII. Inventories

Inventories are valued at lower of cost and net realizable value, after providing obsolescence and other losses which are considered necessary. The cost of finished goods and work in progress comprises of raw material, direct labour, other direct cost and related production overheads. Cost is determined using weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

## IX. Foreign currency transactions

### (a) Initial Recognition

On initial recognition, all foreign currency transaction are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### (b) Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

- (c) All monetary assets and liabilities in foreign currency are restated using the exchange rate prevailing at the end of the accounting period
- (d) All the exchange differences are recognized in the Statement of Profit and Loss.
- (e) **Forward Exchange contracts**

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Exchange differences on such contract are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized as income or as expense for the period.

## X. Revenue recognition

Sale of goods is recognized on transfer of significant risks and rewards of ownership in the goods to customers as per the term of the contract and are net of trade discounts, sales tax/value added tax but inclusive of excise duty.

## XI. Other Income

- (a) **Interest:** Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (b) **Dividend:** Dividend income is recognized when the right to receive dividend is established.
- (c) **Income from Duty drawback** is recognized on an accrual basis.

## XII. Employee benefits

- (a) Employee benefits include provident fund, superannuation fund, employee state insurance scheme, Gratuity, compensated absences.
- (b) **Defined Contribution Plans**

The Company's contribution to provident fund and superannuation fund 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. These funds are administered by respective Government Authorities and Company has no further obligation beyond the amount required to be contributed.

### (c) Defined Benefit Plans

For defined benefit plans in the form of Gratuity, 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 the benefits are already vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefits obligation as adjusted for unrecognized past service cost, as reduced by the fair value of plan assets. Gratuity fund is set up by the Company and is administered through trustees. Plan assets are invested in insurer managed fund.

### (d) Short Term Employee benefits:

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

The cost of short term compensated absences is accounted as under: (a) In case of accumulated



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

(e) **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 liability at the present value of the defined benefit obligation as at the Balance Sheet date. Company has determined using projected unit credit method based on Actuarial valuation carried out at the Balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

### XIII. Employee stock options scheme

Equity settled stock options granted under “Employee Stock Option” are accounted for as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the un-amortised portion.

### XIV. Income Taxes

- (a) Tax expense comprises of current and deferred tax and includes any adjustment related to past period in current year. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.
- (b) Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.
- (c) Deferred Income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

- (d) Deferred tax asset and liabilities are measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

- (e) The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

### XV. Provisions and contingent liabilities

- (a) **Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.
- (b) **Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### XVI. Leases

Lease arrangements where 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.

### XVII. Cash & 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 investment that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**XVIII. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed

the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## NOTE 2 : Share Capital

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>Authorised:</b>		
52,313,614 Equity Shares of ₹ 2 each (March 31, 2015 : 49,822,490 Equity Shares of ₹ 2 Each) [Refer Note (f) below]	1,046.27	996.45
<b>Issued, Subscribed and Fully Paid-up:</b>		
49,572,490 Equity Shares of ₹ 2 each (March 31, 2015 : 49,572,490 Equity Shares of ₹ 2 Each)	991.45	991.45
<b>TOTAL</b>	<b>991.45</b>	<b>991.45</b>

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

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	₹ Lakhs	Number of Shares	₹ Lakhs
Balance as at beginning of the year	49,572,490	991.45	50,000	5.00
Add: Shares issued pursuant to scheme of arrangement [Refer Note 1A]	-	-	49,572,490	991.45
Less: Shares cancelled pursuant to scheme of arrangement [Refer Note 1A]	-	-	50,000	5.00
<b>Balance as at end of the year</b>	<b>49,572,490</b>	<b>991.45</b>	<b>49,572,490</b>	<b>991.45</b>

### b. Rights, preferences and restrictions attached to shares

The company has only one class of equity share having a par value of ₹ 2 per share (previous year ₹ 2 per share). Each shareholder is eligible to one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### c. Equity shares in the company held by Holding Company are as below

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	₹ Lakhs	Number of Shares	₹ Lakhs
<b>Equity Shares of ₹ 2 each</b>				
Gulf Oil International (Mauritius) Inc.	32,193,167	643.86	29,718,167	594.36

**d. Details of shareholders holding more than 5% of the aggregate Equity Shares in the Company:**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	% holding	Number of Shares	% holding
<b>Equity Shares of ₹ 2 each</b>				
Gulf Oil International (Mauritius) Inc. (Refer Note below)	32,193,167	64.94%	29,718,167	59.95%

**Note:**

Subsequent to the year end, Gulf Oil International (Mauritius) Inc. the holding company has acquired additional 1,837,161 equity shares of ₹ 2 each of the Company. Consequently, the percentage shareholding of the holding company has increased to 68.65%.

**e. Shares allotted as fully paid up pursuant to scheme of arrangement without payment being received in cash**

49,572,490 equity shares of ₹ 2 each fully paid were issued on June 12, 2014 to the shareholders of GOCL Corporation Limited (formerly Gulf Oil Corporation Limited) pursuant to the scheme of arrangement between the Company, GOCL Corporation Limited (formerly Gulf Oil Corporation Limited) & their Shareholders without payment being received in cash.

**f. Increase in Authorised Equity Share Capital**

Pursuant to a resolution dated May 13, 2015 passed by the shareholders of the Company, the authorised share capital of the Company has increased from ₹ 996.45 lakhs representing 49,822,490 equity shares of ₹ 2 each to ₹ 1,046.27 lakhs representing 52,313,614 equity shares of ₹ 2 each.

