



LUBRICANTS



INDUSTRIAL EXPLOSIVES



MINING & INFRASTRUCTURE



PROPERTY DEVELOPMENT

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Gulf Oil Corporation Limited

49th ANNUAL REPORT 2009 - 2010



HINDUJA GROUP

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EVENTS OF THE YEAR



Conveyor Belt Branding at Hyderabad Airport



Translite at Bangalore Airport



Launch of the Gulf MAX Series Engine Oils at Grand Hyatt, Mumbai



Brand Promotion



CAPEXIL award for Excellence in Exports



EMULDYNE trials at the tunnel of 1200 MW Hydel Project in Bhutan



Explosives Division Sales meet at Goa



New Emulsion Explosives Plant at Rourkela



Controlled blasting at OBRA near Singrauli, Madhya Pradesh



Tunnelling work at Mangalore



Gulf Oil Corporation Limited

FORTY NINTH ANNUAL REPORT 2009-2010

Board of Directors

(As on 14th May, 2010)

S. G. Hinduja, *Chairman*
 R. P. Hinduja, *Vice Chairman*
 K. N. Venkatasubramanian
 P. N. Ghatalia (*till 13.8.2009*)
 H. C. Asher
 M. S. Ramachandran
 Ashok Kini
 Prakash Shah
 Kanchan Chitale (*w.e.f. 5.10.2009*)
 Vinoo S Hinduja
 V. Ramesh Rao
 Vinod K Dasari
 S. Pramanik, *Managing Director*
 A. K. Das, *Alternate to S. G. Hinduja*
 A. V. Dujean, *Alternate to R. P. Hinduja*
 Prabal Banerjee, *Alternate to Vinoo S Hinduja*

Committees of the Board:

Audit	Kanchan Chitale, Chairperson	H. C. Asher	Ashok Kini	
Share Transfer & Investors' Grievance	Ashok Kini, Chairman	S. Pramanik	Vinod K. Dasari	
Remuneration	Prakash Shah, Chairman	H. C. Asher	M. S. Ramachandran	Vinoo S Hinduja
Safety Review	Vinod K. Dasari, Chairman	Ashok Kini	K.N. Venkatasubramanian	
Investment Appraisal & Project Review	M. S. Ramachandran, Chairman	Vinoo S Hinduja	Vinod K. Dasari	

Executive Team:

Corporate	S. Subramanian	<i>CFO & Company Secretary</i>	Y.V. Siva Reddy	<i>G.M. (Internal Audit)</i>
Lubricants Division	Ravi Chawla	<i>President (Lubricants)</i>	Amrish Kathane	<i>Sr. GM (Supply Chain)</i>
	Y.P. Rao	<i>Sr. V.P. (Technical)</i>	Manish Gangwal	<i>G.M. (Finance & Accounts)</i>
	R. Varadarajan	<i>Sr. V.P. (Sales & Business Development)</i>	Alok Mahajan	<i>G.M. (Marketing)</i>
Explosives & Contracts Divisions	Raman Gopal	<i>President (IDL Divisions)</i>	Dr. Mohan Kidambi	<i>Sr. GM (Explosives Operations)</i>
	S. Chakrabarti	<i>Chief Operating Officer (Explosives)</i>	A. D. Sao	<i>Sr. GM (Marketing & Explosives)</i>
	T.T. Das	<i>General Manager - Consult</i>	A.M. Kazmi	<i>GM (Exports)</i>

Company Secretary	S. Subramanian
Deputy Company Secretary	A. Satyanarayana

Bankers	State Bank of India State Bank of Hyderabad Oriental Bank of Commerce ICICI Bank Limited	Andhra Bank IDBI Bank Ltd Bank of Bahrain & Kuwait B.S.C. HSBC Bank
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Auditors	Deloitte Haskins & Sells, Chartered Accountants, Secunderabad, Shah & Co., Chartered Accountants, Mumbai. (Branch Auditors)
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Registered/ Corporate Office	Kukatpally, Hyderabad - 500 072 Andhra Pradesh
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A TEN YEAR REVIEW

(Rs. lakhs)

