



Gulf Oil Lubricants India Limited

INFORMATION MEMORANDUM

Gulf Oil Lubricants India Limited

(Formerly known as Hinduja Infrastructure Limited)

(Our Company was incorporated as 'Hinduja Infrastructure Limited' on July 17, 2008 under the Companies Act, 1956. The name of the Company was changed to 'Gulf Oil Lubricants India Limited' on September 12, 2013)

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INFORMATION MEMORANDUM FOR LISTING OF 4,95,72,490 EQUITY SHARES OF RS. 2/- EACH ISSUED BY THE COMPANY PURSUANT TO THE SCHEME OF ARRANGEMENT

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS
Investments in equity and equity related security involves a degree of risk and investors should not invest in the equity shares of Gulf Oil Lubricants India Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Gulf Oil Lubricants India Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risk involved.
THE COMPANY'S ABSOLUTE RESPONSIBILITY
Gulf Oil Lubricants India Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Gulf Oil Lubricants India Limited, which is material in the context of the issue of shares pursuant to the scheme, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
LISTING
The Equity Shares of Gulf Oil Lubricants India Limited are to be listed on the BSE Limited (BSE), the designated stock exchange and National Stock Exchange of India Limited (NSE). Our Company has received in-principle approval from BSE and NSE on July 4, 2014 and July 11, 2014 respectively. The Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on the Company's website www.gulfoilindia.com. The Information Memorandum would also be available on the websites of BSE www.bseindia.com and NSE www.nseindia.com .
REGISTRAR AND TRANSFER AGENT
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SECTION – 1 GENERAL

DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Term	Description
“GOLIL” or “Gulf Oil Lubricants” or “the Company” or “Transferee Company” or “Resulting Company” or “our Company” or “we” or “us” or “our”	Gulf Oil Lubricants India Limited
“Gulf Oil Corporation Limited” or “Gulf Oil Corporation” or “GOCL” or “Transferor Company” or “Demerged Company”	Gulf Oil Corporation Limited
Promoter / GOIMI	Gulf Oil International (Mauritius) Inc.
Promoter Group	Gulf International Lubricants Limited, Gulf Oil International Limited and Amas Holdings S.A.
Group Companies	Unless the context otherwise requires, refers to companies/ other ventures promoted by our Promoter as enumerated in the chapter entitled “Our Group Companies” beginning on page no. 31 of this Information Memorandum.

General Terms

Term	Description
AGM	Annual General Meeting
Articles/Articles of Association/AOA	Articles of Association of GOLIL
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India
Auditor	The Statutory Auditors of GOLIL
Board / Board of Directors	Board of Directors of GOLIL
BSE	BSE Limited
Capital or Share Capital	Share Capital of GOLIL
CDSL	Central Depository Services (India) Limited
Act / Companies Act	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended
Companies Act, 2013	The Companies Act, 2013 and any Rules issued thereunder
Demerged Undertaking/ Lubricants Undertaking	Demerged Undertaking means the undertaking, business, activities and operations of GOCL pertaining to the Lubricants Business on a going concern basis and as described in detail in the Scheme.
Designated Stock Exchange (‘DSE’)	The designated stock exchange for the listing shall be BSE
Depositories Act	The Depositories Act, 1996 and amendments thereto
DP	Depository Participant
Effective Date	May 31, 2014 (The date on which the certified true copies of the Order of the High Court under Section 391 and 394 read with Section 78, 100

	to 104 of the Act sanctioning the Scheme by the Company filed with the Registrar of Companies at Hyderabad)
EGM	Extraordinary General Meeting
Eligible Shareholder(s)	Shall mean eligible holder(s) of Equity Shares of Gulf Oil Corporation Limited as on the Record Date.
Equity Share(s) or Share(s)	Fully paid up equity shares of GOLIL having a face value of Rs.2/- each unless otherwise specified in the context thereof.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FI	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
GOI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Industrial Policy	The industrial policy and guidelines issued thereunder by the Ministry of Industry, Government of India, from time to time
Indian GAAP	Generally accepted accounting principles in India
IT Act	The Income Tax Act, 1961 and amendments thereto
Memorandum/Memorandum of Association/MOA	Memorandum of Association of GOLIL
Mn	Million
NBFC	Non Banking Finance Company
NR	Non Resident
NRI(s)	Non Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OEM	Original Equipment Manufacturers
OCB	Overseas Corporate Body
RBI	The Reserve Bank of India
Record Date	June 5, 2014
ROC	Registrar of Companies
Scheme or Scheme of Arrangement or Scheme of Arrangement of Demerger or Demerger Scheme or Scheme of Demerger	Scheme of Arrangement under Sections 391 to 394 read with Sections 78, 100 to 104 of the Companies Act, 1956 amongst Gulf Oil Corporation Limited and Gulf Oil Lubricants India Limited and their respective shareholders and creditors, sanctioned by the High Court of Judicature at Andhra Pradesh on April 16, 2014.
SEBI	Securities and Exchange Board of India
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereto.
SIA	Secretariat of Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange(s)	Shall refer to the BSE and the NSE where the Equity Shares of GOLIL are to be listed
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and amendments thereto
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto

CERTAIN CONVENTIONS, USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the twelve month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. For additional definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms” of this Information Memorandum. Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data. Such published data generally states that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. The information included in this Information Memorandum about various other companies is based on their respective Annual Reports and information made available by the respective companies.

FORWARD LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in political conditions in India;
- Changes in the foreign exchange control regulations in India; and
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” beginning on page no. 7 of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Management’s Discussion and Analysis” “Industry Overview” and “Our Business”.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

SECTION – 2 RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

INTERNAL RISK FACTORS

1. *GOCL, our Group Company is involved in certain legal proceedings.*

GOCL, our Group Company is involved in certain legal proceedings which are pending at different levels of adjudication before various courts and tribunals. If any of the cases pending are decided or determined against GOCL, such decision may have an adverse effect on GOCL's business, results of operations and financial condition. If any of the cases filed against GOCL with respect to the Lubricants Undertaking prior to the demerger are decided or determined against GOCL, our Company would be required to honor the liabilities arising out these litigations, such decision may have adverse effect on our business, results of operations and financial condition.

A summary of these legal and other proceedings involving GOCL is given in the following table:

Sr. No.	Nature of Litigation	No. of cases	Amount involved (Rs. in lakhs)
	Cases filed against GOCL		
1	Civil cases	46	16,773.45
2	Criminal cases	2	5.00
3	Income Tax	4	760.32
4	Service Tax	1	321.26
5	Sales Tax	21	Negligible
6	Excise Duty	25	7.13
	Total	99	17,867.16

For more details relating to the legal proceedings of our Group Companies, please refer to the Section titled "Outstanding litigation, defaults and material developments" at page no. 79 of this Information Memorandum.

2. *We are dependent on the growth prospects of the automobile industry and other industrial sectors.*

The Indian lubricants industry is segmented in two major categories; automobile segment and industrial segment. Our revenues are directly linked to the industrial activities and automobile industry and other industrial sectors such as mining, marine, manufacturing, power generation and infrastructure. Any slowdown or lack of growth in these industrial sectors would have a material adverse impact on the demand and pricing of our products and services, which would have a material adverse impact on our results of operations and financial condition.

3. *We have manufacturing facilities at one location.*

Currently, our manufacturing facilities are at one location and distributed throughout India. The cost of transportation and storage for some of the territories is higher in comparison to some of our competitors. Our competitive position with respect to being at one location as well as to operate at optimum economy of scale in that location could impact the profitability of our operations. The Company has acquired a land at Ennore near Chennai for its second plant.

4. *The Lubricant Oil industry is intensely competitive.*

The lubricant market is highly competitive and consists of a large number of players including the state owned oil companies, large multinational players as well as local manufacturers. Besides, there are various regional players as well with small capacities. Aggressive pricing or discount strategies from the market leaders or other players, including new players, might have an adverse impact on us. Intense competition is expected to continue in the market, presenting us with various challenges in our ability to maintain growth rates and profit margins. If we are unable to meet these competitive challenges, we could lose market share to our competitors and experience an overall reduction in our profits.

5. *We will be subject to a Trademark License & Technical and Marketing Service Agreement with Gulf Oil International (Mauritius) Inc., our promoter.*

We will be subject to a "Trademark License & Technical and Marketing Service Agreement" with Gulf Oil International (Mauritius) Inc. ("GOIMI") and we will be under an obligation to pay royalty fee of 5% on net domestic sales and 8% on net export sales under the "Gulf" brand name within the Area of Mutual Interest. The royalty fee payable to GOIMI may change depending upon economic developments and as per business requirements. In case there is a revision in the royalty fee payable by our Company or the license is withdrawn or not renewed by GOIMI, it may adversely affect our business operations and profitability.

6. *The Company is heavily reliant on the "Gulf" brand.*

Our Company is licensed to use the "Gulf" brand from Gulf Oil International (Mauritius) Inc. for marketing our products. There can be no assurance that our Company will have continued use and reliance on the Gulf brand. In the event that our Company no longer has access to the brand, or the license is terminated, or the reputation of the Gulf brand is adversely affected, this could have an adverse impact on our Company's sales which would in turn have a material adverse effect on our results of operations and financial condition.

7. *We need to import several critical raw materials for our business.*

Many of the critical raw materials for our lubricants business are imported on account of non-availability in the domestic market. Imported raw materials will account for a large percentage of our raw material costs, availability of which may vary. Imported raw materials, in addition to the risk of price volatility, are also subject to increase in transport costs, risk of higher national and international taxes and higher supply risks. All of the above factors may have a material adverse effect on our results of operations and financial condition.

8. *Our Company is required to provide a cash deficit undertaking in favour of one of the lenders of Gulf Oil Corporation Limited*

Pursuant to the Scheme of Arrangement and conditions put in by one of the existing lenders of Gulf Oil Corporation Limited, the Company is also required to issue a Cash Deficit Undertaking in favour of the lender for the Letter Of Credit (LOC) facility of USD180 million given to Gulf Oil Corporation Limited. The Cash Deficit Undertaking is similar to the existing undertaking given by Gulf Oil Corporation Limited. Upon issuance of such undertaking in favour of the lender, the Company will receive a back-to-back Corporate Guarantee from Gulf Oil International Limited to secure all obligations, if any, arising out of the said Undertaking since Gulf Oil International Limited has taken over all obligations for due servicing and repayment of the underlying loan of the said LOC facility over the sanctioned tenure of next 5 years. Further the obligations will gradually reduce upon payment of installments and prepayments made, if any. The Company does not expect any major Cash Outflow on account of the said Undertaking extended as per the conditions pursuant to the Scheme of Arrangement,

9. *Our Promoter will continue to have the largest shareholding with control over our business.*

Our Promoter presently has the largest shareholding (59.95%) with control over our business and all matters requiring shareholder approval, including timing and distribution of dividends, election of officers and directors, our business strategy and policies, approval of significant corporate transactions such as mergers and business combinations and sale of assets. This control could impede a merger, consolidation, takeover or other business combination involving us, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control even if such transaction may be beneficial to our other shareholders.

10. *Some of our non-operational Group Companies have made losses or have negative Net Worth in the past 3 years.*

IDL Buildware Limited and Gulf Carrosserie India Limited, our non-operational Group Companies have negative net worth in the past 3 years. IDL Explosives Limited and Gulf Carrosserie India Limited, our Group Companies have incurred losses for the FY 2012 and FY 2013. The losses and negative net worth may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation. For more details relating to the Group Companies, please refer to the Section titled "Our Group Companies" at page no. 31 of this Information Memorandum.

11. *We may require certain registrations and permits from the government and regulatory authorities.*

We may require approvals, licenses, registrations and permits for operating our businesses. If we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, our ability to undertake our businesses may be adversely impacted, which could adversely affect results of operations and profitability. Furthermore, our government approvals and licenses may be subject to numerous conditions, some of which could be onerous. There can be no assurance that we will be able to apply for any approvals, licenses, registrations or permits in a timely manner, or at all and there can be no assurance that the relevant authorities will issue or renew any such approvals, licenses, registrations or permits in the time frames anticipated by us. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of noncompliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations.

12. *Our success in implementing growth strategies is dependent on various factors.*

To remain competitive, we need to grow our business as well as expand into new geographic markets outside India. Our success in implementing our growth strategies may depend on:

- our ability to maintain the quality of our products and services;
- our ability to create brand awareness in the new markets;
- our ability to increase our customer base;
- our ability to attract, train and retain employees who have the requisite skills;
- our ability to continue to expand our products and services;
- our ability to build, acquire, maintain and update the required technology and systems;
- the general condition of the global economy (particularly of India and the other markets we may operate in);
- our ability to compete effectively with existing and future competitors;

- changes in our regulatory environment.

Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our strategy. If we are not successful, our business, financial condition and results of operations may be adversely affected. We may need to raise funds to implement our business strategy successfully to increase productivity, developing new technology and developing new and expand current products and services to generate demand.

13. *Our Company sources a portion of its base oil requirements from state owned public sector refineries in India.*

Our Company does not have any long term contracts for sourcing base oil from state owned public sector refineries. We cannot assure that we would be able to source the base oil in a timely manner, and this may adversely impact our manufacturing schedules and delivery commitments. Higher cost of base oils may adversely impact our margins, and force us to increase the price of our products, which may adversely impact our sales. These factors may have a material adverse effect on our results of operations and financial condition.

14. *Our Company receives global product formulations from Gulf Oil International (Mauritius) Inc.*

Our Company receives global product formulations and R&D support from Gulf Oil International (Mauritius) Inc. In the event that our Company no longer receives global product formulations from Gulf Oil International (Mauritius) Inc., under the license agreement or the license is terminated, this could have an adverse impact on our Company's operations and financial condition.

15. *We rely on the lubricants oil business sector for our entire revenue.*

Our revenues would be mainly derived from the lubricants oil business. Our revenues, financial condition and the results of our operations will be adversely affected if we are unable to continuously develop our technical skills and expertise to sustain our involvement and grow and perform well in the sector.

16. *Certain bank guarantees and letters of credit that we have availed of contain undertakings, conditions and restrictive covenants.*

Certain bank guarantees and letters of credit which we have availed of in connection with our operations contain conditions and restrictive covenants. We have also assumed certain obligations under these arrangements. Such conditions, covenants and obligations may restrict or delay certain actions or initiatives that we may propose to take from time to time. A failure to observe such covenants or conditions under these guarantees and letters of credit may lead to a termination of these arrangements or an acceleration of all amounts due under such arrangements. Any acceleration of amounts due under such arrangements may also trigger cross default provisions under other similar arrangements. During any period in which we are in default, we may be unable to, or face difficulties in arranging similar letters of credit and bank guarantees. We may not be able to continue obtaining new letters of credit and bank guarantees in sufficient quantities to commensurate our business requirements. As a result, our ability to enter into new contracts could be limited. Any of these circumstances could adversely affect our business, financial condition and results of operations, as well as result in an adverse effect on the price of the Equity Shares.

17. *Our insurance coverage may not adequately protect us against all losses.*

Our insurance policies cover risks relating to fuel and lubricants, various machinery and plants, electricity generation stations, standard asset coverage insurance, directors and officer's liability policy, standard fire and special perils policies, all risk insurance policies, along with group personal accident insurance and overseas travel policies. While we believe

that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us and it could have a material adverse effect on our results of operations and financial condition.