**Note 3 : Reserves and Surplus**

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>Capital Reserve</b>		
Balance as at beginning of the year	5.00	-
Add: Addition on cancellation of Equity Shares pursuant to scheme of arrangement (Refer note 1A)	-	5.00
<b>Balance as at end of the year</b>	<b>5.00</b>	<b>5.00</b>
<b>Securities Premium Account</b>		
Balance as at beginning of the year	12,139.52	-
Add: Transferred pursuant to scheme of arrangement (Refer Note 1A)	-	12,139.52
<b>Balance as at end of the year</b>	<b>12,139.52</b>	<b>12,139.52</b>
<b>Employee Stock Option Outstanding</b>		
Option granted till date	-	-
Add: Compensation for options granted during the year	1,044.57	-
Less: Transfer to Securities Premium on exercise of stock during the year	-	-
	1,044.57	-
Less: Deferred employee stock compensation	756.58	-
<b>Balance as at end of the year</b>	<b>287.99</b>	<b>-</b>



# NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>General Reserve</b>		
Balance as at the beginning of the year	1,711.85	-
Add: Transferred pursuant to scheme of arrangement (Refer Note 1A)	-	1,231.68
Add: Transferred from Statement of Profit and Loss	750.00	500.00
Less: Expenses towards scheme of arrangement	-	19.83
<b>Balance as at end of the year</b>	<b>2,461.85</b>	<b>1,711.85</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	3,862.94	(0.78)
Less :Transitional Depreciation on revision of useful life (Net of Tax)[Refer Note 10]	-	129.05
Add: Profit for the Year	10,031.47	7,740.96
	<b>13,894.41</b>	<b>7,611.13</b>
<b>LESS: APPROPRIATIONS</b>		
Interim Dividend paid on Equity Shares for the year	1,487.17	991.45
Dividend distribution Tax on Interim Dividend	302.75	168.49
Transferred to General Reserve	750.00	500.00
Proposed Final Dividend on Equity Shares for the year	1,982.90	1,735.04
Dividend distribution Tax on Final Dividend	403.67	353.21
<b>Balance as at end of the year</b>	<b>8,967.92</b>	<b>3,862.94</b>
<b>TOTAL</b>	<b>23,862.28</b>	<b>17,719.31</b>

## NOTE 4 : Deferred Tax Liabilities (Net)

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>Deferred Tax Liabilities on account of timing differences in</b>		
Depreciation	581.78	471.69
	<b>581.78</b>	<b>471.69</b>
<b>Deferred Tax Assets on account of timing differences in</b>		
Provision for Doubtful Debts	103.17	117.04
Other timing differences	150.23	96.79
	<b>253.40</b>	<b>213.83</b>
<b>TOTAL</b>	<b>328.38</b>	<b>257.86</b>

## NOTE 5 : Other Long-term Liabilities

	As at March 31, 2016		As at March 31, 2015	
	Long Term	Short Term	Long Term	Short Term
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Security Deposits	54.00	-	56.00	-
<b>TOTAL</b>	<b>54.00</b>	<b>-</b>	<b>56.00</b>	<b>-</b>

## NOTE 6 : Provisions

	As at March 31, 2016		As at March 31, 2015	
	Long Term	Short Term	Long Term	Short Term
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>Provision for Employee Benefits</b>				
Provision for Gratuity (Refer Note 32)	-	48.64	-	6.62
Provision for Compensated Absences (Refer Note 32)	256.78	35.76	215.70	62.43
	<b>256.78</b>	<b>84.40</b>	<b>215.70</b>	<b>69.05</b>
<b>Other Provisions:</b>				
Provision for Income Tax (Net of Advance Tax and Tax Deducted at Source: ₹ 8,352.08 lakhs; March 31, 2015: ₹ 3,377.58 lakhs)	-	403.43	-	153.66
Provision for proposed final dividend on equity shares	-	1,982.90	-	1,735.04
Provision for dividend distribution tax on proposed final dividend on equity shares	-	403.67	-	353.21
	<b>-</b>	<b>2,790.00</b>	<b>-</b>	<b>2,241.91</b>
<b>TOTAL</b>	<b>256.78</b>	<b>2,874.40</b>	<b>215.70</b>	<b>2,310.96</b>

## NOTE 7 : Short-term Borrowings

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
From Banks:		
Working Capital Demand Loan in foreign currency (Secured) [Refer note below]	-	1,250.00
Buyers Credit (Unsecured)	19,471.91	20,293.14
<b>TOTAL</b>	<b>19,471.91</b>	<b>21,543.14</b>

### Note:

Working capital facilities from consortium banks including Foreign Currency Working Capital Demand Loan from State Bank of Mauritius (Repaid in May 2015) are 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 with other Consortium member banks for the working capital facilities, collectively referred as "Total working capital limits" and secured by collateral security by way of

- (i) First Pari-passu charge with other banks of consortium on Land & Building, Plant & Machinery at Masat Industrial Estate, Khanvel Road, Masat Village, Silvassa within Union Territory of Dadra and Nagar Haveli and on all other Fixed Assets owned by Gulf Oil Lubricants India Limited

- ii) Second Pari-passu charge on land owned by GOCL Corporation Limited (formerly Gulf Oil Corporation Limited) measuring 115.1 acres situated at Kukatpally, Hyderabad and also secured by corporate guarantee given by GOCL Corporation Limited (formerly Gulf Oil Corporation Limited).

## Note 8 : Trade Payables

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
Trade Payables	13,103.32	9,675.86
<b>TOTAL</b>	<b>13,103.32</b>	<b>9,675.86</b>

## Note 9 : Other Current Liabilities

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
Interest Accrued but not due on Borrowings	49.12	31.86
Advance from Customers	285.21	213.13
Creditor for Purchase of Fixed Assets	120.50	136.87
Statutory Dues (Including Provident fund and Tax deducted at Source)	2,674.05	2,778.35
Unpaid Dividend (Refer Note Below)	41.48	11.04
Employee Related liability	544.08	363.93
Forward Contract Payable	114.72	19.61
Unamortised premium on forward contract	75.89	103.25
Other Payables	11.61	22.63
<b>TOTAL</b>	<b>3,916.66</b>	<b>3,680.67</b>

### Note:

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 at the year ended March 31, 2016.