Year	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
INCOME & DIVIDENDS										
Turnover	106565.94	99588.84	83321.52	66865.64	50724.65	47340.47	41551.04	40534.71	25250.68	19569.69
Profit Before Tax	5430.23	3875.41	2970.60	3183.37	2543.43	2215.07	2798.39	1132.93	978.55	6084.32
Profit After Tax	4507.23	2904.38	2513.17	2300.59	2278.6	2003.07	2290.80	1531.52	769.55	5464.32
Profit After Tax as percentage of Sales	4.23%	2.92%	3.02%	3.44%	4.49%	4.23%	5.51%	3.78%	3.05%	27.92%
Earnings Per Share (Rs.)	6.06#	3.91#	3.42 #	16.58	16.43	14.44	16.51	11.04	8.12	68.29
Dividend per fully paid Equity Share (Rs.)	1.80#	1.70#	1.50 #	7.50	7.00	6.50	6.00	5.00	3.00	5.00
Dividend	1338.46	1264.10	1115.38	1115.38	971.02	901.66	832.30	693.59	416.15	400.09

(Rs. lakhs)

Year	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
CAPITAL EMPLOYED										
Net Fixed Assets	58103.87	60676.59	200424.32	15647.14	11367.26	10560.95	8215.47	7943.98	8024.33	4196.39
Net Working Capital	11456.40	17835.12	22592.43	14451.81	9597.43	8130.11	9837.19	12593.26	17173.69	10046.86
Other Assets	3204.01	3595.94	6992.93	7980.24	5278.71	4839.49	2394.70	984.10	2211.82	1404.98
Total Capital Employed	72764.28	82107.65	230009.68	38079.19	26243.4	23530.55	20447.36	21521.34	27409.84	15648.23

(Rs. lakhs)

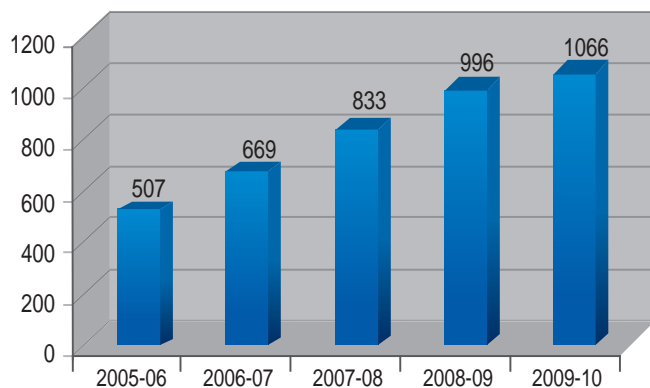
Year	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
NETWORTH & LOANS										
Shareholders' Funds:										
Capital	1487.17	1487.17	1487.17	1387.17	1387.17	1387.17	1387.17	1387.17	1387.17	800.17
Reserves	40789.77	39794.17	203901.39	14388.71	13393.06	12221.67	11246.72	10454.43	12943.00	9317.35
Tangible Networth	42276.94	41281.34	204717.18	15237.06	14284.78	12827.12	12045.21	11841.60	14330.17	10117.52
Secured Loans	17074.51	17122.63	13457.72	15547.27	8147.69	8243.71	6224.07	7593.02	11206.99	3965.37
No.of Shareholders at year end	61276	59476	56218	43790	43840	45893	47605	48945	46969	47393

Note: Sales figure includes Excise Duty

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

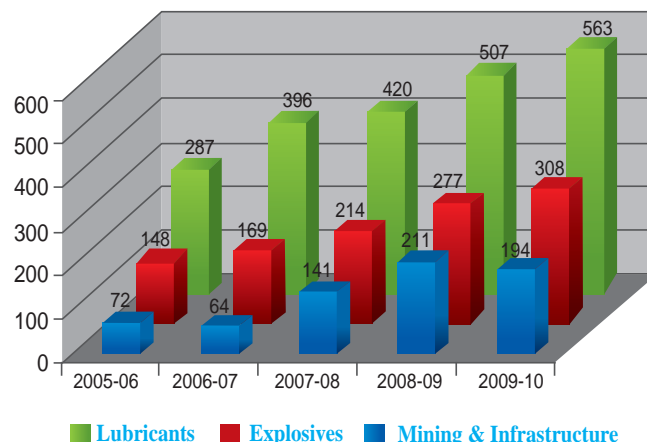
Turnover

(₹ Crores)



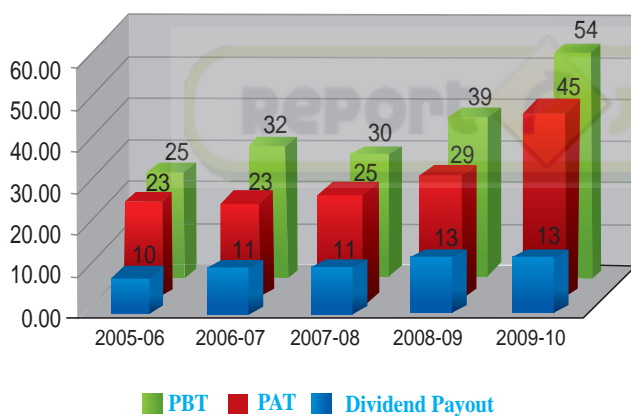
Segment-wise Turnover

(₹ Crores)