18. *Our success would be dependent upon our ability to hire, retain, and utilize qualified personnel.*

The success of our business is dependent upon our ability to hire, retain, and utilize qualified personnel, including engineers and corporate management professionals who have the required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the expertise. If we cannot attract and retain qualified personnel, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

19. *We could be adversely affected if we fail to keep pace with technical and technological developments.*

Rapid and frequent technology and market demand changes can often render existing technologies obsolete, requiring substantial new capital expenditures and/or write downs of assets. Our failure to anticipate or to respond adequately to changing technical, market demands could adversely affect our business and financial results. In order to further develop and implement the new technologies we may have to invest large amount of capital which may have an adverse impact on our cash position.

20. *Our IT systems may be vulnerable to security breaches, piracy and hacking leading to disruption in services to our customers.*

Our IT systems may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our services to our customers. Moreover, we may not operate an adequate disaster recovery system. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our services, which could result in lost revenue and dissatisfied customers. Breaches of our IT systems, including through piracy or hacking may result in unauthorized access to our content. Such breaches of our IT systems may require us to incur further expenditure to put in place more advanced security systems to prevent any unauthorized access to our networks. This may have a material adverse effect on our earnings and financial condition.

21. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures*

The amount of our future dividend payments, if any, is subject to the discretion of the Board of Directors, and will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance as to whether our Company will pay a dividend in the future and if so the level of such future dividends.

22. *Any significant future indebtedness and any conditions and restrictions imposed by such financing agreements could restrict our ability to conduct our business and operations in the manner we desire.*

Any significant indebtedness in the future could have important consequences on our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements. In addition, fluctuations in market interest rates may affect the cost of our

borrowings. Any conditions and restrictions imposed by such financing agreements could restrict our ability to conduct our business and operations in the manner we desire. In addition, failure to meet any conditions or obtain consents required under such financing arrangements could have adverse consequences on our business and operations.

23. Use of long drain lubricants is limiting the growth prospects of the lubricants industry.

As technology is upgraded in the lubricant industry the product usage period or drain interval is enhanced. This leads to a reduction in the volume of consumption which could lead to a reduction in sales volumes and thereby our revenue from the sale of lubricants. This would have a material adverse effect on our results of operations and financial condition.

24. *We are subject to environmental regulations and associated litigations.*

Our Company is subject to various environmental laws and regulations in India. These laws can impose liability for non-compliance with regulations and are increasingly becoming more stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. There could also be new regulations or policies imposed by the relevant authorities in relation to our business which may result in increased compliance costs.

While we believe that our Company is currently in compliance in all material respects with all applicable environmental laws and regulations, discharge of pollutants into the air or water may nevertheless cause us to be liable to the government where our manufacturing facilities are located. In addition to potential clean-up liability, we may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on our operations. Our Company may also, in the future, become involved in proceedings with various regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance.

As a result of any claims that our operations are not in compliance with the applicable environmental laws unidentified environmental liabilities could arise, which may have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

25. *Our operating results are influenced by the effectiveness of our brand marketing and advertising programmes.*

Our revenues are influenced by brand marketing and advertising. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially and adversely affected. In addition, increased spending by our competitors on advertising and promotion could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business, financial condition, results of operations and prospects.

26. *In addition to our existing indebtedness for our existing operations, we may require further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.*

In addition to the indebtedness for our existing operations we may require further debt including in the form of term loans and working capital loans in the course of our business. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to further borrow at competitive rates.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements which may be entered into with our lenders could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and

acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations.

EXTERNAL RISK FACTORS

1. *The business performance can be affected by factors beyond our control.*

The main raw material involved in manufacture of lubricating oils is the base oil, and it typically forms over 70% of the material consumed for manufacturing the lubricating oils. The Indian lubricants industry depends on the overseas market for meeting their raw materials requirements. The performance of the industry is affected by factors beyond our control such as international petroleum and base oil prices and volatility in the forex market.

2. *Any disruption in our manufacturing facilities caused due to labour unrest or natural disasters may affect our results of operations.*

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, continued availability of services of external contractors, industrial accidents, earthquakes, and other natural disasters. We also need to comply with the directives of relevant government authorities. We cannot assure you that our insurance coverage may be adequate should any or all of the aforesaid contingencies actually occur. The occurrence of any or all of these could significantly affect our operating results.

3. *Changes in Government policies*

Changes in Government policy, changes in interest rates, revision of duty structure, changes in tax laws, changes in environmental regulations and emission norms etc. may have an adverse impact on the profitability of the Company. Due to the competitive nature of the market, the cost increases as a result of these changes may not be easily passed on to the customers.

4. *Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in Asia, the United States of America, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general.

5. *Natural calamities and force majeure events may have an adverse impact on our business.*

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

6. *Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

7. *Any future issuance of Equity Shares may dilute the shareholding of the shareholders and sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issuances by us, may lead to the dilution of shareholding of the shareholders in our Company. Any future equity issuances by us or sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

8. *The price of our Equity Shares may be volatile.*

The trading price of our Equity Shares may fluctuate after the listing due to a variety of factors, including our results of operations, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

SECTION – 3 SUMMARY

GENERAL INFORMATION

Our Company was incorporated as 'Hinduja Infrastructure Limited' on July 17th, 2008 under the Companies Act, 1956. The name of the Company was changed to 'Gulf Oil Lubricants India Limited' on September 12, 2013.

Registered Office of the Company:

IDL Road, Kukatpally,
Sanathnagar (IE) po, Hyderabad – 500 018, Telangana, India
Tel: +91 40 23810671-9
Fax: +91 40 23700772 / 23813860
Contact Person: Mr. Vinayak Joshi, Company Secretary
Email ID: vinayak.joshi@gulfoil.co.in
Investor Designated E-mail ID: secretarial@gulfoil.co.in
Website: www.gulfoilindia.com
Corporate Identification Number: U23203TG2008PLC060190

Corporate Office of the Company

IN Centre, 49/50 MIDC 12th Road,
Marol, Andheri (East),
Mumbai – 400093
Maharashtra
Tel: +91 22 6648 7777
Fax: +91 22 2824 8232

Address of the Registrar of Companies, Andhra Pradesh

2nd floor, Kendriya Sadan,
Sultan Bazar,
Hyderabad – 500 195, India

Authority of Listing

The Hon'ble High Court of Andhra Pradesh, vide its order dated April 16, 2014 (received by the Company on May 8, 2014), has approved the Scheme of Arrangement between Gulf Oil Corporation Limited ("Transferor Company") and Gulf Oil Lubricants India Limited ("Transferee Company") and their respective shareholders and creditors. For more details relating to the scheme of arrangement and demerger please refer to the Section titled "Salient Features of the Scheme" at page no. 51 of this Information Memorandum. In accordance with the Scheme, the Lubricants Undertaking of Gulf Oil Corporation Limited is transferred to and vested with Gulf Oil Lubricants India Limited, w.e.f. April 1, 2014 (the appointed date under the Scheme) pursuant to Section 391 to 394 read with Sections 78, 100 to 104 of the Companies Act, 1956. In accordance with the said scheme, the Equity Shares of the Company issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of listing criteria of BSE and NSE and also subject to such other terms and conditions as prescribed by BSE and NSE at the time of application by the Company seeking listing.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations 2009 do not become applicable. However, SEBI has vide its letter No. CFD/DIL-1/BNS/SD/21607/2014 dated July 22, 2014, granted relaxation of clause (b) to sub-rule (2) of rule 19 thereof by making an application to SEBI under sub-rule (7) of rule 19 of the SCRR as per the SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The Company has submitted the Information

Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites www.bseindia.com and www.nseindia.com. The Company has made the said Information Memorandum available on its website www.gulfoilindia.com. The Company has published an advertisement in the newspapers containing the details as per the SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013. The advertisement has drawn specific reference to the availability of this Information Memorandum on the website.

Prohibition by SEBI

The Company, its directors, its promoter, other companies promoted by the promoter and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI Circular SEBI/CFD/DIL/5/2013 dated February 4, 2013 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Statutory Auditors of the Company

Price Waterhouse
252, Veer Savarkar Marg,
Shivaji Park, Dadar
Mumbai – 400 028
Maharashtra
Tel: +91 22 66691000
Fax: +91 22 66547800/01
Firm Registration No: 301112E

Bankers to the Company

IDBI Bank Limited

280-Kukatpally
MIG 230, Phase-1
KPBH Colony, Kukatpally
Hyderabad – 500 072
Tel: +91 40 66908171-73
Email: ird@idbi.co.in

Note: The other banking facilities are in the process of being apportioned between GOCL & GOLIL as per the Scheme of Arrangement.

Registrar & Transfer Agents

Karvy Computershare Private Limited,
Plot No.17-24, Vithal Rao Nagar,
Madhapur, Hyderabad – 500 081
Telangana
Tel: +91 40 23420818
Fax: +91 40 23420814,
Contact person: Mr. P A Varghese
E-mail: varghese@karvy.com
Website: www.karvycomputershare.com

Compliance Officer

Mr. Vinayak Joshi
Gulf Oil Lubricants India Limited
IN Centre, 49/50 MIDC 12th Road,
Marol, Andheri (East),
Mumbai – 400093
Maharashtra
Tel: +91 22 6648 7777
Fax: +91 22 2824 8232
E-mail: vinayak.joshi@gulfoil.co.in

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us. The information may not be consistent with other information compiled by third parties within or outside India. The information presented in this section has been obtained from publicly available documents from various sources, including the Society of Indian Automobile Manufacturers (SIAM) and other officially prepared materials from the Government of India, industry websites/publications, Annual Reports and company estimates. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

1. INDIA LUBRICANTS MARKET INTRODUCTION

India is one of the fastest growing lubricants industries in the world and India is the third largest lubricant market only behind the US and China. It is segmented into two major categories which include automotive and industrial applications.

Prior to 1992, the Indian lubricants industry was dominated by four major public sector companies including Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL), Bharat Petroleum Corporation Limited (BPCL), and Indian British Petroleum (IBP). There were a few private sector companies such as Castrol, our Company, Tidewater and some others.

In line with the economic liberalization in India, Lubricants was the first downstream Petroleum product to be totally deregulated. Since then, the competition in the Indian lubricants market has been rigorous due to the influx of various domestic and international players. The Indian lubricant market has witnessed significant changes over the last decade. Multinationals with better technology, brand names and finances have made inroads in the market. Currently, there are more than 30 players, including many of the global leaders, in the domestic lubricant industry. Public sector undertakings such as Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum still account for a major share of the lubricants market in India but private sector companies are increasing their market share post liberalization.

Even though concentrated, the Indian lubricants market provides potential to many lubricant companies due to its huge base of automobile users and proliferating activity of industrial and manufacturing sector. It is expected that the Indian lubricants industry will continue to witness compelling opportunities as the population count and disposable income will rise considerably although, factors such as crude oil prices, inflation and others will constantly be restraints in the growth of the lubricants industry. Lubricant marketers frequently have to tailor their manufacturing, distribution, marketing, and branding strategies, taking into account the stiff competition from other players thus making it more difficult for new foreign and domestic players to venture in an already concentrated lubricants market in India.

2. INDIA LUBRICANTS MARKET SEGMENTATION – AUTOMOTIVE AND INDUSTRIAL

A. OVERVIEW OF THE AUTOMOTIVE SECTOR

The lubricants market in India has been dominated largely by the automobile lubricants segment. The demand for automotive lubricants has been closely related to the performance of the automobile industry in the country, since such kind of lubricants is consumed by the owners of commercial and passenger vehicles.

The automobile sector is the nucleus of Indian economy. The Indian Government provided a thrust to the industry by permitting incessant economic liberalization from 1991 onwards. This made India one of the sought after market for many global automotive players. Indian Auto industry has seen an unparalleled growth in the last 20 years which can be attributed to convergence of a lot of constructive factors. Sales of automotive lubricants which include a gamut of different types of lubricants based on the type of vehicles and engines are in direct proportion with the sales and growth of the automobile industry in India.

The automobile lubricants industry has also been facing several challenges for previous several years in terms of slow growth in the consumer demand, low profitability, and advances in automobile engine technology such as diesel particulate filters for emission control. Decline in automotive sales and rising crude prices have caused severe base oil supply imbalances in the country. Due to shortage of raw materials, many players were forced to bring in multiple price hikes.

However, factors such as growing personal disposable incomes and double income households, changing demographics, changing lifestyle, improvement in road infrastructures, increasing usage of automotive transportation, rural demand, and support from the government is driving demand for cars and two-wheelers.

Total automobile sales in India recorded in FY'2014 with 19,053,705 units, showing a small growth of 3.88% over fiscal year 2013 (*Source: SIAM*).

The Indian Automobile Industry produced 206.26 lakh unit vehicles in 2012-13 as against 108.53 lakh units in 2007-08, thereby growing by 90% over the last five years.
(*Source: Society of Indian Automobile Manufacturers*)

According to data released by the Society of Indian Automobile Manufacturers (SIAM), automobile sales rose by three to four per cent during 2013-14. Although most segments reported a poor sales performance, a healthy increase in sales of two wheelers and tractors helped the industry's sales grow. The number of vehicles sold increased to 18.42 million in FY 2013-14 from 17.82 million in the previous year. Two wheeler sales grew by 7.3 per cent during the year. All automobile segments except tractors and two-wheelers reported a fall in sales during the year. Passenger vehicle sales have declined by 6.8% per cent in 2013-14. This was the first fall in more than a decade. A slow down infrastructure & mining activities led to a fall in sales in the commercial vehicles segment which witnessed a de-growth of around 20%. An increase in vehicle prices, high interest rates and the upward movement in fuel costs coupled with the general economic slowdown resulted in many customers postponing purchases.

India is emerging as one of the world's fastest growing passenger car markets and second largest two wheeler manufacturer. The industry has produced about 32.34 lakh passenger vehicles, 8.31 lakhs commercial vehicles, 157.21 lakhs two wheelers and 8.39 lakhs three wheelers per annum for the year ended FY 2013. India, like most Asian countries, has a large percentage of two-wheelers, accounting for more than three-fourths of the total automobile production in 2012-2013. India is the world's second-largest manufacturer of two-wheelers and exported 12% of the two-wheelers manufactured in 2012-2013. Consequently, motorcycle oil is the largest product category in the consumer automotive lubricants segment, accounting for about 60% of the consumer automotive lubricants consumed.

(*Source: Society of Indian Automobile Manufacturers*)

The market for diesel engine automotive lubricants declined in 2013-14 due to the retarded economic growth and also on account of the impact of slow economic growth on sectors as logistics, construction, mining and agriculture.

Growth Drivers

India with its rapidly growing middle class market oriented stable economy, availability of trained manpower at a competitive cost, fairly well-developed credit and financing facilities and local availability of almost all the raw materials at a competitive cost has emerged as one of the favorite investment destinations for the automotive manufacturers.

Rising per capita income and changing demographic distribution are conducive growth drivers going ahead. Given India's demographics dominated by a high population of youth, small and medium cars would remain dominant and a shift towards high end cars is expected at a faster rate. Small Utility Vehicle (SUV) market is expected to develop rapidly in future. Higher disposable incomes coupled with availability of easy finance would lead to favourable growth in the passenger vehicle segment.

In the commercial vehicle segment, increased investment in road infrastructure and improvement in the mining scenario may lead to a growth in automotive lubricants. Growth in the demand for pick-up trucks has coincided with the growth in multi axle vehicles. The next growth driver for Light Commercial Vehicles (LCV) is expected to be the introduction of lighter pick-ups.

The growth in two wheeler segment is led by rapid urbanization and resultant rise in demand from semi-urban and rural areas, increasing income levels, wider product range available to customers, and easy finance options.