# NOTES TO FINANCIAL STATEMENTS

## NOTE 10 : Fixed Assets

₹ Lakhs

Description of Assets	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at April 1, 2015	Adjustment*	Additions during the year	Deletions during the year	As at March 31, 2016	As at April 1, 2015	Adjustment*	For the Year	Deletions during the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible Assets</b>												
Land - Freehold	3,814.38	-	-	-	3,814.38	-	-	-	-	-	3,814.38	3,814.38
Leasehold Improvements	229.08	-	-	-	229.08	6.97	-	22.97	-	29.94	199.14	222.11
Buildings	1,828.14	-	1,163.78	-	2,991.92	637.15	-	75.08	-	712.23	2,279.69	1,190.99
Plant & Machinery	5,212.38	(281.76)	1,020.48	0.11	5,950.99	2,055.45	(131.32)	309.64	0.11	2,233.66	3,717.33	3,156.93
Furniture & Fixtures	337.64	(1.16)	19.79	5.26	351.01	148.22	(0.59)	24.63	4.25	168.01	183.00	189.42
Office Equipment	152.67	272.14	48.14	8.86	464.09	82.15	122.79	67.05	7.73	264.26	199.83	70.52
Vehicles	229.64	0.00	19.14	35.64	213.14	78.32	0.25	28.76	22.43	84.90	128.24	151.32
Computers	289.26	10.78	50.92	20.43	330.53	216.81	8.87	47.04	20.12	252.60	77.93	72.45
<b>TOTAL</b>	<b>12,093.19</b>	<b>-</b>	<b>2,322.25</b>	<b>70.30</b>	<b>14,345.14</b>	<b>3,225.07</b>	<b>-</b>	<b>575.17</b>	<b>54.64</b>	<b>3,745.60</b>	<b>10,599.54</b>	<b>8,868.12</b>
<b>Intangible Assets</b>												
Computer Softwares	273.28	-	71.91	-	345.19	223.13	-	28.98	-	252.11	93.08	50.15
<b>TOTAL</b>	<b>273.28</b>	<b>-</b>	<b>71.91</b>	<b>-</b>	<b>345.19</b>	<b>223.13</b>	<b>-</b>	<b>28.98</b>	<b>-</b>	<b>252.11</b>	<b>93.08</b>	<b>50.15</b>
<b>GRAND TOTAL</b>	<b>12,366.47</b>	<b>-</b>	<b>2,394.16</b>	<b>70.30</b>	<b>14,690.33</b>	<b>3,448.20</b>	<b>-</b>	<b>604.15</b>	<b>54.64</b>	<b>3,997.71</b>	<b>10,692.62</b>	<b>8,918.27</b>

\*Adjustments pertain to reclassifications made in certain blocks of assets



# NOTES TO FINANCIAL STATEMENTS

## NOTE 10 : Fixed Assets

₹ Lakhs

Description of Assets	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at April 1, 2014	Transferred pursuant to Scheme of Arrangement (Refer Note 1A)	Additions during the year	Deletions during the year	As at March 31, 2015	As at April 1, 2014	Transferred pursuant to scheme of Arrangement (Refer Note 1A)	Transitional depreciation (Refer Note below)	For the Year	Deletions during the year	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>												
Land - Freehold	3,381.75	162.09	270.54	-	3,814.38	-	-	-	-	-	3,814.38	3,381.75
Leasehold Improvements	-	-	229.08	-	229.08	-	-	-	6.97	-	222.11	-
Buildings	-	1,217.11	611.03	-	1,828.14	-	534.71	60.01	42.43	-	1,190.99	-
Plant & Machinery	-	2,741.80	2,471.32	0.74	5,212.38	-	1,743.58	67.93	244.60	0.66	2,055.45	-
Furniture & Fixtures	-	198.24	140.31	0.91	337.64	-	123.30	1.49	24.34	0.91	148.22	-
Office Equipment	-	108.88	48.35	4.56	152.67	-	28.99	26.42	31.02	4.28	82.15	-
Vehicles	-	264.84	17.46	52.66	229.64	-	71.66	1.74	33.00	28.08	78.32	-
Computers	-	251.04	55.30	17.08	289.26	-	142.97	37.92	53.01	17.09	216.81	-
<b>TOTAL</b>	<b>3,381.75</b>	<b>4,944.00</b>	<b>3,843.39</b>	<b>75.95</b>	<b>12,093.19</b>	<b>-</b>	<b>2,645.21</b>	<b>195.51</b>	<b>435.37</b>	<b>51.02</b>	<b>3,225.07</b>	<b>3,381.75</b>
<b>Intangible Assets</b>												
Computer Softwares	-	279.30	0.33	6.35	273.28	-	182.73	-	46.75	6.35	223.13	-
<b>TOTAL</b>	<b>-</b>	<b>279.30</b>	<b>0.33</b>	<b>6.35</b>	<b>273.28</b>	<b>-</b>	<b>182.73</b>	<b>-</b>	<b>46.75</b>	<b>6.35</b>	<b>223.13</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>3,381.75</b>	<b>5,223.30</b>	<b>3,843.72</b>	<b>82.30</b>	<b>12,366.47</b>	<b>-</b>	<b>2,827.94</b>	<b>195.51</b>	<b>482.12</b>	<b>57.37</b>	<b>3,448.20</b>	<b>3,381.75</b>

### Note:

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company has reassessed the remaining useful lives of its fixed assets in accordance with the provisions prescribed under Schedule II to the Act. Consequently, in case of assets which have completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net of residual value) as at April 1, 2014 aggregating to ₹ 129.05 lakhs (net of deferred tax of ₹ 66.46 lakhs) has been adjusted to Retained Earnings as on April 1, 2014 and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives. Accordingly, the depreciation and amortization expenses for the year ended March 31, 2015 is higher by ₹ 83.35 lakhs.

## NOTE 11 : Non-Current Investments

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>Trade Investments (valued at cost)</b>		
<b>Equity Shares (Unquoted)</b>		
203,571 Equity Shares (March 31, 2015 : 152,678) fully paid up Equity Shares of ₹ 100 each held in Gulf Ashley Motor Limited.	314.58	263.69
<b>TOTAL</b>	<b>314.58</b>	<b>263.69</b>
<b>Note:</b>		
Aggregate amount of unquoted investments	314.58	263.69

## NOTE 12 : Loans and Advances

(Unsecured and Considered good)

	As at March 31, 2016		As at March 31, 2015	
	Long Term	Short Term	Long Term	Short Term
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Capital Advances	104.11	-	15.77	-
Security Deposits	574.34	160.27	630.57	99.40
Loans and Advances to Employees (Refer note below)	155.87	41.08	8.10	52.26
Prepaid Expenses	20.57	364.24	13.77	191.91
Balance with Government Authorities	-	1,528.92	-	1,249.95
Advance to creditors	-	646.71	-	264.68
Other Receivables	-	-	-	37.64
<b>TOTAL</b>	<b>854.89</b>	<b>2,741.22</b>	<b>668.21</b>	<b>1,895.84</b>

### Note:

Loans and Advances to Employees includes loan of ₹ 157 lakhs (March 31, 2015 ₹ 10 lakhs) given to Managing Director of Company.

