



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

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.gulfofindia.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.

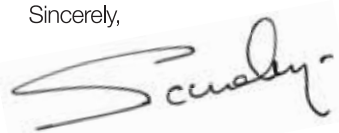
International Crude Oil prices are also far from seeing a stable, sustainable recovery, adding to more global economic woes originating from oil producing nations. However, the Indian economy continues to be an exception. With the Government of India ushering a series of reforms and spending on infrastructure 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.



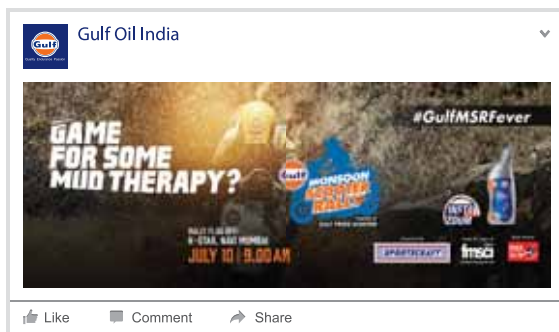
Gulf PowerTrac a synthetic engine oil engineered specially for bikes with higher engine capacity. The product was launched by a true power performer and captain of the Indian cricket team, M. S. Dhoni in Lucknow and Hyderabad.



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/gulfolindia www.twitter.com/gulfolindia.



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.