B. OVERVIEW OF THE INDUSTRIAL SECTOR

Industrial lubricants include hydraulic fluids; metalworking fluids; marine, railroad, and aviation piston engine oils; compressor and refrigeration oils; turbine and circulating oils; greases; and industrial gear oils. Power generation, marine, chemicals, automotive, and other manufacturing, railways and metals are the leading end-use industries in the industrial lubricants market segment.

Industrial lubricants are used in a wide variety of applications, including the construction industry, light and heavy engineering, food processing, manufacturing, marine operations, metalworking, mining, power generation, and textile manufacture.

In India, conventional mineral-based lubricants are used for most applications in the industrial sector. Specialist oils, such as those approved by the U.S. Food and Drug Administration, are used in key applications in the food preparation industry. Power generation, chemicals, automotive and other manufacturing, railways, marine, and metals are the leading end-use industries, together accounting for nearly 80% of the industrial lubricant consumption.

India is a huge market for process oils. Rapid expansion of the power generation and distribution infrastructure has created a strong demand for transformer oils in India. Industrial engine oils (including marine and railroad), metalworking fluids, and hydraulic fluids are other important product categories.

The per capita lubricant consumption in India is quite low compared to developed countries. A comparison with other developing countries like China and Indonesia reveals that there is a significant potential for growth in lubricant consumption in India.

Industrial lubricant demand is dependent on industrial production and growth trends in the economy.

OUR BUSINESS

Overview

Our Company was incorporated as 'Hinduja Infrastructure Limited' on July 17th, 2008 under the Companies Act, 1956. The name of the Company was changed to 'Gulf Oil Lubricants India Limited' on September 12, 2013.

With effect from the Appointed Date (i.e. April 1, 2014), the Lubricants Undertaking of Gulf Oil Corporation Limited is demerged and transferred to and vested in Gulf Oil Lubricants India Limited on a going concern basis pursuant to Scheme of Arrangement in accordance with Sections 391 to 394 read with Sections 78, 100 to 104 of the Companies Act, 1956.

Our Company manufactures and trades in a range of lubricants and oils which are used by automobiles as well as by the industrial sector. We are a supplier to several automobile manufacturers in India and our products are approved by several OEM's. We have also diversified into automotive accessories such as automotive filters, batteries as well as supplying lubricant handling and dispensing equipment to OEM's and private garages.

Our Company's manufacturing facility is located at Silvassa and is accredited with both ISO 9001:2008 and ISO 14001:2004 certification. This manufacturing facility employs process logic control systems and ensures that products manufactured meet the necessary levels of quality and consistency.

Products

Our Company is mainly into manufacturing and distribution of a range of lubricants which includes motor oil, gear oil, industrial oils, greases and speciality products. A brief description of the various products and its applications is outlined below:

Lubricants

Lubricants and oil products manufactured and/or marketed by our Company can be classified under the following heads (i) commercial vehicles and various agricultural equipments (ii) cars and utility vehicles (iii) two wheelers (iv) industrial applications (v) construction & mining equipments and (vi) marine applications

- (i) Commercial vehicles and various agricultural equipments – We manufacture lubricants and oils for various types of commercial vehicles, from diesel auto rickshaws to farm equipments, to railway locomotives to heavy-duty multi axle haulers. Our product range includes engine oils, gear oils, greases, coolants and brake fluids. Some of our brands under this category are Gulf Superfleet LE Dura Max 15W-40, Gulf Super Duty VLE 15W-40, Superfleet LE Max 15W-40, Gulf Superfleet Turbo 15W-40, Gulf Super Fleet 15W-40, GULFCO 1049 Max, Gulf Super Diesel Plus 15W-40, Gulf Cargo Power 15W-40, BharatBenz Genuine Engine Oil, Gulf XHD Supreme 15W-40, Gulf XHD Supreme 20W-40, Gulf Master Engine Oil 20W-40, Gulf XHD 20W-40.
- (ii) Cars and utility vehicles – Our Company has a variety of passenger car motor oils. Gulf Oil brands complete the range right from mineral based oils to fully synthetic oils for the latest technology cars. Some of our brands under this category are Gulf Formula GX, Gulf MAX Supreme 5W-30, Gulf MAX Supreme 20W-50, Gulf MAX TD, Gulf Multi G, Gulf Super Diesel X-10.
- (iii) Two wheelers - We offer a range of engine oil for 4 stroke motorcycles. Some of our brands under this category are Gulf Pride 4T Synth 10W-30, Gulf Pride 4T Plus 10W-30, Gulf Pride 4T Plus 20W-40, Gulf Pride 4T 20W-50, Gulf Pride 4T 20W-40.
- (iv) Industrial applications – Our Company offers a range of products for usage in industrial applications for maintenance and oiling equipments and heavy machineries to prevent them

from rusting. Our products include specialized engine oils, hydraulic oils, circulating oils, industrial gear oils, compressor oils, turbine oils, rock drill oils, metal working fluids, industrial specialties and greases.

- (v) Construction & mining equipments – We offer a range of lubricants and other fluids ideal, for use in construction and off-highway equipment, such as mechanical excavators, cranes and heavy trucks. Product range includes diesel engine oils, hydraulic oils, steering fluid, gear oils, axle oils, and greases & specialties.
- (vi) Marine applications – We also provide a range of products which are used in shipping and marine industry to prevent the ships and other machineries from rusting.

Filters

Our Company offers automotive filters for oil, fuel and air filters catering to commercial vehicles, utility vehicles, passenger cars and tractors.

Automotive batteries

Our Company has started marketing of two-wheeler batteries.

Capacities

Our Company has a total installed capacity of manufacturing 75,000 KL of lubricants per year. Depending on requirement of various products as mentioned above, we can produce different type of Lubricants with no specific individual category wise sub-capacity.

The details of capacity utilization are provided below:

Year	Licensed Capacity	Installed Capacity	Production	Capacity Utilization
FY 2014	75000 KL	75000 KL	61233	81.64%

Licensed capacity includes the letter of intent application for renewals also.

Clients

Our business can be broadly classified under two segments – institutional/B2Bsegment and retail (bazaar) segment. Under the institutional segment we supply to the various OEM's in the commercial vehicles, tractors and stationery engines. Besides we also supply our industrial application products to companies across industries including fleet, mining & infrastructure companies.

Under the retail (bazaar) segment the company supplies its products to various distributors who in turn supply them to the retailers for sale. Our Company markets our products through an established network of more than three hundred distributors across India for retailing the products.

Facilities

Our manufacturing facility is located at Silvassa in the Union Territory of Dadra and Nagar Haveli, located 170 kms north of Mumbai. The facility is owned by our Company. This facility is accredited with both ISO 9001:2008 and ISO 14001:2004 certification. The Company has also acquired land at Ennore near Chennai for setting up its second lubricant plant and construction work is likely to commence on receipt of necessary approvals.

Raw materials

The primary raw material used in manufacturing lubricant oils is the base oil which is produced by refineries through distillation of crude oil. Apart from base oils, various types of chemical additives

are used in different proportions depending upon the end application. Lubricant oils are produced by blending and mixing base oil with various kinds of additives in different combinations and quantities. Apart from base oils and additives, we require various types of packaging material such as containers, labels, caps, and drums etc. which are used for packaging. Some of the packaging containers are produced in-house.

Our Company sources base oil from state owned public sector refineries in India, traders and also a significant quantity is imported from various countries. . With regards to additives, our Company sources these from various local as well as overseas additive suppliers.

Utilities

Electricity and water are the two major utility required at our Silvassa facility. The table below provides a list of various major utilities required.

Facility	Maximum Power	Water	Air Conditioning	Compressed Air
Silvassa	270 MW Per Month	5 KL per day	76 TR for Office Blocks	480CFM

Electricity is sourced from the State Electricity Boards and we also have a back up arrangement through genset in case of load shedding or power failure. Water is procured from our underground borewell.

Competition

The lubricant market is highly competitive and consists of a large number of players including the state owned oil companies, large multinational players as well as local manufacturers. Besides, there are various regional players as well with small capacities.

Research & Development

Our 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 our Company receives global product formulations from Gulf Oil International (Mauritius) Inc. 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 lubricant market in India.

Our Strategy

During the current financial year, effective from April 1, 2014, the Company acquired the Lubricants Business on a going concern basis under the court approved Scheme of Arrangement.

Our Company has the following growth strategy:

1. Strengthening the Product Portfolio

It is our Company's endeavor to continue with the efforts to constantly develop new products to cater to our customers requirements both within its traditional product framework as well as for new speciality and value added products.

Our marketing team provides regular inputs to the Global R&D team regarding customer requirements in order to introduce new products to meet customer needs.

2. Strengthening the relationships with OEMs.

One of the key drivers of the global lubricant business is strengthening the alliances with OEMs for developing, manufacturing and marketing “Co-branded Oils”, which apart from ensuring appropriate quality and performance at the final customer interface, also provides an auxiliary revenue stream for the OEM’s by way of royalties paid by the oil companies.

3. Focus on branding and visibility

Our Company recognizes the importance of branding. We intend to enhance the positioning of the Gulf brand and its visibility through multi-media advertisements, new Customer Relationship Management (CRM) initiatives, and promotional activities including motor sports.

Our Competitive Strengths

1. Benefits of parentage

Our Company has strong parentage being a strategic part of the Hinduja Group. We would benefit from group synergies, including access to talent, technical expertise and knowledge.

2. Well recognized brand and established track record in the lubricants business.

The Gulf brand is a well recognized brand and has an established track record in the lubricants business.

3. Wide range of products in lubricants

Our Company manufactures a complete range of lubricants which include motor oil, gear oil, industrial oils, greases and speciality products. We also manufacture various lubricant products for industrial and marine applications, as well as for construction and mining equipments.

4. Steady performance of the lubricants business

The Lubricants business has steadily performed in the past and is expected to grow in the future as well.

5. Advantage of location in manufacturing and marketing

Our manufacturing facility at Silvassa is well-connected by road and rail to the rest of the country and is in close proximity to major Indian ports at Mumbai and Nhava Sheva. It facilitates availability of raw materials at our manufacturing facility and supply of finished products to various parts of the country as well as export to various countries.

6. Diversified customer base

In the institutional segment we have relationships with various OEM’s to whom we regularly supply our products. Besides, we also supply to various State Transport Undertakings and are also approved to participate in tenders for supplies to Public Sector Undertakings (PSU’s). Under the retail (bazaar), our Company has a large network of distributors across India for retailing the products. Moreover our Company also exports our products to countries such as Bangladesh, Indonesia and Nepal.

7. Product design and development

Product design and development form an integral part of our Company’s operations. Our Company continuously focuses on new product offerings in order to acquire new customers and gain market share.

Insurance

Our insurance policies cover risks relating to stock of raw material and finished goods, various machinery and plants, electricity generation stations, standard asset coverage insurance, standard fire and special perils policies and personal risk insurance policies such as group personal term insurance, medical insurance, accident insurance and overseas travel insurance policies.

HISTORY OF OUR COMPANY

Our Company was incorporated as 'Hinduja Infrastructure Limited' on July 17th, 2008 as a wholly owned subsidiary of GOCL under the Companies Act, 1956. The Company was incorporated with the objective of doing property/infrastructure development business. The name of our Company was changed to 'Gulf Oil Lubricants India Limited' on September 12, 2013.

As per the Scheme, the Lubricants Undertaking of Gulf Oil Corporation is demerged and transferred to and vested in Gulf Oil Lubricants India Limited on a going concern basis, with effect from April 1, 2014 (Appointed Date). The equity shares held by GOCL in GOLIL was cancelled as per the Scheme and our Company ceased to be a wholly owned subsidiary of GOCL. Pursuant to allotment of GOLIL shares to the shareholders of GOCL on June 12, 2014, GOIMI became the Promoter of the Company. The main objects of the Company as amended on August 16, 2013 are provided below:

Main Objects of the Company

1. To carry on all or any of the business of manufacturers of and dealers in organic and inorganic chemicals, petrochemicals, fertilizers, manures, pesticides, fuel oils, greases, lubricants, base oils and other speciality oils, speciality chemicals, metal working and other fluids and additives and raw materials of all these products.
2. To carry on the business of importers and exporters and consultants of and to buy, sell and deal in petroleum oil, of all liquid and solid hydrocarbons and of all products thereof, and also plant, machinery and equipment related to the manufacture, production, refining, blending, packing, handling or modifying petroleum oil, liquid or solid hydrocarbons and of all products thereof including liquefied petroleum gas, compressed natural gas and liquefied natural gas.
3. To carry on the business of manufacturing or trading or dealing in automotive parts and accessories, auto electrical, vehicles care products, vehicle spares / assemblies, tools, implements, equipment, gauges and other allied goods, articles and things for motor cars, trawlers, marine vehicles, trucks, tankers, buses, motorcycles, cars, race cars, defense vehicles, ambulances, tempos, tractors, vans, jeeps, scooters, mopeds, three wheelers and other light and heavy vehicles.
4. To search for, get, work, raise, make merchantable sell and deal in all kinds of petroleum oils, base oils and other raw materials for lubricating oils, and all liquid and solid hydrocarbons and other produce of the lands and also to utilize for manufacturing, refining or other purpose and to sell or deal in all products of the oil and other hydrocarbons and generally to develop the resources of any lands, right or privileges to be at any time acquired by the Company.
5. To carry on the business to own, lease, manage, run, establish, install and build workshops, garages, service centers, vehicle care / fitness centers, repair centers, passenger terminals to service, handle, finish, improve, clean renovate, refurbish, repair all types of the motor cars, trucks, tankers, tractors, buses, motorcycles, tempos, vans, jeeps, scooters, mopeds, three wheelers and other vehicles and provide to passengers, travelers, drivers, driver assistants with recreation services, rest rooms, convenience services, and catering / restaurant services.
6. To purchase, take on lease or license, obtain concessions over or otherwise acquire, any estate or interest in, develop the resources of, work, dispose of, or otherwise turn to account, land or sea or any other place in India or in any other part of the world containing, or thought likely to contain, oil, petroleum, petroleum resource or alternate source of energy or other oils in any form, asphalt, bitumen or similar substances or natural gas, chemicals or any substances used, or which is thought likely to be useful for any purpose for which petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas is, or could be used and to that end to organize, equip and employ expeditions, commissions, experts and other agents and to sink wells, to make borings and otherwise to search for, obtain, exploit, develop, render suitable for

trade, petroleum, other mineral oils, natural gas, asphalt, or other similar substances or products thereof.

Changes in Memorandum of Association

The authorised share capital has increased to Rs. 9,96,44,980/- divided into 4,98,22,490 equity shares of Rs.2/- each from Rs. 5,00,000/- divided into 50,000 equity shares of Rs.10/- each, pursuant to the Scheme of Arrangement.

The Company was incorporated with the objective of doing property/infrastructure development business. The main objects clause of the Company was amended on August 16, 2013 to carry on all or any of the business of manufacturers of and dealers in organic and inorganic chemicals, fuel oils, greases, lubricants, base oils, other speciality oils and chemicals.

Shareholders Agreement

There is no separate Shareholders Agreement executed between any shareholder and our Company.

Strategic / Financial Partners and other Material Contracts

Our Company does not have any strategic/financial partners and has not entered into any material contracts other than in the ordinary course of business.

OUR PROMOTER

The Promoter of GOLIL is Gulf Oil International (Mauritius) Inc. As on date of this Information Memorandum, GOIMI holds 59.95% of the equity shares of our Company.