## NOTE 13 : Other Assets

(Unsecured and Considered good)

	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current	Non Current	Current
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Interest accrued	-	145.44	-	32.05
Margin Money Deposit	5.27	-	84.01	-
Others	-	75.89	-	132.37
<b>TOTAL</b>	<b>5.27</b>	<b>221.33</b>	<b>84.01</b>	<b>164.42</b>

## NOTE 14 : Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
Raw Materials (includes Goods in transit: March 31, 2016 : ₹ 730.92 lakhs, March 31, 2015: ₹ 1,203.70 lakhs)	6,245.69	6,533.56
Packing Materials	447.87	278.45
Work-in-Progress (Lubricating Oils)	365.97	186.60
Finished Goods (Lubricating Oils)	7,858.55	6,274.30
Traded Goods	728.16	841.49
Stores, Spare and Fuel	42.72	44.32
<b>TOTAL</b>	<b>15,688.96</b>	<b>14,158.72</b>

## NOTE 15 : Trade Receivables

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	655.85	450.57
Considered Doubtful	298.12	344.33
	953.97	794.90
Less: Provision for Doubtful Debts	298.12	344.33
	<b>655.85</b>	<b>450.57</b>
Other Receivables	9,987.66	10,961.14
<b>TOTAL</b>	<b>10,643.51</b>	<b>11,411.71</b>

## NOTE 16 : Cash and Bank Balances

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand	3.26	5.65
Balances with Banks:		
In Current Accounts	5,304.83	2,825.09
In Deposit Accounts	13,502.32	12,398.65
	<b>18,810.41</b>	<b>15,229.39</b>
<b>Other Bank Balances</b>		
In Deposit Accounts	1,898.18	-
In Earmarked Accounts		
- Margin Money Deposits	2,756.65	2,803.21
- Unpaid Dividend account	41.48	11.04
	<b>4,696.31</b>	<b>2,814.25</b>
<b>TOTAL</b>	<b>23,506.72</b>	<b>18,043.64</b>

## NOTE 17 : Revenue from Operations

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Sale of Products (Refer Note (i) below)	116,666.77	111,391.86
Other Operating Income (Refer Note (ii) below)	268.72	214.77
	<b>116,935.49</b>	<b>111,606.63</b>
Less: Excise Duty	15,800.07	14,858.46
<b>TOTAL</b>	<b>101,135.42</b>	<b>96,748.17</b>
<b>Notes:</b>		
<b>(i) Sale of Products:</b>		
<b>Finished Goods</b>		
Lubricating Oils	112,215.06	106,575.63
	<b>112,215.06</b>	<b>106,575.63</b>
<b>Traded Goods</b>		
Greases and Lubricating Oils	2,106.27	3,261.42
Car Care, Lube Equipment and Battery	2,345.44	1,541.70
Others	-	13.11
	<b>4,451.71</b>	<b>4,816.23</b>
	<b>116,666.77</b>	<b>111,391.86</b>
<b>(ii) Other operating Income</b>		
Sale of scrap	97.33	69.69
Miscellaneous Income	171.39	145.08
	<b>268.72</b>	<b>214.77</b>

## NOTE 18 : Other Income

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Insurance Claims	74.46	60.96
Net Exchange gain in foreign currency Transactions and Translations (Other than exchange difference related to borrowing cost)	50.15	94.47
Interest Income	1,523.01	499.75
Dividend Income	145.55	267.10
<b>TOTAL</b>	<b>1,793.17</b>	<b>922.28</b>



## NOTE 19 : Cost of Materials Consumed and Purchase of Traded Goods

### (A) Cost of Materials Consumed

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
<b><u>Cost of Raw Materials Consumed</u></b>		
Opening Stock	6,533.56	-
Add: Transferred pursuant to scheme of arrangement ( Refer Note 1A)	-	5,876.99
Add: Purchases during the year	46,850.04	49,261.14
	<b>53,383.60</b>	<b>55,138.13</b>
Less: Closing Stock	6,245.69	6,533.56
<b>Cost of Raw Materials Consumed</b>	<b>47,137.91</b>	<b>48,604.57</b>
<b><u>Cost of Packing Materials Consumed</u></b>		
Opening Stock	278.45	-
Add: Transferred pursuant to scheme of arrangement ( Refer Note 1A)	-	369.32
Add: Purchases during the year	6,203.68	5,794.51
	<b>6,482.13</b>	<b>6,163.83</b>
Less: Closing Stock	447.87	278.45
<b>Cost of Packing Materials Consumed</b>	<b>6,034.26</b>	<b>5,885.38</b>
<b>TOTAL</b>	<b>53,172.17</b>	<b>54,489.95</b>
<b><u>Details of Cost of Materials Consumed</u></b>		
Base Oil	31,984.02	36,611.87
Additives	15,153.89	11,992.70
Packing Materials	6,034.26	5,885.38
<b>TOTAL</b>	<b>53,172.17</b>	<b>54,489.95</b>

### (B) Purchase of Traded Goods

Greases and Lubricating Oils	1,591.66	2,439.07
Car Care, Lube Equipment and Battery	1,854.60	1,146.63
Others	-	4.08
<b>TOTAL</b>	<b>3,446.26</b>	<b>3,589.78</b>

## NOTE 20 : (Increase) / Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
<b>Inventories at the end of the year</b>		
Traded Goods	728.16	841.49
Work-in-Progress	365.97	186.60
Finished Goods	7,858.55	6,274.30
	<b>8,952.68</b>	<b>7,302.39</b>
<b>Inventories at the beginning of the year:</b>		

# NOTES TO FINANCIAL STATEMENTS

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Traded Goods	841.49	-
Work-in-Progress	186.60	-
Finished Goods	6,274.30	-
	<b>7,302.39</b>	<b>-</b>
<b>Transferred pursuant to scheme of arrangement (Refer Note 1A)</b>		
Traded Goods	-	1,392.27
Work-in-Progress	-	162.89
Finished Goods	-	6,777.22
	<b>-</b>	<b>8,332.38</b>
Excise Duty related to difference between closing stock and opening stock	122.03	3.20
Net (Increase)/Decrease in Stock	<b>(1,528.26)</b>	<b>1,033.19</b>