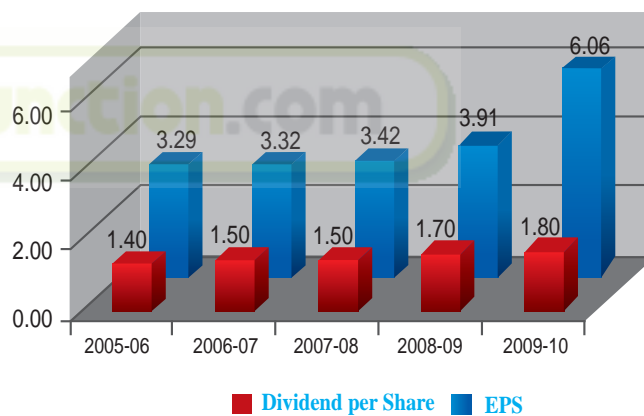
PAT, PBT and Dividend Payout

(₹ Crores)

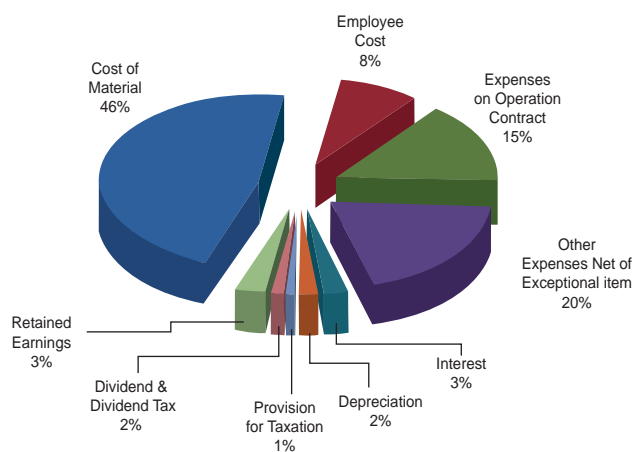


Dividend per share and EPS

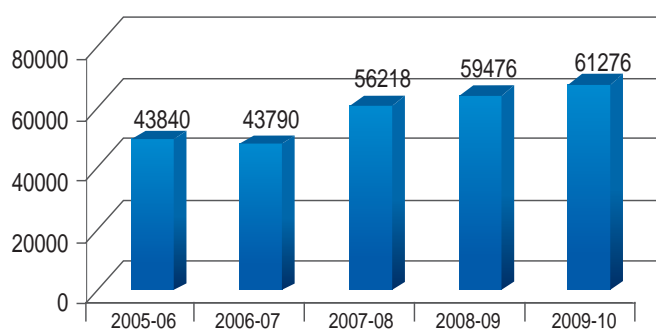
(₹)



Disposal Of Revenue - F 2010



Number of Shareholders





Chairman's Letter

Dear Shareholders,

The Indian economy continues to surge ahead registering a growth of 7.5% in 2009-10 with an 8.6% Y-o-Y growth in the 4th quarter. The growth has been driven by robust performance of the manufacturing sector on the back of Government and consumer spending and, incidentally, exceeded the Government's own forecast for the year. Such a performance is conducive to business as a whole. Thanks to this, your Company has crossed the Rs. 1000 crores turnover mark – a significant milestone for the Company.

The Automobile industry reported a 26% growth in sales in 2009-10 whilst mining and quarrying grew by over 10% and electricity supply by 6.6%. Backed by this strong demand, all the three Divisions namely Lubricants, Industrial Explosives and Mining and Infrastructure Contracts of the Company showed growth in business.

The Lubricants business – the largest Division, performed well. Sales grew by 11% to Rs. 563 crores. Industrial Explosives performed well this year and also achieved a turnover of Rs. 308 crores, a growth of 11%. The Mining and Infrastructure Division was roughly at the same level as last year at Rs. 194 crores of service income, due to a major project having been completed in Q2 of the previous year.

NEW INITIATIVES

Lubricants

Our endeavour to continuously provide the best projects and applications to our customers has given us the impetus to develop several new initiatives during the year. In the Lubricants Division, we have taken further initiatives to continue with our brand building exercise which we started a few years ago and we have been able to increase our market share by breaking into new fleets, construction equipment users, medium sized industries and OEMs. New product promotions aimed at 3-wheeler commercial segments and their commercial vehicles yielded encouraging results. Aggressive positioning in the bazaar markets in Northern and Western Regions achieved for the Division one of the highest growth rate as per the AC Nielson Retail Audit Report.