Details of the Promoter

Gulf Oil International (Mauritius) Inc. ('GOIMI')

Brief History

GOIMI was incorporated on June 28, 1993 as Gulf Oil (Mauritius) Inc., a private company limited by shares in the Republic of Mauritius under the Companies Act, 1984 and was granted an offshore license on November 14, 1994. The name of the company was changed from Gulf Oil (Mauritius) Inc. to Gulf Oil International (Mauritius) Inc. vide fresh certificate of incorporation dated September 11, 1998. The object clause of GOIMI in its Memorandum of Association states that GOIMI was incorporated to carry out any business activities which are not prohibited under the Laws of Mauritius and the laws of the countries where the company is transacting business and to do all such things as are incidental or conducive to the attainment of the objects. These objects apply exclusively to Offshore Business Activities.

The registered office of GOIMI is situated at 3rd Floor, 3B Citius Building, 31 Cybercity, Ebène, Mauritius.

GOIMI is primarily an investment company. The authorized share capital of GOIMI is US \$ 1,109,573 divided into 1,109,573 ordinary shares with a par value of US \$ 1.

Shareholding pattern

The entire shareholding of GOIMI is held by Gulf International Lubricants Limited, Cayman Islands. In other words, GOIMI is a wholly owned subsidiary of Gulf International Lubricants Limited. There are no natural persons in control (i.e. holding 15% or more voting rights) of GOIMI.

Board of Directors

As on date of the Information Memorandum, the board of directors of GOIMI comprises of the following persons:

Name	Designation
Mr. Camille Antoine Nehme	Director
Mr. Jayechund Jingree	Director
Mr. Sushil Kumar Jogoo	Director

Financial Performance

The audited financial results of GOIMI for the financial years ended March 31, 2013, March 31, 2012, and March 31, 2011 are set forth below:

(Figures in USD)

Particulars	March 31, 2011	March 31, 2012	March 31, 2013
Share Capital	1,109,573	1,109,573	1,109,573
Reserves & Surplus	107,410 (US \$ 1,089,839 being share premium)	1,488,267 (US \$ 1,089,839 being share premium)	2,861,976 (US \$ 1,089,839 being share premium)
Total Income	3,259,449	3,915,249	4,150,670
Profit After Tax	924,003	1,380,857	1,373,709
Earnings Per Share	0.83	1.24	1.24
Book Value (per share)	N/A	N/A	N/A

Other Information

The shares of GOIMI are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years. The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to GOIMI.

Further our Promoter has not been identified as willful defaulter by the Reserve Bank of India or any Government Authority and there are no violations of securities laws committed by our Promoter in the past and no such proceedings are pending against our Promoter. No penalties have been imposed on GOIMI by any statutory or regulatory authority in the last five years.

Further SEBI has not barred our Promoter GOIMI from accessing capital markets.

Details of Promoter Group

GOIMI is a 100% subsidiary of Gulf International Lubricants Limited ("GILL") and GILL is a 100% subsidiary of Gulf Oil International Limited ("GOIL").

Gulf International Lubricants Limited

Brief History

Gulf International Lubricants Limited ('GILL') was incorporated on July 10, 1989. The object clause of GILL in its Memorandum of Association states that GILL was incorporated to carry out any business activities which are not prohibited under the Laws of Cayman and the laws of the countries where the company is transacting business and to do all such things as are incidental or conducive to the attainment of the objects. These objects apply exclusively to Offshore Business Activities. GILL is primarily an investment company. There are no natural persons in control (i.e. holding 15% or more voting rights) of GILL.

Its registered office is situated at Caledonian Trust(Cayman) Limited, P.O. Box 1043 GT, Caledonian House, 1st Floor, 69 Dr. Roys Drive, George Town, Grand Cayman, Cayman Islands.

Shareholding pattern

The entire shareholding of GILL is held by Gulf Oil International Limited, Cayman Islands. In other words, GILL is a wholly owned subsidiary of Gulf Oil International Limited, Cayman Islands.

Board of Directors

As of the date of this Information Memorandum, the board of directors of GILL comprises of the following persons:

Name	Designation
Mr. Sanjay G. Hinduja	Director
Mr. Ajay P. Hinduja	Director
Mr. Camille Nehme	Director
Ms. Linda Cain	Director
Ms. Vinoo Hinduja	Director
Ms. Sandra Georgesson	Director

Financial Performance

Audited Financial performance of GILL on standalone basis is as follows:

(Figures in USD)

Particulars	March 31, 2011	March 31, 2012	March 31, 2013
Share Capital (par value of USD 1/- per share)	10,000,000	10,000,000	10,000,000
Reserves & Surplus	70,482,882 (USD 20,001,000 being share premium)	74,397,954 (USD 20,001,000 being share premium)	77,566,465 (USD 20,001,000 being share premium)
Total Income	12,106,885	10,159,280	11,098,057
Profit After Tax	7,159,542	3,915,072	3,168,511
Earnings Per Share	0.716	0.392	0.317
Book Value (per share)	8.05	8.44	8.76

Other Information

The shares of GILL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years. The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to GILL.

Gulf Oil International Limited

Brief History

Gulf Oil International Limited ('GOIL') was incorporated on January 22, 1996. The object clause of GOIL in its Memorandum of Association states that GOIL was incorporated to carry out any business activities which are not prohibited under the Laws of Cayman and the laws of the countries where the company is transacting business and to do all such things as are incidental or conducive to the attainment of the objects. These objects apply exclusively to Offshore Business Activities.

Its registered office is situated at Caledonian Trust(Cayman) Limited, PO Box 1043 GT, Caledonian House, 1st Floor, 69 Dr. Roys Drive, George Town, Grand Cayman, Cayman Islands.

GOIL manufactures and distributes "GULF" branded products through its operations in Europe, Middle East, the Far East and South America. Further it has the right to collect royalty for the use of "GULF" brand from third parties located in Europe, Asia, Africa, Central and South America. Thus, GOIL owns the right to use and license the use of the brand name all over the world except in the United States of America, Spain and Portugal.

Shareholding pattern

The entire shareholding of GOIL is held by Amas Holding S.A., 11, Rue Aldringen, L-2960, Luxembourg, as on the date of this Information Memorandum.

Board of Directors

As on the date of this Information Memorandum the board of directors of GOIL comprises of the following persons:

Name	Designation
Mr. Sanjay G. Hinduja	Director
Mr. Ajay P. Hinduja	Director
Mr. Barry McQuain	Director
Mr. Kob iDorenbush	Director
Ms. Sandra Georgesson	Director

Other Information

The shares of GOIL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years. The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to GOIL.

The entire shareholding of Gulf Oil International Limited ('GOIL') is held by Amas Holding S.A.

Amas Holding S.A.

Brief History

Amas Holding S.A., a societe anonyme was incorporated on March 04, 1985. Amas Holding S.A. is a "holding company" according to the Luxembourg law. It holds the entire shareholding in Gulf Oil International Limited.

Its registered office is situated at 412F, route d'Esch L-2086 Luxembourg.

Shareholding pattern

The share capital of Amas Holding S.A. comprises 10,000 shares. Mr. Prakash P. Hinduja having address at "Roc Fleuri", 1 Rue Tenao 98000, Monaco, is the settlor of the Trust which owns Amas Holding SA, and the beneficiaries of the Trust are members of the Hinduja Family outside India, none of whom are entitled to be more than 15% beneficiaries of the Trust. None of the Non-Resident Indian members of the Hinduja family on an individual basis holds more than 15% of the total shares of Amas Holding S.A.

Board of Directors

The board of directors of Amas Holding S.A. comprises of the following persons:

Category A (Independent directors):

- Mr. Carlo Schlessner
- Mr. Marc Limpens
- Mr. Serge Krancenblum

Category B (Non- Independent directors):

- Mr. Najib Ziazi
- Mr. Michael Kelleher

Other Information

The shares of Amas Holding S.A. are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years. The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to Amas Holding S.A.

OUR GROUP COMPANIES

Pursuant to Clause (IX)(C)(2) of Part A of Schedule VIII of the SEBI (ICDR) Regulations, 2009, the financial and other information of the group companies are given below:

Following are the Group Companies:

- 1) Gulf Oil Corporation Limited
- 2) IDL Buildware Limited
- 3) Gulf Carosserie India Limited
- 4) IDL Explosives Limited
- 5) HGHL Holdings Limited

Apart from Gulf Oil Corporation Limited, none of the above mentioned are listed on any of the Stock Exchanges. Additionally none of these companies are sick companies within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or none of these companies have been referred to the Board for Industrial and Financial Reconstruction.

I. Gulf Oil Corporation Limited

Incorporation

Gulf Oil Corporation Limited was earlier known as IDL Industries Limited and the name was changed in view of the merger between IDL Industries Limited and Gulf Oil India Limited in the year 2002.

Brief History

Gulf Oil Corporation Limited, earlier known as IDL Industries Limited was incorporated on April 20, 1961, under the name “Indian Detonators Limited”, (hereinafter referred to as “IDL”) to carry on the business of manufacturing detonators and other explosive intermediaries in Hyderabad. IDL received Certificate of Commencement of Business on July 6, 1961.

IDL made its foray into the pharmaceutical sector pursuant to the Scheme of Amalgamation of MIT Laboratories Limited (“MITL”) with IDL in the year 1974. On May 14, 1974, the name was changed from IDL to IDL Chemicals Limited (“IDLCL”).

In 1978, IDLCL established a new company under the name of Astra-IDL Limited as a joint venture with Astra Pharmaceuticals AB (“Astra AB”) of Sweden, for manufacturing bulk drugs and formulations.

In 2000, Astra AB and IDL Industries Limited (‘IDLIL’) mutually agreed to end their joint venture so that Astra-IDL Limited could develop with direct technological assistance from Astra AB, Sweden in line with the Astra AB’s global strategies. Accordingly, in February 2001, IDLIL divested its entire shareholding in Astra-IDL Limited. IDLIL continued the research and development activities in the Active Pharmaceutical Ingredients (“API”) area at its R & D Centre at Hyderabad.

In the year 2002, Gulf Oil India Limited (erstwhile) merged with IDLIL, subsequent to which IDLIL was renamed as Gulf Oil Corporation Limited. The merger took effect on January 01, 2002 pursuant to an order of the High Court of Mumbai and High Court of Andhra Pradesh. The name of IDLIL changed to “Gulf Oil Corporation Limited” pursuant to the fresh certificate of incorporation dated August 22, 2002.

Since FY 2008, GOCL has been focusing on its core business of explosives, mining and infrastructure, lubricants and property development.

The registered office of GOCL is situated at IDL Road, Kukatpally, Sanathnagar (IE) po, Hyderabad – 500 018, Telangana, India.

Board of Directors of Gulf Oil Corporation Limited

Name	Designation
Mr. Sanjay G. Hinduja	Chairman (Non-Executive)
Mr. Ramkrishan P. Hinduja	Vice-Chairman (Non-Executive)
Mr. Subhas Pramanik	Managing Director
Mr. Vinoo S. Hinduja	Alternate – K. C. Samdani
Mr. V. Ramesh Rao	Director
Mr. K. N. Venkatasubramanian	Independent Director
Mr. M. S. Ramachandran	Independent Director
Mr. Ashok Kini	Independent Director
Mr. Prakash Shah	Independent Director
Mr. Kanchan Chitale	Independent Director

Shareholding Pattern

The shareholding pattern of Gulf Oil Corporation Limited as on June 12, 2014 is as follows:

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES	
					AS a PERCENTAGE of (A+B)	As a PERCENTAGE of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	PROMOTER AND PROMOTER GROUP					
(1)	INDIAN					
(a)	Individual /HUF	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0.00
	Sub-Total A(1) :	0	0	0	0.00	0.00
(2)	FOREIGN					
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	1	29718167	29718167	59.95	59.95
(c)	Institutions	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0.00
	Sub-Total A(2) :	1	29718167	29718167	59.95	59.95
	Total A=A(1)+A(2)	1	29718167	29718167	59.95	59.95
(B)	PUBLIC SHAREHOLDING					

(1)	INSTITUTIONS					
(a)	Mutual Funds /UTI	16	2333254	2333254	4.71	4.71
(b)	Financial Institutions /Banks	5	944024	943904	1.90	1.90
(c)	Central Government / State Government(s)	1	149490	0	0.30	0.30
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	15	2530850	2530850	5.11	5.11
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0.00
	Sub-Total B(1) :	37	5957618	5808008	12.02	12.02
(2)	NON-INSTITUTIONS					
(a)	Bodies Corporate	605	1213643	1195428	2.45	2.45
(b)	Individuals					
	(i) Individuals holding nominal share capital upto Rs.1 lakh	56752	6702861	5804936	13.53	13.53
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	14	4396781	4277093	8.87	8.87
(c)	Others					
	FRACTIONAL	1	3666	0	0.01	0.01
	FOREIGN NATIONALS	1	4500	4500	0.01	0.01
	NON RESIDENT INDIANS	261	228204	224822	0.46	0.46
	OVERSEAS CORPORATE BODIES	1	1333333	1333333	2.69	2.69
	DIRECTORS AND THEIR RELATIVES	7	10752	10750	0.02	0.02
	CLEARING MEMBERS	4	215	215	0.00	0.00
	TRUSTS	2	2750	2750	0.01	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
	Sub-Total B(2) :	57648	13896705	12853827	28.03	28.03
	Total B=B(1)+B(2) :	57685	19854323	18661835	40.05	40.05
	Total (A+B) :	57686	49572490	48380002	100.00	100.00
(C)	Shares held by custodians, against which					
	Depository Receipts have been issued					
(1)	Promoter and Promoter Group	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	57686	49572490	48380002	100.00	100.00

Financial Information of Gulf Oil Corporation Limited

(Rs. in lakhs, except no. of equity shares)

Particulars	FY 2012	FY 2013	FY 2014
Total Income (Net)	92,073.12	98,512.86	99,887.55
Profit after Taxation	6,211.23	5,298.62	5,833.62
Equity Capital	1,982.90	1,982.90	1,982.90
Reserves (excluding revaluation reserve)	38,389.3	41,136.04	44,069.80
Miscellaneous Expenditure	-	-	-
Net Worth	40,372.20	43,118.94	46,052.70
Net Asset Value (NAV) per share in Rs	40.72	43.49	46.45
Earnings Per share (EPS) in Rs.	6.26	5.34	5.88
Diluted Earnings per share in Rs.	6.26	5.34	5.88
No. of equity shares	9,91,44,980	9,91,44,980	9,91,44,980
	Of face value Rs.2/- each	Of face value Rs.2/- each	Of face value Rs.2/- each

Note:

1. Net Worth = Equity Share Capital+ Preference Share Capital+Reserves - Revaluation Reserve
2. Net Asset Value per share= Net Worth/No. of Equity shares

Change in the Management

There has been no change in the management of Gulf Oil Corporation Ltd. in the last three years.

Share Quotation

The equity shares of Gulf Oil Corporation Limited are listed on the NSE and BSE. The details of the highest and lowest price on NSE and BSE during the preceding six months are as follows:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
June 2014	166.65	133.00*	171.90*	156.50*
May 2014	165.00	119.00	165.35	118.6
April 2014	129.50	105.90	129.15	106.00
March 2014	114.50	92.80	114.70	93.25
February 2014	104.25	90.15	104.20	92.00
January 2014	111.80	81.20	111.80	81.10

* Based on the price quoted post re-listing of the shares pursuant to the Scheme of Arrangement

II. IDL Buildware Limited

Brief History

IDL Buildware Limited ("IDL Buildware") was incorporated as IDL Finance Limited on October 03, 1994. The name was changed to IDL Buildware Limited on July 12, 2005. The registered office of the company is situated at C/o – Gulf Oil Corporation Limited, Sanathnagar (IE) PO, Kukatpally, Hyderabad – 500 018. IDL Buildware is engaged in the business of construction and real estate.