## NOTE 21 : Employee Benefit Expenses

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Salaries, Wages and Bonus	4,835.79	3,820.90
Contribution to Provident and Other Funds	304.98	283.08
Employee Compensation expense towards ESOP (Refer Note 36)	287.99	-
Staff Welfare Expenses	315.40	294.20
<b>TOTAL</b>	<b>5,744.16</b>	<b>4,398.18</b>

## NOTE 22 : Other Expenses

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Consumption, Stores and Spare Parts	210.07	184.37
Processing Charges	447.65	383.04
Power and Fuel	237.16	217.16
Rent	563.99	502.13
Rates and Taxes	117.79	99.56
Insurance	158.75	155.24
Repairs and Maintenance		
Plant and Machinery	188.13	129.68
Buildings and Others	41.91	61.27
Advertising and Sales Promotion	6,722.11	5,560.62
Selling and Marketing	7,299.75	6,051.04
Selling Commission	290.49	198.59

# NOTES TO FINANCIAL STATEMENTS

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Travelling and Conveyance	914.63	789.46
Freight and Forwarding	3,831.97	3,198.94
Postage, Telephone and Telex	160.20	185.82
Legal and Professional Fee (Refer Note Below)	418.49	339.81
Bad Debts Written Off	96.21	300.46
Less: Provision for Doubtful Debts	(96.21)	(300.46)
Provision for Doubtful Debts	50.00	-
Directors' Sitting Fee	31.55	25.65
Loss on Sale/Discarding of Fixed Assets(Net)	0.61	10.41
Expenditure towards Corporate Social Responsibility (Refer Note 38)	96.20	50.00
Royalty	1,743.09	1,413.90
Miscellaneous Expenses	860.39	741.31
<b>TOTAL</b>	<b>24,384.93</b>	<b>20,298.00</b>
<b>Note:</b>		
<b>Legal and Professional Fee Includes:</b>		
<b>Payment to Auditors</b>		
<b>Statutory Auditors:</b>		
Audit Fee	36.00	31.00
Tax Audit Fee	4.00	4.00
Other Services (Certification Fee)	2.65	-
Reimbursement of Expenses	1.74	1.95
	<b>44.39</b>	<b>36.95</b>

## NOTE 23 : Finance Costs

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Interest Expenses on:		
Borrowings from Banks	199.37	400.51
Others	64.24	22.13
Net Loss on Foreign Currency Transactions and Translations	733.92	713.28
Bank and Other Financial Charges	781.39	639.43
<b>TOTAL</b>	<b>1,778.92</b>	<b>1,775.35</b>

## NOTE 24: Contingent Liabilities

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
Income Tax Matters	147.40	144.67
Sales Tax Matters	4,714.64	2,214.50

# NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
Excise Matters	149.58	221.02
<b>TOTAL</b>	<b>5,011.62</b>	<b>2,580.19</b>

- (a) It is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursement in respect of the above contingent liabilities.

## NOTE 25 : Capital and other commitments

	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>Capital Commitments</b>		
Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advance)	568.48	952.18
<b>Other Commitments (Refer Note below)</b>		
Guarantees issued to Bank	1,099.70	1,506.83
<b>TOTAL</b>	<b>1,668.18</b>	<b>2,459.01</b>

### Note:

In December 2012, HGHL Holdings Limited, UK ['HGHL' (obligor)] wholly owned subsidiary of GOCL Corporation Limited (formerly Gulf Oil Corporation Limited) ['GOCL'(obligor)] acquired Houghton International Inc. in USA and took a loan of USD 300 million (Outstanding as at March 31, 2016: USD 153 million: ₹ 101,370 lakhs; March 31, 2015: USD 177 million: ₹ 110,625 lakhs) from lenders to part finance the acquisition. The said loan was extended on the basis of Letter of Comfort/ Stand-By-Letter of Credit Facility Agreement between GOCL Corporation Limited (formerly Gulf Oil Corporation Limited), HGHL and lenders on the strength of guarantee of Gulf Oil International Limited, Cayman and cash deficit undertaking from its specified subsidiaries and also from GOCL, wherein they were obligated to make contribution to HGHL in case of deficiencies in resources for servicing the said facilities. The said facility was also secured by specified assets of GOCL.

Pursuant to the Scheme of arrangement between GOCL, the Company and their respective shareholders and creditors, (Refer note 1A), the "Lubricants Undertaking" of GOCL was demerged and transferred into the Company w.e.f. April 1, 2014 (the Appointed Date under the Scheme). Pursuant to the above scheme the Company has issued a Deed of Undertaking to make contributions to HGHL for meeting any deficiency in the event of obligors' inability to service the said facility. However, the Company has received back to back corporate guarantee from Gulf Oil International Limited, Cayman to secure its entire obligations, if any, arising out of the said Deed of Undertaking.

## NOTE 26 : Expenditure in foreign currency

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Royalty (Gross)	1,743.09	1,413.90
Interest on Borrowings from Banks	163.99	122.12
Others	38.63	65.23
<b>TOTAL</b>	<b>1,945.71</b>	<b>1,601.25</b>

## NOTE 27 : Earnings in foreign currency

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Revenue from Exports on FOB Basis	573.97	915.72
Others	108.83	99.31
<b>TOTAL</b>	<b>682.80</b>	<b>1,015.03</b>

## NOTE 28 : Dividend remitted in foreign currency

	Year ended March 31, 2016	Year ended March 31, 2015
Number of Non-resident Shareholders	1.00	1.00
Number of shares on which dividend is remitted	32,193,167	29,718,167
Interim Dividend Remitted (₹ lakhs)	965.80	594.36
Final Dividend Remitted (₹ lakhs)	1,126.76	-
Year to which dividend relates	2014-15 & 2015-16	2014-15

## NOTE 29 : Consumption of Raw Material

	Year ended March 31, 2016		Year ended March 31, 2015	
	%	₹ Lakhs	%	₹ Lakhs
Imported	57.2%	26,966.25	62.4%	30,324.38
Indigenous	42.8%	20,171.66	37.6%	18,280.19
<b>TOTAL</b>	<b>100.00%</b>	<b>47,137.91</b>	<b>100.00%</b>	<b>48,604.57</b>

## NOTE 30 : CIF Value of Imports

	Year ended March 31, 2016 ₹ Lakhs	Year ended March 31, 2015 ₹ Lakhs
Raw Material	23,630.53	28,783.76
Capital Goods	60.37	161.23
Traded Goods	1,418.99	866.19
<b>TOTAL</b>	<b>25,109.89</b>	<b>29,811.18</b>