Industrial Explosives Business

The Explosives business had developed cartridged emulsion products which were being toll manufactured. With the growing requirement of the product and its specialised applications, the Division commissioned a packaged emulsion explosives facility at Rourkela which would be fully operative in the current year. The special quality explosives have found good acceptance in the civil infrastructure tunneling and trade sectors.



At the same time new packaged explosives for underground coal mining were developed in collaboration with the Central Institute of Mining and Fuel Research, Dhanbad, and commercialised during the year. A new product range of fully field programmable electronic detonators have been developed through the Division's R&D efforts as part of the electronic detonator project started 3 years ago. These new field programmable detonators are required for specialised applications by our customers especially for critical environmental requirements at their sites.

Contracts Business

The Mining and Infrastructure Contracts Division has been awarded a prestigious contract by the Uranium Corporation of India. This will be a major milestone for the business and will enhance its experience and capabilities further.

CONCERN AREAS

Overall input prices will remain a cause for concern. The high inflation and fluctuating global prices for crude could affect raw material prices and impact margins. Whilst our businesses are taking action to neutralise these likely increases by proactive steps, planned purchases and cost optimization in all areas, the rising input prices could impact margins in the current year.

EXPORTS

The exports by the Company increased to Rs. 68 crores from Rs. 51 crores. Our exports from Lubricants and Industrial Explosives Divisions are mainly to South East Asia, Middle East, Africa and Southern Europe. The Explosives Division has received the prestigious CAPEXIL Award for their efforts.

PROPERTY DEVELOPMENT

Property Development at Bangalore has now started as the demand for properties has revived. The development of 5.05 mn sq.ft. is being taken up and will cover hotel, retail outlets, commercial malls and serviced apartments. The construction work at Bangalore will commence in the current year. Further work on the Hyderabad property was held up due to the 100 ft. connector road being finalised by the GHMC. This issue has recently been resolved and architectural work and development has been commenced.

RIGHTS ISSUE

The formalities connected with Rights Issue announced last year have been completed and offer letters are being sent to all eligible shareholders shortly. The Board has as an appreciative gesture decided to price the Rights to recognize the co-operation and support received from the shareholders over the years.

As the Company enters its 50th year our outlook to the future continues to be optimistic and is driven by the growth story of India Inc. We will remain committed to growth, good governance and consistently enhancing shareholder value. I am sure with your support and commitment and energy of our employees, Gulf Oil will scale newer heights in the years ahead.

S. G. Hinduja

CHAIRMAN

August 2, 2010.



NOTICE OF THE FORTY NINTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty Ninth Annual General Meeting of the Company will be held at 2.30 p.m. on Thursday, the 23rd day of September, 2010 at Emerald-1, Hotel Taj Krishna, Banjara Hills, Hyderabad - 500034 to transact the following:

ORDINARY BUSINESS

1. To consider and adopt the Directors' Report, the Auditors' Report, the Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended 31st March 2010.
2. To declare dividend for the financial year ended 31st March 2010.
3. To appoint a Director in place of Mr. Ashok Kini, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Vinod K Dasari, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.
5. To appoint a Director in place of Ms. Vinoo S Hinduja, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.
6. To appoint a Director in place of Mr. Ramesh V Rao, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.
7. To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED that M/s Deloitte Haskins & Sells, Chartered Accountants, Secunderabad be and are hereby appointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be negotiated and fixed by the Audit Committee/Board of Directors of the Company in addition to actual out-of-pocket expenses incurred by them for the purpose of audit."

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

"RESOLVED that M/s. Shah & Co., Chartered Accountants, Mumbai be and are hereby appointed as Branch Auditors of the Company for its Lubricants Division at Mumbai from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be negotiated and fixed by the Audit Committee/Board of Directors of the Company in addition to actual out-of-pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

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

"RESOLVED that in supersession of previous resolution passed by the Members of the Company at their Meeting held on 31st July 2009 and pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the applicable laws, Rules, Guidelines, Regulations, Notifications and Circulars, if any, issued by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), the Government of India (GOI), the Foreign Investment Promotion Board (FIPB), and other concerned and relevant authorities, and other applicable Indian laws, rules and regulations, if any, and relevant provisions of Memorandum and Articles of Association of the Company and the Listing Agreement(s) entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to such approval(s), consent(s) permission(s) and/or sanctions(s) as may be required from GOI, FIPB, RBI, SEBI and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction which may be agreed by the Board of Directors of the Company ("the Board") (which term shall be deemed to include 'Offering Committee' or any other Committee constituted or hereafter be constituted for the time being exercising the powers conferred on the Board by this Resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time,