Shareholding Pattern

The shareholding pattern of shareholders of IDL Buildware as on the date of the Information Memorandum is as follows:

Name of the Shareholder	Number of preference share held	Number of equity Shares held	Percentage of Shares
Gulf Oil Corporation Limited	2,00,000	19,70,000	100%

Board of Directors

The constitution of the Board of Directors of IDL Buildware as on the date of the Information Memorandum is as follows:

Name	Position held
Mr. Subhas Pramanik	Director
Mr. Ambikesh Dutt Sao	Director
Mr. Poozhi kunnathkalam Divakaran	Director

Financial Performance

The audited financial results of IDL Buildware for the financial years ended March 31, 2012, March 31, 2013 and March 31, 2014 are set forth below:

(Rs. in lakhs)

Particulars	March 31, 2012	March 31, 2013	March 31, 2014
Equity Share Capital	197.00	197.00	197.00
Preference Share Capital	200.00	200.00	200.00
Reserves (excluding revaluation reserves)	-653.81	-636.70	-630.74
Net worth	-256.81	-239.70	-233.74
Turnover/Sales	44.97	5.04	26.43
Profit After Tax	14.27	16.70	5.96
Earnings Per Share (in Rs.)	0.72	0.85	0.30
Book Value per Share (in Rs.)	-13.04	-12.17	-11.86

IDL Buildware had to suspend operations during FY 2009 due to recession in the construction industry.

III. Gulf Carosserie India Limited

Brief History

Gulf Carosserie India Limited ("**Gulf Carosserie**") was incorporated as Gulf Carex India Limited on June 08, 1994. The name was changed to Gulf Carosserie India Limited on December 24, 1996. The registered office of the company is situated at Ground floor, Hinduja House, 171, Dr Annie Besant road, Worli, Mumbai 400018, Maharashtra. Gulf Carosserie is engaged in the business of car care products.

Shareholding Pattern

The shareholding pattern of Gulf Carosserie as on the date of the Information Memorandum is as follows:

Name of the Shareholder	Number of Shares held	Percentage of Shares
Gulf Oil Corporation Limited	3,80,002	95%
Hinduja Consultancy Limited	20,000	4.99%
Individuals	5	0.01%
Total	4,00,007	100

Board of Directors

The constitution of the Board of Directors of Gulf Carosserie as on the date of the Information Memorandum is as follows:

Name of the Director	Position held
Mr. Kuthoore Natarajan Venkatasubramanian	Director
Mr. Subhas Pramanik	Director
Mr. Natarajan Chandrasekaran	Director

Financial Performance

The audited financial results of Gulf Carosserie for the financial years ended March 31, 2012, March 31, 2013 and March 31, 2014 are set forth below:

(Rs. in lakhs)

Particulars	March 31, 2012	March 31, 2013	March 31, 2014
Equity Capital	40	40	40
Reserves (excluding revaluation reserves)	-115.71	-116.20	-113.81
Net worth	-75.71	-76.20	-73.81
Turnover/Sales	0.21	0.25	3.81
Profit After Tax	-0.13	-0.49	2.38
Earnings Per Share (in Rs.)	-0.03	-0.12	0.60
Book Value per Share (in Rs.)	-18.92	-19.05	-18.45

Gulf Carosserie India Ltd. is under winding up

Board passed a resolution dated March 24, 2003 for voluntary winding up of Gulf Carosserie India Ltd.

IV. IDL Explosives Limited

Brief History

IDL Explosives Limited ("IDL Explosives") was incorporated as on September 22, 2010. The registered office of the company is situated at C/o – Gulf Oil Corporation Limited, Sanathnagar (IE) PO, Kukatpally, Hyderabad – 500 018. IDL Explosives is engaged in the business of manufacturing and marketing of explosives.

Shareholding Pattern

The shareholding pattern of equity shareholders of IDL Explosives as on the date of the Information Memorandum is as follows:

Name of the Shareholder	Number of Shares held	Percentage of Shares
Gulf Oil Corporation Limited	50,000 equity shares of Rs. 10/- each and 249000 preference shares of Rs. 100/- each	100%

Board of Directors

The constitution of the Board of Directors of IDL Explosives as on the date of the Information Memorandum is as follows:

Name	Position held
Mr. Subhas Pramanik	Director
Mr. KN Venkatasubramanian	Director
Mr. Tamal Tarun Das	Director

Financial Performance

The audited financial results of IDL Explosives for the financial years ended March 31, 2012, March 31, 2013 and March 31, 2014 are set forth below:

(Rs. in lakhs)

Particulars	March 31, 2012	March 31, 2013	March 31, 2014
Equity Share Capital	5.00	5.00	5.00
Preference Share Capital	249.00	249.00	249.00
Reserves (excluding revaluation reserves)	998.25	753.69	1,148.59
Net worth	1,252.25	1,007.69	1,402.59
Turnover/Sales	25,489.73	22,116.62	25,812.29
Profit After Tax	-1,270.44	-244.56	394.93
Earnings Per Share (in Rs.)	2,540.88	489.12	789.86
Book Value per Share (in Rs.)	2,504.50	2,015.38	2,805.18

V. HGHL Holdings Limited

Brief History

HGHL Holdings Limited ("HGHL Holdings") was incorporated as on November 21, 2012. The registered office of the company is situated at 16 Charles II Street, London SW1Y 4QU, UK. HGHL Holdings is engaged in the business of a holding company.

Shareholding Pattern

The shareholding pattern of equity shareholders of HGHL Holdings as on the date of the Information Memorandum is as follows:

Name of the Shareholder	Number of Shares held	Percentage of Shares
Gulf Oil Corporation Limited	1,00,000	100%

Board of Directors

The constitution of the Board of Directors of HGHL Holdings as on the date of the Information Memorandum is as follows:

Name	Position held
Camille Antoine Nehme	Director
Sandra Agnes Georgeson	Director
Linda Cain	Director

Financial Performance

The audited financial results of HGHL Holdings for the period ended and March 31, 2014 are set forth below:

<i>Rs. In lakhs</i>	
Particulars	November 21, 2012 - March 31, 2014
Equity Capital	96.13
Reserves (excluding revaluation reserves)	606.07
Net worth	702.20
Turnover/Sales	7,420.03
Profit After Tax	412.67
Earnings Per Share	412.67
Book Value per Share	702.20

Disassociation of our Company and our Promoter from any company during the last three years

GOCL has sold its stake in the following companies as on December 31, 2013:

Gulf Oil Bangladesh Limited

Gulf Oil Bangladesh Limited ("**Gulf Oil Bangladesh**") was incorporated on July 27, 2003, having its registered office at Latif Tower, 9th floor, 47, Karwan Bazar C/A, Dhaka – 1215. Gulf Oil Bangladesh was engaged in the business of importing and selling lubricants, greases and car care products in Bangladesh.

PT Gulf Oil Lubricants Indonesia

PT Gulf Oil Lubricants Indonesia ("**PT Gulf Oil**") was incorporated on May 14, 2005, having its registered office at Wisma Budi, Lantai 5, Jl. HR. Rasuna Said, Kav. C6, Jakarta. PT Gulf Oil was engaged in the business of manufacturing, distribution and export – import of lubricants

Gulf Oil (Yantai) Co. Limited

Gulf Oil (Yantai) Co. Limited ("**Gulf Oil (Yantai)**") was incorporated on December 22, 1995, having its registered office at Xinshidai Technology & Industrial Park, YEDA, Yantai, Shandong, China. Gulf Oil (Yantai) was engaged in the business of production and selling of lubricants and related chemical and packaging materials.

Reasons for disassociation

The reasons for GOCL to disassociate from the above 3 companies are as provided below:

- (i) No returns from the said investments even after 7 to 10 years, except one dividend from Gulf Oil Bangladesh Ltd.
- (ii) Cash inflow requirements to meet various commitments.
- (iii) To concentrate and strengthen its core competencies to have greater focus on Indian operations and to create more value for the Lubricants business by way of Demerger of the Lubricants business into a separate company.

Group Companies having negative networth:

IDL Buildware Limited and Gulf Carosserie India Limited are the Group Companies having negative networth. The financial and other relevant information about these companies are provided in this Chapter above.

Litigation

For details relating to the legal proceeding involving the Promoters and the Group Companies, please refer the Chapter “Outstanding litigations, defaults and material developments” beginning on page no. 79 of the Information Memorandum.

MANAGEMENT

Under our Articles of Association, our Company is required to have not less than 3 Directors and not more than 12 Directors. Currently, our Company has 6 Directors out of which 3 are Independent Directors. The composition of the Board of Directors is governed by the provisions of the Companies Act and the Listing Agreements entered into by our Company with the Stock Exchanges and the norms of the code of corporate governance as applicable to listed companies in India.

Board of Directors

As on the date of this Information Memorandum, our Board comprises of:

Name DIN No. PAN No, Age	Date of Appoint ment	Designation	Address	Directorship in other Companies
Mr. Sanjay G. Hinduja DIN No. : 00291692 PAN No. : ABZPH7832H Age: 50 years	May 29, 2014	Chairman (Non- Executive)	12, 24, Carlton House Terrace, London, SW 1Y SAP, UK	1. Gulf Oil Corporation Ltd. 2. Gulf Oil International Ltd. 3. Gulf Oil Middle East Ltd. 4. Gulf Oil International Middle East Ltd (Cayman) 5. Gulf International Lubricants Ltd (Cayman) 6. Gulf Oil Philippines Inc. 7. Gulf Oil Yantai Ltd. 8. Sangam Ltd (UK) 9. Gulf Oil Marine Ltd. (Hong Kong) 10. Houghton International Inc. (USA) 11. GH Holdings Inc.
Mr. Ramkrishan P. Hinduja DIN No.: 00278711 PAN No.: ABZPH5257Q 43 years	May 29, 2014	Vice Chairman (Non- Executive)	13-B, Chemin de la Prevote 1223 Colony, Geneva, Switzerland	1. Hinduja Global Solutions Limited 2. Gulf Oil Corporation Limited 3. Hinduja Ventures Ltd 4. Hinduja National Power Corporation Ltd 5. Hinduja Healthcare Limited 6. Hinduja Global Solutions Inc. (USA) 7. Hinduja Global Solutions Uk Ltd. 8. Hinduja Global Solutions Europe Ltd. 9. HGS International Mauritius 10. Houghton International Inc. (USA) 11. Hinduja Swiss Holdings S.A.
Mr. M. S. Ramachandran DIN No.: 00943629 PAN No.: AGJPM9097J	May 29, 2014	Independent Director	C-23, Second Floor Green Park Main, NEW DELHI- 110 016	1. Supreme Petrochem Limited 2. Gulf Oil Corporation Limited 3. Ester Industries Limited 4. ICICI Bank Limited 5. International Paper APPM Limited 6. Houghton International Inc. (USA)

69 years				7. Infrastructure India PLC (Isle of Man)
Mr. Ashok Kini DIN No.:00812946 PAN No.:AIIPA3890 N 68 years	May 29, 2014	Independent Director	B-202, Mantri Pride Apartments, Mountain Road, 1st Block JayanagarBa ngalore – 560011	1. UTI Trustee Company Pvt. Ltd. 2. Gulf Oil Corporation Limited 3. IndusInd Bank Limited 4. FINO PayTech Limited 5. FINO Trusteeship Services Limited 6. Edelweiss Asset Reconstruction Company Limited 7. SBI Capital Markets Limited
Ms. Kanchan Chitale DIN No.: 00007267 PAN No.: AABPC6604M 61 years	May 29, 2014	Independent Director	167/C, Poonawadi,, Dr.Ambedkar Road, Dadar, Mumbai-400 014,	1. Harkan Management Consultancy Services Pvt.Ltd. 2. Gulf Oil Corporation Ltd. 3. IndusInd Bank Ltd.
Mr. Ravi Chawla DIN No.: 02808474 PAN No.: ACGPC3611F 48 years	June 6, 2014*	Managing Director	3 Auroville ST. Andrews Road, Santacruz- W, Mumbai, 400054, Maharashtra, India	1. Gulf ASHLEY Motor Limited 2. Mangalam Retail Services Limited

* Appointed as the Director of the Company on May 25, 2013.

Shareholding of Directors in the Company as on date of this Information Memorandum:

Name of the Directors	Number of Shares held	Percentage of holding (%)
Mr. Sanjay G. Hinduja	Nil	Nil
Mr. Ramkrishan P. Hinduja	Nil	Nil
Mr. M. S. Ramachandran	2,000	0.00
Mr. Ashok Kini	Nil	Nil
Ms. Kanchan Chitale	Nil	Nil
Mr. Ravi Chawla	Nil	Nil

Brief Profile of the Directors:

Mr. Sanjay G. Hinduja, aged 50 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.

Mr. Ramkrishan P. Hinduja, aged 43 years, holds a Bachelors degree in Science and Economics from the University of Pennsylvania, Philadelphia. He has professional experience with Amas S. A. and Arthur Andersen.

Mr. M. S. Ramachandran, aged 69 years, holds a Bachelors degree in Mechanical Engineering from the College of Engineering, Chennai. He had been the Chairman of Indian Oil Corporation Limited, Chennai Petroleum Corporation Limited, IBP Company Limited, Bongaigaon Refineries & Petrochemicals Limited, Indian Oil Tanking Limited, Indian Oil Petronas Limited, and Director of ONGC Limited and Petronet LNG Limited and has experience and knowledge in the oil and gas industry. He has received several awards including the “Chemtech Pharma Bio Hall of Fame Award” in 2005 and the “National Institute of Industrial Engineers Lakshya Business Visionary Award” in 2004.

Ms. Kanchan Chitale, aged 61 years, is a fellow member of the Institute of Chartered Accountants of India (ICAI). She has been in professional practice as a chartered accountant since 1984 under the name of “Kanchan Chitale & Associates”. She has an experience of more than 30 years in internal and management audits of corporate enterprises and specialized/concurrent audits and other assignments of commercial banks and financial institutions. She specializes in internal audit of large Construction Companies. She has also completed residential course on Management at Indian Institute of Management, Ahmadabad (IIM-A) and a course of Lead Assessor of Quality System for ISO 9000. She has been a member of IIM-A Alumni Association, member and Ex-VP of Association of Women Industrialists of Maharashtra (WIMA) from the year 1992 to 1993 and has also been a member of ICAI, Bombay Chartered Accountants Society.

Mr. Ashok Kini, aged 68 years, holds a Bachelors degree in Science from Mysore University and Masters degree in English Literature from Madras Christian College, Chennai. He had joined State Bank of India as Probationary Officer in 1967 and rose to the rank of Managing Director (National Banking) in 2004, a Board level appointment of Government of India. He had experience in State Bank of India including as Chairman of a Regional Rural Bank, Chief Dealer in the Bank’s Offshore Banking Unit in Baharain, Deputy Chief Dealer (Industrial Finance) at the Bank’s Corporate Head Quarters, General Manager (Corporate Finance), Chief General Manager and Deputy Managing Director (Information Technology). As Managing Director (National Banking), he was responsible for Domestic Distribution, Retail Business, Marketing/Brand Management, Banking Operations and Internal Communications.