## NOTE 31 : Related Party Disclosures

### (A) Name of the related parties and nature of relationship:

(i)	Where control exists:	
	Ultimate Holding Company	Amas Holdings SPF (Holding Company of Gulf Oil International Limited)
	Holding Company	Gulf Oil International (Mauritius) Inc.
		Gulf Oil Middle East Limited (Cayman)
		[Holding Company of Gulf Oil International (Mauritius) Inc.]
		Gulf Oil International Limited (Cayman)
		[Holding Company of Gulf Oil Middle East Limited (Cayman)]



<b>(ii)</b>	<b>Other related parties with whom transactions have taken place during the year:</b>	
	Fellow subsidiaries:	Ashok Leyland Limited
		D.A.Stuart India Private Limited
		Gulf Ashley Motor Limited
		Gulf Oil Bangladesh Limited
		Gulf Oil China Limited
		GOCL Corporation Limited (formerly Gulf Oil Corporation Limited)
		Gulf Oil International Limited
		Gulf Oil Marine Limited
		Gulf Oil Middle East Limited (upto July 31, 2015)
		Gulf Oil Philippines Inc.
		HGHL Holdings Limited
		Houghton Deutschland GmbH
		IDL Explosives Limited
		PT. Gulf Oil Lubricants Indonesia
<b>(iii)</b>	<b>Key Managerial personnel:</b>	Ravi Chawla - Managing Director

**(B) Disclosure in respect of transactions which are more than 10% of the transactions of the same type with related parties and outstanding balances**

	Particulars	Year ended March 31, 2016 (₹ Lakhs)	Year ended March 31, 2015 (₹ Lakhs)
<b>(i)</b>	<b>Transactions during the year</b>		
<b>I</b>	<b>Holding Company:</b>		
<b>1</b>	<b>Issue of Equity Shares pursuant to scheme of arrangement</b>		
	Gulf Oil International (Mauritius) Inc.	-	594.36
<b>2</b>	<b>Shares Cancelled pursuant to scheme of Demerger</b>		
	GOCL Corporation Limited	-	5.00
<b>3</b>	<b>Dividend on Equity Shares</b>		
	Gulf Oil International (Mauritius) Inc.	2,092.56	594.36
<b>4</b>	<b>Royalty</b>		
	Gulf Oil International (Mauritius) Inc.	1,743.09	1,413.90
<b>II</b>	<b>Fellow Subsidiary:</b>		
<b>1</b>	<b>Purchase of Investments</b>		
	GOCL Corporation Limited	-	263.69
	Gulf Ashley Motor Limited (Right Issue)	50.89	-
<b>2</b>	<b>Sale of Goods and other operating income</b>		
	Ashok Leyland Limited	9,711.38	7,353.90
	Others	1,612.45	2,167.90
<b>3</b>	<b>Recovery of Expenses</b>		
	Gulf Oil Marine Limited	109.56	67.33
	Gulf Oil International Limited	448.34	385.37
	Others	32.62	40.41
<b>4</b>	<b>Guarantee Commission</b>		
	Gulf Oil Corporation Limited	172.50	177.50
<b>5</b>	<b>Purchase of Raw Material</b>		

	Particulars	Year ended March 31, 2016 (₹ Lakhs)	Year ended March 31, 2015 (₹ Lakhs)
	Houghton Deutschland GmbH	82.35	67.17
<b>6</b>	<b>Adjustment of Advance pursuant to scheme of Demerger</b>		
	GOCL Corporation Limited	-	1,860.00
<b>7</b>	<b>Letter of undertaking given (Refer Note 25)</b>		
	HGHL Holdings Limited	-	111,491.00
<b>8</b>	<b>Deed of undertaking received (Refer Note 25)</b>		
	Gulf Oil International Limited	-	111,491.00
<b>III</b>	<b>Key Management Personnel</b>		
<b>1</b>	<b>Remuneration</b>		
	Ravi Chawla	209.00	192.80
<b>2</b>	<b>Loan to Director</b>		
	Ravi Chawla	150.00	10.00
	Particulars	As at March 31, 2016 (₹ Lakhs)	As at March 31, 2015 (₹ Lakhs)
<b>(ii)</b>	<b>Outstanding balances</b>		
<b>1</b>	<b>Payables</b>		
	Gulf Oil International (Mauritius) Inc.	1,554.57	1,201.82
	Gulf Oil Marine Limited	53.81	-
	Others	40.60	189.84
<b>2</b>	<b>Receivables</b>		
	Ashok Leyland Limited	990.89	904.69
	Gulf Oil International Limited	367.98	296.94
	Gulf Oil Marine Limited	-	115.10
	Others	250.18	361.49
<b>3</b>	<b>Loan to Director</b>		
	Ravi Chawla	157.00	10.00
<b>4</b>	<b>Letter of undertaking given (Refer Note 25)</b>		
	HGHL Holdings Limited	101,370.00	110,625.00
<b>5</b>	<b>Deed of undertaking received (Refer Note 25)</b>		
	Gulf Oil International Limited	101,370.00	110,625.00

## NOTE 32 : Employee Benefits

Company has classified the various benefits provided as under:-

### I Defined Contribution Plans

- Employers' Contribution to Provident Fund
- Employers' Contribution to Employee's Pension Scheme, 1995
- Employers' Contribution to Superannuation Fund

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2016 (₹ Lakhs)	Year ended March 31, 2015 (₹ Lakhs)
Employers' Contribution to Provident Fund and Employee's Pension Scheme	198.27	177.42
Employers' Contribution to Superannuation fund	106.71	105.66
<b>Total Expenses recognised in the Statement of Profit and Loss (Refer Note 21)</b>	<b>304.98</b>	<b>283.08</b>