Securities (as defined below) in the form of Equity or other Shares, Warrants, Bonds or Debentures, Depository Receipts, (whether Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Indian Depository Receipts (IDRs) or any other form of Depository Receipts), or any other debt instrument either convertible or non-convertible into Equity or any other Shares whether optionally or otherwise, including Foreign Currency Convertible Bonds representing any type of securities (FCCBs), whether expressed in Foreign Currency or Indian Rupees (all or any of which are hereinafter referred to as "Securities") whether secured or unsecured, and further the Board be and is hereby authorized, subject to applicable laws and regulations, to issue the Securities to investors (including but not limited to Foreign Banks, Financial Institutions, Foreign Institutional Investors, Qualified Institutional Buyers, Mutual Funds, Companies, other Corporate Bodies, Non- Resident Indians, Foreign Nationals and other eligible investors as may be decided by the Board (hereinafter referred to as "Investors") whether or not such Investors are members, promoters or directors of the company or their relatives or associates, by way of one or more private and/ or public offerings (and whether in any domestic and/ or international market(s), through a public issue(s), private placement(s), Qualified Institutional Placement(s), preferential issue(s) or a combination thereof in such manner and on such terms and conditions as the Board deems appropriate at its absolute discretion provided that the issue size shall not exceed US\$100 million or Rs.450 crores inclusive of such premium as may be payable on the Equity Shares or any other Security, at such time or times and at such price or prices and in such tranche or tranches as the Board in its absolute discretion deems fit.

RESOLVED FURTHER THAT in the event the Company proposes to issue Securities through Preferential Issue, the 'Relevant Date' in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 shall be 23rd August, 2010, being the date 30 days prior to the date of this Annual General Meeting or such other date as may be prescribed.

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

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

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

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

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including, if necessary, creation of such mortgages and/or charges in respect of the Securities on the whole or any part of the undertaking of the Company under Section 293(1)(a) of the Companies Act, 1956 or otherwise and to execute such documents or writings as it may consider necessary or proper and incidental to this Resolution.

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



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

14th May 2010

By Order of the Board

Registered Office:
Kukatpally, Post Bag No.1
Sanathnagar (IE) PO
Hyderabad - 500018

S. SUBRAMANIAN
Chief Financial Officer &
Company Secretary

Notes:

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

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

2. An Explanatory Statement pursuant to Section 173 of the Companies Act 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books will be closed on 29th July, 2010 in connection with the ensuing Annual General Meeting and the payment of Dividend.
4. Dividend recommended by the Board and approved by the Members at the AGM, will be paid on or before 22nd October, 2010. In respect of shares held in physical form, the dividend will be payable to those members whose names appear on the Register of Members on 29th July, 2010. In respect of shares held in electronic form, dividend will be payable to beneficial owners of the shares as on 29th July, 2010 as per details furnished by the Depositories for this purpose.
5. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund. Accordingly, in the year 2010-11, the Company would be transferring the unclaimed dividend for the year 2002-03 to the Investor Education and Protection Fund. Members who have not encashed their dividend warrant for the year ended March 31, 2003 or thereafter are requested to write to the Company/Registrars and Share Transfer Agents.
6. Members holding shares in dematerialized mode are requested to instruct their respective Depository Participants regarding Bank Accounts in which they wish to receive the dividend. However, the Bank details as furnished by the respective Depositories to your Company will be used for the purpose of distribution of dividend through Electronic Clearing Service (ECS) as directed by the Stock Exchanges. Your Company/Registrar and Share Transfer Agents will not act on any direct request from Members holding shares in dematerialized form for change/deletion of such Bank details.
7. Members holding shares in physical form are requested to inform the Company/ Registrars and Share Transfer Agents of any change in their addresses immediately for future communication at their correct addresses and Members holding shares in demat form are requested to notify to their Depository Participants.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Transfer Agents to enable them to consolidate their holdings into one folio.
9. As required under Clause 49 of the Listing Agreement, brief information of Directors, being appointed/reappointed, is given in the Directors' Report.
10. Members requiring any clarification/information on any report/statements, are requested to send their queries to the Registered Office of the Company, at least 10 days before the date of the AGM.
11. Members are requested to quote their folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Registrar and the Share Transfer Agent.