Mr. Ravi Chawla, aged 48 years, holds a Bachelors Degree in Commerce from Sydenham College, Mumbai University. He also holds a Master in Management Studies degree (specialising in Marketing) from Mumbai University. He has over twenty four (24) years of professional experience in sales, marketing & management across diverse sectors in Indian companies and MNCs with organisations like Wipro Consumer Products Ltd., CEAT Ltd, Polaroid, Pennzoil-Quaker State India Ltd. (was part of Royal Dutch Shell Group of Companies) & Mahindra and Mahindra (Farm Equipment Division) before joining Gulf Oil Corporation Ltd in 2007. He has held positions responsible for all areas of marketing, business development, sales via channel & B2B & general management for the last 20 years with India level responsibility. He has extensive experience of over 15 years in the lubricants space with Pennzoil (1998 to 2006) & in Gulf Oil (since 2007). With Gulf Oil, he joined as President for the Lubricants business in 2007 and was later designated as President & CEO - Lubricants business, after leading the organisation to become the fastest growing company amongst the top lubricant players. He has led the organisation for delivering the company level business plans/ P&L in the last 7 years.

Corporate Governance:

Corporate Governance is administered through our Board and the Committees of the Board. In compliance with the Clause 49 of the Listing Agreement with the Stock Exchanges, we have the following Board Level Committees in our Company:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

a) Composition of Audit Committee

The Composition of the Audit Committee is as under:

Names of the Director	Designation in the Committee	Nature of Directorship
Ms. Kanchan Chitale	Chairman	Independent Director
Mr. Ramkrishan P. Hinduja	Member	Non-Executive Director
Mr. Ashok Kini	Member	Independent Director

Terms of Reference:

The role and terms of Audit Committee covers the area of Clause 49 of the listing agreement with stock exchanges and section 177 of the Companies Act, 2013 and any Rules thereunder besides other terms as may be referred to by the Board of Directors of the Company. The Board of Directors take note of the minutes of the Audit Committee.

The Audit Committee shall act in accordance with the terms of reference specified by the Board of Directors of the Company which *inter-alia* includes there commendation for appointment, remuneration and terms of appointment of auditors of the company, review and monitor the auditor's independence and performance and effectiveness of audit process, examination of the financial statement and the auditors' report, 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, monitoring the end use of funds raised through public offers and related matters.

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

b) Composition of Stakeholders Relationship Committee

The Composition of the Stakeholders Relation Committee is as under:

Names of the Director	Designation in the Committee	Nature of Directorship
Mr. M.S. Ramachandran	Chairman	Independent Director
Mr. Sanjay G. Hinduja	Member	Non-Executive Director
Mr. Ravi Chawla	Member	Managing Director

Terms of Reference:

The role and terms of Stakeholders Relationship Committee covers the area of Clause 49 of the listing agreement with stock exchanges and section 178 of the Companies Act, 2013 and any Rules thereunder besides other terms as may be referred to by the Board of Directors of the Company. The Stakeholders Relationship Committee shall act in accordance with the terms of reference specified by the Board of Directors of the Company which *inter alia* includes considering and resolving the grievances of security holders of the Company.

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

c) Composition of the Nomination and Remuneration Committee

The Composition of the Nomination and Remuneration Committee is as under:

Names of the Director	Designation in the Committee	Nature of Directorship
Mr. Ashok Kini	Chairman	Independent Director
Mr. Sanjay G. Hinduja	Member	Non-Executive Director
Mr. M.S. Ramachandran	Member	Independent director

Terms of Reference:

The role and terms of the Nomination and Remuneration Committee covers the area of Clause 49 of the listing agreement with stock exchanges and section 178 of the Companies Act besides other terms as

may be referred to by the Board of Directors of the Company. The Nomination and Remuneration Committee shall act in accordance with the terms of reference specified by the Board of Directors of the Company which *inter-alia* includes formulating the criteria for determining qualification, 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.

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

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of remuneration and fees payable to them for services rendered as Directors of our Company such as attending meetings of the Board or a committee thereof and to the extent of other reimbursement of expenses payable to them under our Articles of Association.

Some of our Directors also hold Equity Shares in our Company and are interested to the extent of any dividend payable to them in respect of the same.

Changes in our Board during the last three years

The first Directors of the Company were Mr. Subhas Pramanik, Mr. Sukhendu Chakrabarti and Mr. Tamal Tarun Das. Mr. Ravi Chawla was appointed on the Board on May 25, 2013 in place of Mr. Sukhendu Chakrabarti. Mr. Sanjay G. Hinduja, Mr. Ramkrishan P. Hinduja, Mr. M. S. Ramachandran, Mr. Ashok Kini and Ms. Kanchan Chitale were appointed on the Board of the Company on May 29, 2014. Mr. Subhas Pramanik and Mr. Tamal Tarun Das resigned from the Board on June 14, 2014.

Key Managerial Personnel

Name	Designation	Age (Years)	Date of Joining	Particulars of last employment	Shareholding in our Company
Mr. Ravi Chawla**	Managing Director	48	May 25, 2013*	Mahindra & Mahindra Limited	Nil
Mr. Manish Kumar Gangwal**	Chief Financial Officer	42	June 6, 2014	Poddar Pigments Limited	200
Mr. Vinayak Joshi	Company Secretary & Compliance Officer	44	June 6, 2014	Essar Shipping Limited	Nil

* Appointed as the Managing Director of the Company w.e.f. June 6, 2014

** Mr. Ravi Chawla and Mr. Manish Kumar Gangwal were employed with GOCL, the transferor company as President & Chief Executive Officer-Lubricants business and Chief Financial Officer respectively prior to June 6, 2014.

Brief Profile of the Key Managerial Personnel

Mr. Ravi Chawla

The information has been provided above under profile of the Board of Directors

Mr. Manish Kumar Gangwal

Mr. Manish Kumar Gangwal is the Chief Financial Officer of Gulf Oil Lubricants India Limited. He is a Chartered Accountant, Company Secretary and Graduate member of the Institute of Costs and Works Accountants of India. He has over twenty (20) years of professional experience and has worked with Gulf Oil Corporation Limited, Poddar Pigments Limited, Hindusthan Development Corporation Limited. He was the Chief Financial Officer of Gulf Oil Corporation Limited before joining the Company. He has experience and knowledge in finance, corporate planning, Corporate Governance, accounts, company secretarial practice, taxation and audits.

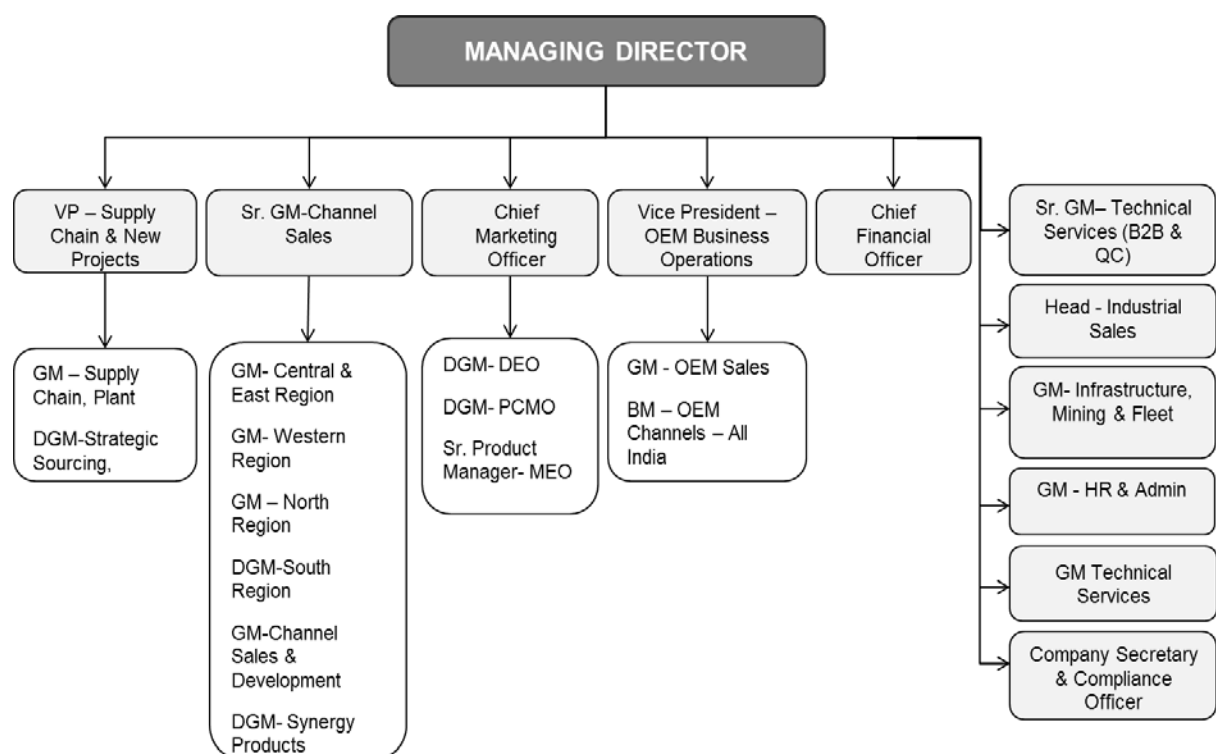
Mr. Vinayak Joshi

Mr. Vinayak Joshi is the Company Secretary of Gulf Oil Lubricants India Limited. He is an Associate Member of the Institute of Company Secretaries of India and Chartered Institute of Securities and Investments. Over 16 years of professional experience in the field of Corporate Governance, Compliance, Secretarial and Administration of listed and unlisted companies in India and overseas. He also had an experience of working in offshore jurisdiction like Mauritius and UAE. Previously he had working with Essar, Reliance ADA group and Raymonds.

Changes in the Key Managerial Personnel:

There are no changes in the key managerial personnel of our Company.

Organisation Structure



Employees and Employee Stock Option Scheme

Currently, our Company does not have an Employee Stock Option Scheme/ Employee Stock Purchase Scheme.

CAPITAL STRUCTURE

The Capital Structure of the Company- Pre Scheme of Arrangement of Demerger

Particulars	Amount (Rs.)
Authorised Capital (50,000/- equity shares @ Rs. 10/- per share)	5,00,000
Issued, Subscribed And Paid-Up Share Capital (50,000/- fully paid up equity shares @ Rs. 10/- per share)	5,00,000

The Capital Structure of the Company - Post Scheme of Arrangement of Demerger

Particulars	Amount (Rs. In lakhs)
Authorised Capital (4,98,22,490 equity shares @ Rs. 2/- per share)	996.45
Issued and Subscribed and Paid up Share Capital (4,95,72,490 fully paid up equity shares @ Rs. 2/- per share)	991.45

Notes to the Capital Structure:

- Details of change in the Authorised capital of the Company

The Company was incorporated with an authorised share capital of Rs.5 lacs divided into 50,000 equity shares of Rs. 10/- each. The authorised share capital is increased to Rs. 996.45 lacs divided into 4,98,22,490 equity shares of Rs.2/- each pursuant to the Scheme.

- Details of Capital built-up of the Company since inception are as follows:

Date of Allotment	No. of Shares	Cumulative No. of Shares	Face value (Rs.)	Cumulative Paidup Capital (Rs.)	Nature of Allotment / Remarks	Consideration
11.07.2008	50,000	50,000	10	5,00,000*	Issued to Subscribers of the MOA	Cash
12.06.2014	4,95,72,490	4,95,72,490	2	9,91,44,980	Issued pursuant to the Scheme	Pursuant to the Scheme

**Initial issued and paid up equity share capital of Gulf Oil Lubricants India Limited, comprising of 50,000 equity shares of Rs. 10/- each, aggregating to Rs. 5,00,000/-, as held by Gulf Oil Corporation Limited and its nominees stands cancelled pursuant to the Scheme.*

- Promoter and promoter group of Gulf Oil Lubricants India Limited and their Directors have not purchased or sold or financed, directly or indirectly, any equity shares of GOLIL from the date of approval of the scheme by the High Court till the date of submission of this Information Memorandum.
- Details of the Scheme have been provided at page no. 51 of the Information Memorandum
- Shareholding of before the scheme:**

The entire pre-scheme equity capital consisting of 50,000 equity shares was held by Gulf Oil Corporation Limited and its nominees.
- Shareholding pattern of Gulf Oil Lubricants India Limited post the allotment of the shares under the Scheme as on June 12, 2014:**

Category Code	Category of Shareholder	No of shareholders	Total number of shares	No of shares held in dematerialized form	Total shareholding as a % of total no of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(I)	(II)	(III)	(VII)
(A)	Promoter and Promoter Group					
(1)	Indian					
(a)	Individual /HUF	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0.00
	Sub-Total A(1) :	0	0	0	0.00	0.00
(2)	Foreign					
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	1	29718167	29718167	59.95	59.95
(c)	Institutions	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0.00
	Sub-Total A(2) :	1	29718167	29718167	59.95	59.95
	Total A=A(1)+A(2)	1	29718167	29718167	59.95	59.95
(B)	Public Shareholding					
(1)	Institutions					
(a)	Mutual Funds /UTI	16	2333254	2333254	4.71	4.71
(b)	Financial Institutions /Banks	5	944024	943904	1.90	1.90
(c)	Central Government / State Government(s)	1	149490	0	0.30	0.30
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	15	2530850	2530850	5.11	5.11
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0.00
	Sub-Total B(1) :	37	5957618	5808008	12.02	12.02
(2)	Non-Institutions					
(a)	Bodies Corporate	605	1213643	1195428	2.45	2.45
(b)	Individuals					
	(i) Individuals holding nominal share capital upto Rs.1 lakh	56753	6705611	5807686	13.53	13.53
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	14	4396781	4277093	8.87	8.87

(c)	Others					
	Fractional Trustee	1	3666	0	0.01	0.01
	Foreign Nationals	1	4500	4500	0.01	0.01
	Non Resident Indians	261	228204	224822	0.46	0.46
	Overseas Corporate Bodies	1	1333333	1333333	2.69	2.69
	Directors and their relatives	6	8002	8000	0.02	0.02
	Clearing Members	4	215	215	0.00	0.00
	Trusts	2	2750	2750	0.01	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
	Sub-Total B(2) :	57648	13896705	12853827	28.03	28.03
	Total B=B(1)+B(2) :	57685	19854323	18661835	40.05	40.05
	Total (A+B) :	57686	49572490	48380002	100.00	100.00
(C)	Shares held by custodians, against which Depository Receipts have been issued					
(1)	Promoter and Promoter Group	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	57686	49572490	48380002	100.00	100.00

- 7) Shareholding of our Promoter and Promoter Group in our Company after allotment of shares pursuant to the Scheme:

Sr. No.	Name of the shareholder	Total shares held	
		Number of shares	Percentage
1	Gulf Oil International (Mauritius) Inc.	2,97,18,167	59.95%
	Total	2,97,18,167	59.95%

- 8) Details of shares of the Company which are pledged or otherwise encumbered by the Promoter and Promoter Group of the Company.

Name of the shareholder	No. pledged or encumbered	Shares pledged as a% of total no. of shares
Nil	Nil	Nil

- 9) Details of lock-in shares of the Promoter and Promoter Group of the Company

Name of the shareholder	No. locked-in	Shares as a % of total no. of shares
Nil	Nil	Nil

- 10) The list of top 10 shareholders of the Company and the number of equity shares held by them:

Top ten shareholders as on June 12, 2014:

Sr. No.	Name of the Shareholder	No. of shares	% to total shares
1.	Gulf Oil International (Mauritius) Inc.	2,97,18,167	59.95
2.	Bridge India Fund	22,12,627	4.46
3.	Girdharilal V Lakhi	21,73,230	4.38
4.	IAM Limited	13,33,333	2.69
5.	Reliance Capital Trustee Co Ltd-Reliance Long term Equity Fund	10,25,002	2.07
6.	Manish Lakhi	8,19,241	1.65
7.	The New India Assurance Company Limited	7,22,929	1.46
8.	Hitesh Satishchandra Doshi	2,77,552	0.56
9.	Govindlal Gilada	2,75,432	0.56
10.	Mirae Asset Emerging Bluechip Fund	2,15,342	0.43

- 11) The Company, its directors, its promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of the Company from any person.
- 12) There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Court till listing of the Equity Shares allotted as per the Scheme at the designated stock exchange.
- 13) There shall be only one denomination for the equity shares of the Company, subject to applicable regulations and Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
- 14) The Demerged Company i.e. Gulf Oil Corporation Limited had 57,686 members as on the Record Date i.e. June 5, 2014.