## II Defined Benefit Plan:

### Gratuity

a)	<b>Change in the Present Value of Defined Benefit Obligation</b>	<b>As at March 31, 2016 (₹ Lakhs)</b>	<b>As at March 31, 2015 (₹ Lakhs)</b>
	Present Value of Obligation at the beginning of the year	321.86	-
	Present Value of Obligation transferred pursuant to scheme of arrangement	-	283.33
	Interest cost	25.72	22.67
	Current service cost	35.96	27.93
	Benefits paid	(28.86)	(11.54)
	Actuarial Losses/ (Gains)	45.15	(0.53)
	<b>Present Value of Obligation at the end of the year</b>	<b>399.83</b>	<b>321.86</b>
b)	<b>Change in the Fair Value of Plan Assets</b>	<b>As at March 31, 2016 (₹ Lakhs)</b>	<b>As at March 31, 2015 (₹ Lakhs)</b>
	Fair Value of Plan Assets at the beginning of the year	315.24	-
	Fair Value of Plan Asset transferred pursuant to scheme of arrangement	-	247.39
	Expected Return on plan assets	25.19	19.79
	Contributions by the Employer	40.18	57.76
	Benefits Paid from the fund	(28.86)	(11.54)
	Actuarial Gains /(Losses) on the Plan Assets	(0.56)	1.84
	<b>Fair value of plan Assets at the end of the year</b>	<b>351.19</b>	<b>315.24</b>
c)	Actual Return on Plan Assets	24.63	21.63
d)	<b>Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Plan Assets</b>	<b>As at March 31, 2016 (₹ Lakhs)</b>	<b>As at March 31, 2015 (₹ Lakhs)</b>
	Present Value of Defined Benefit Obligation	399.83	321.86
	Fair Value of Plan Assets	351.19	315.24
	Funded Status (Surplus/Deficit)	351.19	315.24
	Present Value of Unfunded Obligation	48.64	6.62
	Unfunded Net Liability recognised in the Balance Sheet disclosed under Short Term Provisions (Refer Note 6)	<b>48.64</b>	<b>6.62</b>

e)	<b>Expense Recognized in the Statement of Profit and Loss</b>	<b>Year ended March 31, 2016 (₹ Lakhs)</b>	<b>Year ended March 31, 2015 (₹ Lakhs)</b>
	Current service cost	35.96	27.93
	Interest Cost	25.72	22.67
	Expected Return on Plan assets	(25.19)	(19.79)
	Actuarial (Gains)/Losses	45.71	(2.37)
	<b>Expenses Recognized in the statement of Profit and Loss</b>	<b>82.20</b>	<b>28.44</b>
f)	<b>Experience Adjustments</b>	<b>Year ended March 31, 2016 (₹ Lakhs)</b>	<b>Year ended March 31, 2015 (₹ Lakhs)</b>
	On Plan Liabilities - (Gains)/ Losses	46.66	(16.50)
	On Plan Assets - (Gains)/ Losses	(0.56)	1.84
	<b>Total Experience Adjustment</b>	<b>47.22</b>	<b>(18.34)</b>
g)	<b>Actuarial Assumptions</b>	<b>Year ended March 31, 2016 (₹ Lakhs)</b>	<b>Year ended March 31, 2015 (₹ Lakhs)</b>
	Discount Rate (%)	8.04%	7.99%
	Expected Return on Plan Assets	8.04%	7.99%
	Salary Escalation Rate @	4.00%	4.00%
	Attrition Rate	3.00%	3.00%
	@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
h)	Expected contribution to the Funds in the next year	53.02	48.38
i)	Plan Assets are invested in Insurer Managed Fund.	100%	100%

### III Other Employee Benefits

The liability for Compensated absences as at the year ended March 31, 2016 is ₹ 292.54 lakhs (March 31, 2015: ₹ 278.13 lakhs).

### NOTE 33 : Segment Information for the year ended March 31, 2016

#### (a) Information about Primary Business Segment

The Company is engaged primarily in the business of manufacturing, marketing and trading in Lubricants and Greases, which in the context of Accounting Standard 17 on Segment Reporting is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year are all as reflected in the financial statements for the year ended March 31, 2016 and as on that date.

#### (b) Information about Secondary Geographical Segments

Particulars	India		Outside India		Total	
	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)	March 31, 2016 (₹ Lakhs)	March 31, 2015 (₹ Lakhs)
Revenue from Operation	99,992.78	95,321.16	1,142.64	1,427.01	101,135.42	96,748.17
Carrying Amount of Segment Assets	64,112.84	55,675.34	746.34	775.61	64,859.18	56,450.95
Capital Expenditure	1,741.80	2,277.02	-	-	1,741.80	2,277.02

## NOTE 34 : Earnings per Share (EPS)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Profit After Tax (₹ lakhs)	10,031.47	7,740.96
Weighted Average number of equity shares for EPS computation		
- For Basic EPS (Nos.)	49,572,490	49,572,490
- For Diluted EPS (Nos.)	49,794,229	49,572,490
Nominal Value per Share (₹)	2.00	2.00
Basic EPS (₹)	20.24	15.62
Diluted EPS (₹)	20.15	15.62

## NOTE 35 : Lease

### Operating Lease: Where the Company is a Lessee

The Company's significant leasing arrangements are in respect of operating leases for premises. The leasing arrangements, range generally between 11 months to 5 years and are usually renewable by mutual consent on agreed terms. These lease agreements can be terminated as per termination clause of each individual lease agreement. The lease rents paid/payable charged to the Statement of Profit and Loss aggregate to ₹ 563.99 lakhs (March 31, 2015 : ₹ 502.13 lakhs)

## NOTE 36 : Employee Stock Option Plan (ESOP)

In respect of Options granted under the Gulf Oil Lubricants India Limited-Employees Stock Option Scheme-2015, in accordance with the guidelines issued by Securities and Exchange Board of India [(Share Based Employee Benefits) Regulations, 2014], the intrinsic value of options is accounted as deferred employee compensation, which is amortized on a straight line basis over the vesting period. Employee benefits expenses include ₹ 287.99 lakhs charged during the year on this account.

### Stock Options outstanding as at the year end are as follows:

	Tranche-1	Tranche-2
Exercise Price	336.00	354.51
Date of Grant	May 26, 2015	February 9, 2016
Vesting Period commences on	May 15, 2016	February 9, 2017
Options outstanding at the beginning of the year	-	-
Options granted during the year	606,990	112,225
Options exercised during the year	-	-
Options lapsed during the year	-	-
Options outstanding as at March 31, 2016	606,990	112,225

The compensation cost of stock options granted to employees are accounted by the Company using the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India in respect of stock options granted.