OBJECTS AND RATIONALE OF THE SCHEME

1. Prior to the demerger, Gulf Oil Corporation Limited was primarily engaged in four distinct and diverse businesses/divisions, namely:
 - (i) **Lubricants**—Engaged in manufacturing, marketing, rendering technical services in lubricating oils, greases, auto accessories and car care products. (“Lubricants Undertaking”);
 - (ii) **Industrial Explosives** – Engaged in manufacturing, marketing and technical services in industrial explosives, detonating accessories and special devices for Defence and Space applications;
 - (iii) **Mining and Infrastructure Contracts** – Engaged in large scale mining services in coal, iron ore, limestone and uranium mines. GOCL also undertakes contracts in the infrastructure sector such as underground metro railways, elevated highways, industrial structures / buildings;
 - (iv) **Property Development** – Engaged in developing large properties owned by it into special economic zones, industrial parks and commercial conglomerates.
2. In order to achieve efficiency of operations and management and with the intent of realigning the business operations undertaken by GOCL, the management of GOCL decided to concentrate on, and strengthen its core competencies and have greater focus and create more value for the Lubricants Undertaking in the interest of maximising overall shareholder value.
3. Therefore, with a view to effect such plan, the Board of Directors of GOCL and GOLIL proposed that the Lubricants Undertaking be transferred to and vested in Gulf Oil Lubricants India Limited on a going concern basis, through the Scheme.

SALIENT FEATURES OF THE SCHEME

Demerger of the Lubricants Undertaking of Gulf Oil Corporation Limited into Gulf Oil Lubricants India Limited

- 1) The Scheme broadly envisages the following:
 - (i) The demerger of Lubricants Undertaking from GOCL into GOLIL
 - (ii) GOLIL shall, without any further act or deed, in consideration for the demerger issue and allot 1 (one) equity share of face value Rs. 2/- each for every 2 (two) equity shares of Rs. 2/- each held by shareholders of GOCL, on the record date.
 - (iii) Re-organisation of the paid up equity capital of GOCL and GOLIL.
- 2) With effect from the Appointed Date (i.e. April 1, 2014), the whole of the Lubricants Undertaking under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, stands transferred to and vested in and/or be deemed to be transferred to and be vested in GOLIL, as on the Appointed Date, so as to vest in GOLIL all the rights, title and interest of GOCL therein.
- 3) The Scheme shall be effective from the Effective Date. The Effective date has been defined to mean the last of the dates on which the certified true copies of the Order of the High Court under Section 391 and 394 read with Section 78, 100 to 104 of the Act sanctioning the Scheme are filed with the Registrar of Companies at Hyderabad and all the conditions and matters referred to in the Scheme occur or have been fulfilled or waived in accordance with the Scheme, or the Appointed Date, whichever is later.
- 4) With effect from the Appointed Date, all Liabilities (including present, future and contingent) and obligations of GOCL relating to the Lubricants Undertaking shall, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, stands transferred to and/or be deemed to be transferred to GOLIL so as to become the Liabilities and obligations of GOLIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities and obligations have arisen in order to give effect to this.
- 5) All contracts, deeds, bonds, insurance policies, agreements and other instruments, if any of whatsoever nature in relation to the Lubricants Undertaking and to which GOCL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of GOLIL as the case may be and may be enforced by or against GOLIL as fully and effectually as instead of GOCL, GOLIL had been a party thereto.
- 6) All employees of the Lubricants Undertaking of GOCL, in service on the Effective Date, shall be deemed to have become employees of GOLIL, with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and terms and conditions of their employment with GOLIL shall not be less favourable than those applicable to them with reference to GOCL in relation to the Lubricants Undertaking on the Effective Date.
- 7) All legal or other proceedings of whatsoever nature by or against GOCL in relation to the Lubricants Undertaking shall be continued and enforced by or against GOLIL.
- 8) The Scheme provides for security by GOCL of its assets belonging to the Remaining Business in relation to liabilities / obligations of the Lubricants Undertaking transferred to GOLIL and vice-versa, subject to receipt of arm's length consideration from the party taking the obligation.
- 9) With effect from the Appointed Date and upto and including the Effective Date, GOCL shall carry on and be deemed to have carried on the business and activities in relation to the Lubricants Undertaking.
- 10) Upon the Scheme coming into effect, in consideration for the transfer of and vesting of the assets and liabilities of the Lubricants Undertaking in GOLIL in terms of the Scheme, GOLIL shall, issue and allot to every equity shareholder of GOCL whose names appear in the Register of Members of the GOCL,

on the Record Date, 1 (One) fully paid-up Equity Share of Rs. 2/- each of the GOLIL for every 2 (Two) Equity Shares of Rs. 2/- each held by them in the GOCL.

- 11) All equity shares of GOLIL shall be listed and/or admitted to trading on the stock exchanges where the equity shares of GOCL are listed i.e. BSE and NSE and GOLIL shall execute appropriate agreements with BSE and NSE. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the stock exchanges.
- 12) With effect from the Appointed Date there shall be a reorganization of the paid-up equity capital of GOCL, pursuant to the demerger, to the effect that the paid-up equity share capital shall stand reduced from Rs. 19,82,89,960 divided into 9,91,44,980 equity shares of Rs. 2/- each to Rs 9,91,44,980 divided into 9,91,44,980 equity shares of Re. 1/- each. Further every 2(Two) equity shares of Re 1/- each shall be consolidated into 1(One) fully paid-up equity share of Rs 2/- each.
- 13) The Scheme also provides that the existing shareholding of GOCL in the equity share capital of GOLIL shall stand cancelled in accordance with the provisions of Sections 100 to 104 of the Act.
- 14) The utilisation of Securities Premium Account of GOCL shall be effected as integral part of the Scheme and the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up capital.
- 15) In the event the allotment of equity shares, results in fractional entitlements of equity shares in the GOLIL, GOLIL shall not issue fractional share certificates to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by GOLIL in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same in proportion to their fractional entitlements.
- 16) Equity shares to be issued by GOLIL in respect of such of the equity shares of the GOCL which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by GOLIL.
- 17) The shares issued to the members of Gulf Oil Corporation Limited by Gulf Oil Lubricants India Limited shall be issued in dematerialized form by GOLIL, unless otherwise notified in writing by the shareholders of Gulf Oil Corporation Limited to Gulf Oil Lubricants India Limited on or before such date as may be determined by the Board of Directors of Gulf Oil Corporation Limited.

Sequence of events of Scheme of Arrangement:

1. Board of Directors approved the Scheme of Arrangement at its Meeting held on August 7, 2013.
2. Application No. 1284 of 2013 by GOCL and Application No. 1285 of 2013 by GOLIL under Sections 391 to 394 read with Sections 78 and 100 to 104 of the Companies Act, 1956 filed with the Hon'ble High court at Andhra Pradesh on December 20, 2013 for the following:
 - a) Convening meetings of Equity Shareholders and secured and unsecured creditors Gulf Oil Corporation Limited
 - b) Dispensing with the meetings of Equity Shareholders, Secured and Unsecured Creditors of Gulf Oil Lubricants India Limited.
3. The Hon'ble High Court issued its order December 24, 2013 for the following:
 - a) Convening meetings of Equity Shareholders, Secured and Unsecured Creditors of Gulf Oil Corporation Limited.
 - b) Dispensing for Convening of meetings of Equity Shareholders, Secured and Unsecured Creditors of Gulf Oil Lubricants India Limited.
4. Gulf Oil Corporation Limited held meetings of the shareholders and unsecured creditors on January 30, 2014. Scheme of Arrangement approved by requisite majority at the meetings and

all unsecured creditors NOCs were obtained and submitted to the Honorable High Court of Andhra Pradesh.

5. Gulf Oil Lubricants India Limited filed the consequential petition for sanction of the Scheme by the High Court under Sections 391 to 394 read with Sections 78 and 100 to 104 of the Companies Act, 1956 on February 26, 2014.
6. The Scheme of Arrangement sanctioned by the Hon'ble High Court of Judicature of Andhra Pradesh vide order dated April 16, 2014.
7. The certified true copy of the final order of the High Court of Andhra Pradesh was received on May 8, 2014.
8. The certified copies of the order has been filed by our Company with ROC Andhra Pradesh on May 31, 2014. Upon filing of such certified copies, the Scheme came into effect and the Lubricants Undertaking of Gulf Oil Corporation Limited has been transferred to GOLILw.e.f. the Appointed Date, i.e. April 1, 2014.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Gulf Oil Lubricants India Limited
IDL Road, Kukatpally,
Sanathanagar (IE) po, Hyderabad – 500 018,
Telangana, India

Dear Sirs,

Statement of Possible Tax Benefits available to Gulf Oil Lubricants India Limited and its shareholders

We hereby confirm that the enclosed annexure, prepared by Gulf Oil Lubricants India Limited ('the Company') states the possible tax benefits available to the Company and the shareholders of the Company under the Income – Tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India in connection with the listing of Equity Shares of the Company and no discussion is made from the perspective of Direct Tax Code which is yet to be implemented. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the respective tax laws.

Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance as to whether:

- The Company is currently availing any of these tax benefits or will avail these tax benefits in future.
 - The Company or its shareholders will continue to obtain these benefits in future; or
 - The conditions prescribed for availing the benefits, where applicable have been/would be met.
 - The authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time.
- We do not assume responsibility to update the views consequent to such changes.

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Information Memorandum to be filed by the Company with Stock Exchange(s) and the concerned Registrar of Companies in connection with the proposed listing.

For Ford Rhodes Parks & Co.

Chartered Accountants
Firm Registration Number: 102860W
Partner- A. D. Shenoy
Membership No.: 11549
Place: Mumbai
Date: 17th June, 2014

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO GULF OIL LUBRICANTS INDIA LIMITED (EARLIER KNOWN AS HINDUJA INFRASTRUCTURE LIMITED) AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2013-2014.

A. Benefits to the Company under the Income Tax Act, 1961 ("the Act").

1. Special tax benefits

There are no special tax benefits available to the Company.

2. General tax benefits

(a) Business income / Deductions

- The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.
- As per provision of Section 32(1)(iia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant, subject to fulfilment of following conditions:
 - i. New asset is acquired and installed after 31 March 2005;
 - ii. Additional depreciation shall be available on all new plant and machinery acquired other than the following assets:
 - a. Ships and Aircraft;
 - b. Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
 - c. Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;
 - d. Any office appliances or road transport vehicles; or
 - e. Any machinery or plant, the whole of the actual cost of which is allowed as a deduction
- As per Section 32AC of the Income Tax Act, 1961, where an assessee, being a company, —
 - (a) is engaged in the business of manufacture of an article or thing and
 - (b) invests a sum of more than ₹100 crore in new assets (plant or machinery) as specified in Section 32AC, during the period beginning from 1st April, 2013 and ending on 31st March, 2015, then, the assessee shall be allowed—
 - (i) for assessment year 2014-15, a deduction of 15% of aggregate amount of actual cost of new assets acquired and installed during the financial year 2013-14, if the cost of such assets exceeds ₹100 crore;
 - (ii) for assessment year 2015-16, a deduction of 15% of aggregate amount of actual cost of new assets, acquired and installed during the period beginning on 1st April, 2013 and ending on 31st March, 2015, as reduced by the deduction allowed, if any, for assessment year 2014-15.

However there is a restriction on the transfer of plant or machinery for a period of 5 years. However, this restriction shall not apply in a case of amalgamation or demerger but shall continue to apply to the amalgamated company or resulting company, as the case may be. The benefit will be available from 1st April 2014, and will accordingly apply in relation to A.Y 2014-15 and subsequent years.
- As per section 35DD, the Company is eligible for the expenditure incurred wholly and exclusively for the purpose of amalgamation and demerger of an undertaking an amount equal to one-fifth of such expenditure for each of the successive five previous years.

- The Company is eligible for amortization of preliminary expenses being the expenditure on public issue of shares under section 35D of the IT Act, subject to the fulfillment of the prescribed conditions and limits specified in the section. The said deduction is an amount equal to one-fifth of the said expenditure for each of the five successive previous years beginning from the year in which the business commences.

(b) MAT credit

- As per the provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid on the book profit as computed under Section 115JB of the Act for that assessment year. Such MAT credit is available for set-off up to 10 assessment years succeeding the assessment year in which the MAT credit arises.

(c) Capital gains

(i) Computation and taxability of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on their nature and the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero-coupon bonds, held by an assessee for 12 months or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the Act is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction of sale of such shares or units is chargeable to securities transaction tax (STT) and subject to conditions specified in that section. However such LTCG shall be taken into account in computing the book profit and income tax payable under section 115JB of the Act.
- As per provisions of Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of Acquisition/ improvement ('COA/I') and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital Gains. However in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed cost of acquisition / improvement computed by applying the cost inflation index as prescribed from time to time.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund

specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% or 10% of the Income tax where the taxable income of a domestic company exceeds Rs 10,000,000 or Rs. 100,000,000 respectively. Further, education cess and secondary and higher education cess at the rate of 2% and 1% respectively of the Income-tax is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gains arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer in certain notified bonds redeemable after three years and issued by –:
 - National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(d) Securities Transaction Tax ('STT')

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Dividends

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and

secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

- Further, if the company being a holding company, has received any dividend from its subsidiary during the financial year on which such dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
- As per the provision of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).
- With effect from 1 June 2013, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

Provided that this exemption does not apply to any income arising from transfer of units of the Administrator of specified undertaking or specified company or mutual fund as the case may be. For this purpose;

a) "Administrator" means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002);

b) "specified company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002);

- However, in view of provision of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income.
- Also, section 94(7) of the Act provides that loss arising from sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such record date, will be disallowed to the extent dividend income, on such shares or units, claimed as exempt from tax.

(f) Chapter VIA

- As per provisions of Section 80G of the Act, the company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

B. Benefits to the Resident members / shareholders of the Company under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

(b) Capital gains

(i) Computation and taxability of capital gains

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on their nature and the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero

coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.

- STCG means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less. In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% or 10% of the Income tax where the taxable income of a domestic company exceeds Rs 10,000,000 or Rs. 100,000,000 respectively. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively of the Income-Tax is payable by all categories of taxpayers.
- Surcharge shall be payable at the rate of 10% where the taxable income of a taxpayer other than a domestic company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months

after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:

- Where a part of the long term capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as long term capital gains in the year of transfer /conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

C. Benefits to the Non-resident shareholders of the Company under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34), dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

(b) Capital gains

(i) Computation and Taxability of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on their nature and the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- STCG means capital gain arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less. In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- As per first proviso to Section 48 of the Act, the capital gains arising on transfer of shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- In case of non domestic company surcharge will be 2% or 5% depending upon taxable income exceeds Rs. 10,000,000 or Rs 100,000,000 respectively. Further, education cess and secondary and higher education cess at the rate of 2% and 1% respectively of the Income-tax is payable by all categories of taxpayers.
- In case of other non-residents, whose income exceeds Rs 10,000,000 surcharge shall be payable at 10%.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

- In addition to the same, some benefits are also available to a non-resident shareholder being an individual or HUF.
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'.