Had the compensation cost of employee stock options been recognized based on the fair value at the date of grant in accordance with Black Scholes model, the Company's earning per share would have been as under

Particulars	Year ended March 31, 2016
Profit for the year (as reported)- ₹ lakhs	10,031.47
Add: Compensation expenses under ESOP included in the statement of profit & loss- ₹ lakhs	287.99
Less: Compensation expenses under ESOP as per fair value (as per Black Scholes model)- ₹ lakhs	586.10



Particulars	Year ended March 31, 2016
Profit for the year (Fair value basis)- ₹ lakhs	9,733.36
<b>Basic</b>	
Number of shares (Weighted average)	49,572,490
Basic EPS as reported	20.24
Proforma Basic EPS	19.63
<b>Diluted</b>	
Number of shares (Weighted average)	49,794,229
Diluted EPS as reported	20.15
Proforma Diluted EPS	19.55

## Note 37 : Derivative Instruments outstanding as at March 31, 2016

- a) The Company has following outstanding foreign currency forward contracts to hedge foreign currency exposure against payable as at March 31, 2016:

Particulars	Currency Pair	March 31, 2016			March 31, 2015		
		Number of Contracts	Notional Amount		Number of Contracts	Notional Amount	
			Foreign Currency (Lakhs)	₹ Lakhs		Foreign Currency (Lakhs)	₹ Lakhs
Forward Contracts (Buy)	USD-INR	32.00	153.47	10,446.99	16.00	148.24	9,410.97

- b) As at the Balance Sheet date, unhedged foreign currency receivables and payables are as follow:

Particulars	March 31, 2016		March 31, 2015	
	Foreign Currency (Lakhs)	₹ Lakhs	Foreign Currency (Lakhs)	₹ Lakhs
Payables	170.62	11,309.74	221.74	13,858.86
Trade Receivables	11.26	746.34	12.41	775.61

## NOTE 38: Expenditure towards Corporate Social Responsibility

Gross amount required to be spent by the Company during the year ended March 31, 2016 under section 135 of the Companies Act, 2013 is ₹ 221.64 lakhs (March 31, 2015 ₹ 208.25 lakhs) against which Company has actually spent ₹ 96.20 lakhs during the year (March 31, 2015 ₹ 50.00 lakhs) for purposes other than the construction/acquisition of any asset.

## NOTE 39 :

Prior year comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

In terms of our report attached

For **Price Waterhouse**  
Chartered Accountants  
Firm Registration Number: 301112E

For and on behalf of Board of Directors

**Partha Ghosh**  
Partner  
Membership No. 055913

**Manish K Gangwal**  
Chief Financial Officer

**Ravi Chawla**  
Managing Director  
DIN : 02808474

**S.G. Hinduja**  
Chairman  
DIN: 00291692

Place: Mumbai  
Date: May 11, 2016

**Vinayak Joshi**  
Company Secretary

## Notes

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**Gulf Oil Lubricants India Limited**

**Registered and Corporate Office:**  
IN Centre, 49/50, M I D C, 12th Road,  
Andheri (East), Mumbai - 400093, India.

**CIN: L23203MH2008PLC267060**

**Email: [info@gulfoil.co.in](mailto:info@gulfoil.co.in)**

**[www.gulfoilindia.com](http://www.gulfoilindia.com)**



HINDUJA GROUP



Quality Endurance Passion

**GULF OIL LUBRICANTS INDIA LIMITED****Registered Office:** IN Centre, 49/50, 12th Road, M.I.D.C., Andheri (East), Mumbai 400093**Tele:** +91 22 66487777, **Fax:** +91 22 28248232, **Email:** secretarial@gulfoil.co.in, **website:** www.gulfoilindia.com; **CIN:** L23203MH2008PLC267060**ADMISSION SLIP****8TH ANNUAL GENERAL MEETING ON TUESDAY, SEPTEMBER 13, 2016**PLEASE COMPLETE THE SLIP  
AND HAND IT OVER AT THE ENTRANCE  
OF THE MEETING HALL

Registered Folio No. / DP ID &amp; Client ID

Name and Address of the Member

Joint holders

No of shares

I hereby record my presence at the 8th Annual General Meeting of the Company at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai – 400 018 at 3.00 p.m. on Tuesday, September 13, 2016.

**Name of the shareholder / proxy\*** : \_\_\_\_\_**Signature of the shareholder/proxy\*** : \_\_\_\_\_*\*Strikeout whichever is not applicable***ELECTRONIC VOTING PARTICULARS**

<b>EVEN (E-voting Event Number)</b>	<b>User ID</b>	<b>Password / PIN</b>



Quality Endurance Passion

**GULF OIL LUBRICANTS INDIA LIMITED****Registered Office:** IN Centre, 49/50, 12th Road, M.I.D.C., Andheri (East), Mumbai 400093**Tele:** +91 22 66487777, **Fax:** +91 22 28248232, **Email:** secretarial@gulfoil.co.in, **website:** www.gulfoilindia.com; **CIN:** L23203MH2008PLC267060**8TH ANNUAL GENERAL MEETING ON TUESDAY, SEPTEMBER 13, 2016****PROXY FORM ( FORM NO. MGT-11)**

(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 :

Folio No/Client ID, DPID :

I/we, being the member(s) of \_\_\_\_\_ shares of above named Company, hereby appoint

1. Name .....  
Address .....  
Email id .....  
Signature....., or failing him
2. Name .....  
Address .....  
Email id .....  
Signature....., or failing him
3. Name .....  
Address .....  
Email id .....  
Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the Company, to be held on Tuesday, September 13, 2016 at 3.00 p.m. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions, as are indicated below:

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
Revenue  
Stamp of  
Re.1/-

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Signature of Proxy holder(s)

**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.**

S. No.	Resolutions :
<b>Ordinary Business:</b>	
1.	To consider and adopt, the audited financial statements of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2.	To declare dividend on equity shares for the financial year ended March 31, 2016.
3.	To appoint Director in place of Mr. Sanjay G. Hinduja (DIN: 00291692), who retires by rotation and being eligible, offers himself for re-appointment.
4.	To re-appoint M/s Price Waterhouse, Chartered Accountants (Firm Registration no.301112E) as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize Board to fix their remuneration
<b>Special Business:</b>	
5.	To appoint Mr. Shom A. Hinduja (DIN:07128441) as a Director the Company.
6.	To ratify the remuneration to the Cost Auditors for the FY 2016-17.