(c) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder or the Act, whichever is more beneficial.

(d) Non-resident taxation

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% plus surcharge if the total income exceeds Rs. 10,000,000. Further education cess and secondary & higher education cess of 2% and 1% respectively is also payable.
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% plus surcharge of 10% if the total income exceeds Rs. 10,000,000. Further education cess and secondary & higher education cess of 2% and 1% respectively is also payable. No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VIA of the Act.
- As per provisions of Section 115F of the Act, LTCG (other than gain exempt under section 10(38)) arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income/ LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable

as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

D. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

(b) Long – term capital gains exempt under section 10(38) of the Act

- LTCG arising on sale of equity shares of a company is exempt from tax as per provisions of Section 10(38) of the Act provided the transaction is chargeable to STT and subject to conditions specified in that section.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

(c) Capital Gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income exceeds Rs100,000,000. Further, education cess and secondary and higher education cess at the rate of 2% and 1% respectively on the Income-tax is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

(d) Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further

deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

E. Benefits available to Mutual Funds under the Act

- As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.
- However, the mutual funds are liable to pay tax on income distributed to unit holders of non-equity oriented mutual funds under Section 115R of the Act.

F. Benefits available to Venture Capital Companies/Funds

- As per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies ('VCC') /Funds ('VCF') from investment in a Venture Capital Undertaking. "Venture Capital Undertaking" means a venture capital undertaking referred to in the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

G. Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

H. Gift Tax Act, 1958

- Gift tax is not leviable in respect of any gifts made on or after October 1, 1998.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'.
- However, as per Section 56(2)(viiia) of the Act, any company not being a company in which public are substantially interested receives on or after June 1, 2010, any property being shares of a company in which public are substantially interested without consideration, the aggregate value of which exceeds Rs 50,000, than the whole of aggregate fair market value of such shares and securities shall be chargeable to the income-tax under the head 'income from other sources'. However if the consideration received is less than the aggregate fair market value of the shares and securities by an amount exceeding Rs 50,000 than the aggregate fair market value of such property as exceeds such consideration.

I. Inheritance Tax

At present there is no inheritance tax in India.

J. Taxation on liquidation or capital reduction payment

Any distribution made by a company to its shareholders upon liquidation or the reduction or its capital will be treated as deemed dividend income in the hands of the shareholders and will be subject to Indian Income tax to the extent to which such distribution is attributable to the accumulated profits of such company. Any gains accruing to the shareholders on the company's liquidation or the reduction of its capital in excess of its accumulated profits will be liable to income tax as capital gains in the hands of the shareholders as per the provisions of the Income tax Act. The payment will be subject to Tax Deducted at source at the applicable rate where those related provisions are applicable.

K. Tax Deduction at Source

No income-tax is deductible at source from income by way of capital gains under the present provisions of the IT Act, in case of residents. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains, payable to non residents (other than long-term capital gains exempt under section 10(38) of the IT Act), may be liable to the provisions of with-holding tax, subject to the provisions of the relevant tax treaty. Accordingly, income tax may have to be deducted at source in the case of a non- resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee, unless a lower withholding tax certificate is obtained from the tax authorities. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor

Notes:

- All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- There are no special tax benefits available to the shareholders of the Company.
- The above Statement of Possible Direct tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase ownership and disposal of shares.
- The above Statement of Possible Direct tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
- In respect of non-residents the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident is a resident.

CURRENCY OF PRESENTATION

In this Information Memorandum all references to Rupees or Rs. or INR are to Indian Rupees, the official currency of the Republic of India. The words “Lakh” or “Lac” mean “100 thousand” and the word “million” means “10 Lakh” and the word “crore” means “10 million” or “100 Lakhs” and the word “billion” means “1,000 million” or “100 crores”.

DIVIDEND POLICY

The Company does not have any formal dividend policy for the equity shares. The declaration and payment of equity dividend in a company is recommended by our Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares so far.

SECTION 4 - FINANCIAL INFORMATION

- A. The Segment wise revenue and profit (before tax and finance costs) of the Lubricants division of GOCL(which has been demerged into the Company) as per the audited financial results of GOCL as per Clause 41 of the Listing Agreement for the past three years are given below:

(Rs.in lakhs)

Particulars	March 31, 2014	March 31, 2013	March 31, 2012
Lubricants Segment Revenue	88,181.63	84,347.08	75,631.97
Lubricants Segment profit (before tax and finance costs)	10,546.29	10,568.43	9,381.70

- B. The Company did not have operations since incorporation. The operations consist of the lubricants business of GOCL which has been demerged into the Company effective from April 1, 2014. The brief audited financial details of our Company for the last five financial years are as follows.-

Balance Sheet

(in Rs.)

Particulars	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010
Equity and Liabilities					
Shareholders' Funds					
Share Capital	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000
Reserves and Surplus	(78,260)	(20,853)	(33,736)	(44,527)	(46,726)
	4,21,740	4,79,147	4,66,264	4,55,473	4,53,274
Non-Current Liabilities					
Long Term Borrowings	18,60,00,000	-	-	-	-
Current Liabilities					
Short term borrowings	-	-	-	1642	-
Trade payables	37,995	49,882	24,513	28,016	24,266
Other Current liabilities	15,21,79,500	2,500			
Short term provisions	11,035	11,035	8,002	3176	3762
	33,82,28,530	63,417	32,515	32834	28028
Total	33,86,50,270	5,42,564	4,98,779	4,88,307	4,81,302
Assets					
Non Current Assets					
Fixed Assets	33,81,75,000	-	-	-	-
Current Assets					
Cash and cash equivalents	4,59,983	5,29,938	4,90,532	4,82,245	4,78,092
Short-term loans and advances	15,287	12,626	8,247	6,062	3,210
	4,75,270	5,42,564	4,98,779	4,88,307	4,81,302
Total	33,86,50,270	5,42,564	4,98,779	4,88,307	4,81,302

Profit & Loss Statement

(in Rs.)

Particulars	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Income					
Revenue from operations	-	-	-	-	-
Other income	23,246	43,785	38,850	30,491	24,302
Total Revenue	23,246	43,785	38,850	30,491	24,302
Expenses					
Other Expenses	80,653	27,869	23,233	27,236	13,236
Total Expenses	80,653	27,869	23,233	27,236	13,236
Profit/(Loss) before exceptional and extraordinary items	(57,407)	15,916	15,617	3,255	11,066
Exceptional/Extraordinary items	-	-	-	-	-
Profit/(Loss) before Tax	(57,407)	15,916	15,617	3,255	11,066
Earnings Per Equity Share Equity share of par value of Rs. 10/- each					
- Basic	(1.15)	0.26	0.22	0.04	0.15
- Diluted	(1.15)	0.26	0.22	0.04	0.15

Cash Flow Statement

(in Rs.)

Particulars	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
A. Cash Flow from Operating Activities					
Profit before tax	(57,407)	15,916	15,617	3,255	11,066
Increase/(Decrease) in trade payables	(11,887)	27,869	(3,503)	-	-
Increase/(Decrease) in short term borrowings	-	-	(1,642)	-	-
Increase/(Decrease) in short term Provisions/other current liabilities	15,21,77,000	3,033	4,826	3,750	13,236
Increase / (Decrease) in short term Loans & Advances	(2,661)	(4,379)	(2,185)	(2,852)	(3,210)
	1521,62,452	26,523	(2,504)	898	10,026
Net cash generated from operating activities	1521,05,045	42,439	13,113	4,153	21,092
Income Tax	-	(3,033)	(4,826)	-	-
Net Increase /(Decrease) in Cash and Cash Equivalents	1521,05,045	39,406	8,287	4,153	21,092
B. Cash Flow from Financing Activities					
Long Term Borrowing	18,60,00,000	-	-	-	-

C. Cash Flow from Investing Activities					
Purchase of fixed assets	(3381,75,000)	-	-	-	-
Cash and Cash Equivalents as at the beginning of the year					
Cash on hand					
Bank Balances with Scheduled Banks in:					
- Current Accounts	9,006	9,006	35,684	57,000	4,57,000
- FD Accounts maturity within twelve months	5,20,932	4,81,526	4,46,561	4,21,092	0
Cash and Cash Equivalents as at the end of the year	4,59,983	5,29,938	4,90,532	4,82,245	4,78,092
Cash and Cash Equivalents comprise:					
Cash on hand	-	-	-	-	-
Bank balances with Scheduled Banks in:					
- Current Accounts	4,59,983	9,006	9,006	35,684	57,000
- FD Accounts	-	5,20,932	4,81,526	4,46,561	4,21,092
	4,59,983	5,29,938	4,90,532	4,82,245	4,78,092

Other Financial Data

Particulars	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Dividend (%)	-	-	-	-	-
Basic Earnings Per share (Rs.)	(1.15)	0.26	0.22	0.04	0.15
Diluted Earnings Per share (Rs.)	(1.15)	0.26	0.22	0.04	0.15

Significant Accounting Policies & Notes to Accounts

Notes to Accounts

1.01 Share Capital

(i)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Authorised	50,000	5,00,000	50,000	5,00,000
a) 50,000/- Equity Shares of Rs. 10/- each				
Total	50,000	5,00,000	50,000	5,00,000
Issued, Subscribed and fully paid up 50,000 Equity Shares of Rs. 10/- each	50,000	5,00,000	50,000	5,00,000
Total	50,000	5,00,000	50,000	5,00,000

Rights attached to equity shares:

- (i) Right to receive dividend as may be approved by the Board/Annual General Meeting
- (ii) The equity shares are not repayable except in case of a buy back reduction of capital or winding up in terms of the provisions of the Companies Act, 1956.
- (iii) Every member of the Company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

(ii) Reconciliation of number of shares outstanding

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000
Total	50,000	5,00,000	50,000	5,00,000

(iii) Shares in the company held by the holding company

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Gulf Oil Corporation Limited	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%

1.02 Reserves & Surplus

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013(Rs.)
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	(20,853)	(33,736)
Add: Net profit after tax transferred from Statement of Profit and Loss	(57,407)	12,883
Balance as at the end of the year	(78,260)	(20,853)
Total Reserves and Surplus	(78,260)	(20,853)

1.03 Long Term Borrowings

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013(Rs.)
Borrowings from related parties Gulf Oil Corporation Ltd.	186,000,000	-
Total	186,000,000	-

1.04 Trade Payables

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Sundry Creditors for expenses	37,995	49,882
Total	37,995	49,882

1.05 Other Current Liabilities

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)

Creditors for Capital Items	148,793,250	-
Outstanding expenses – Sitting Fee	4,500	2500
TDS Payable	3,381,750	-
Total	152,179,500	2,500

1.06 Short Term Provisions

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Provision for Income Tax	11,035	11,035
Total	11,035	11,035

1.07 Fixed Assets

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Land (Land will be registered in the name of the Company on making full payment)	338,175,000	-
Total	338,175,000	-

1.08 Cash and Cash Equivalents

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Bank Balances		
In Current Account	459,983	9,006
IN Fixed Deposit Accounts	-	520,932
Total	4,59,983	529,938

1.09 Short-term loans and advances

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Loans and Advances to related parties	-	-
Unsecured	-	-
Others – TDS	15,287	12,626
Total	15,287	12,626

1.10 Other Income

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Interest on Term Deposits (Tax deducted at source Rs. 2,325/- (Previous year Rs. 4,379)	23,246	43,785
Total	23,246	43,785

1.11 Other Expenses

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Legal & Professional Expenses	15,426	11,886
Stamp Duty Expenses	9,900	-
Licenses & Renewals	1,800	-
Filing Expenses	15,000	-
Advertisement Expenses	17,094	-
Directors Sitting Fee	4,500	2,500
Bank Charges	450	-
Auditors Remuneration		
- As Auditors	13,483	13,483

- For other services	-	-
- For reimbursement of expenses	-	-
Other Miscellaneous Expenses	3,000	
Total	80,653	27,869

2. Significant Accounting Policies & Notes to Accounts

2.1 Background

The Company 'Gulf Oil Lubricants India Limited' was originally incorporated on 17th July, 2008 by its promoter Gulf Oil Corporation Limited (GOCL). All the equity shares of the Company are held by GOCL and its nominees. Thus the Company is a wholly owned subsidiary of Gulf Oil Corporation Ltd.

The Company is formerly known as Hinduja Infrastructure Limited and changed to the present name, Gulf Oil Lubricants India Limited with effect from 12th September, 2013. The main objects of the Company as originally incorporated, were to develop properties in India and carry on the business as developers of infrastructure, turnkey project consultants, builders, coordinators, contractors and to build, own and/or operate Sea ports, River Ports, Break Water Projects, airports, aerodromes, helipads, to set up SEZ (Special Economic Zones), EPZ (Export Processing Zone), Roads and Mining Service. During the year under review, the company has changed its objects clauses, in terms of the resolution passed in the extraordinary general meeting held on 16th August 2013. Currently, the main objects of the Company include carrying on of business as manufacturer or dealer in organic and inorganic chemicals, Lubricants, fuel oils, greases, base oils and other specialty oils and chemicals..

A Scheme of Arrangement in the nature of demerger of Lubricants Undertaking of Gulf Oil Corporation Limited and transfer of the same to the Company, with 1st April 2014 as the Appointed Date is under the consideration of the Honorable High Court of Andhra Pradesh. The Court Order in this regard is awaited.

2.2 Accounting Concepts

The accounts have been prepared on accrual basis, in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act 1956, to the extent applicable.

2.3 Taxation

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. Deferred tax assets/ liability has not been recognised.

2.4 Provisions for Contingent Liabilities and Contingent Assets

Contingent liabilities are not provided for and are disclosed by way of notes after careful evaluation by the management of the facts and legal aspects of the matters involved. Contingent assets are neither recognized nor disclosed in the financial statements.

2.5 Contingent Liabilities

There are no Contingent liabilities as at 31.03.2014

2.6 Related Party Disclosures

Related Parties

Gulf Oil Corporation Ltd.	Holding Company
Gulf Carrosserie India Ltd.	Fellow Subsidiary

Gulf Oil Bangladesh Limited	Fellow Subsidiary (up to 31.12.2013)
P.T. Gulf Oil Lubricants Indonesia	Fellow Subsidiary (up to 31.12.2013)
Gulf Oil (Yantai) Company Limited	Fellow Subsidiary (up to 31.12.2013)
IDL Buildware Limited	Fellow Subsidiary
IDL Explosives Limited	Fellow Subsidiary
HGHL Holding Co. Ltd.	Fellow Subsidiary

Parties with whom transactions have taken place during the year

Gulf Oil Corporation Limited	Holding Company
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Details of transactions taken place with Gulf Oil Corporation Limited

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Borrowings from Holding Company Gulf Oil Corporation Limited	Rs. 18,60,00,000	Nil

The loan borrowed from Holding Company Gulf Oil Corporation Limited is interest free loan and has no repayment schedule

- 2.7** Based on records / information available with the company there are no dues payable to small scale and MSME units.
- 2.8** Previous figures are regrouped reclassified wherever necessary

MANAGEMENT DISCUSSION AND ANALYSIS

A. Overview:

The Lubricants business of the Company currently operates in the automotive, industrial and marine segments in India with some exports to markets like Bangladesh, Indonesia and Nepal.

In the last 2 years, the Lubricant industry has been adversely impacted by slower GDP, industrial, infrastructure and automotive industry growths. Further, the industry was also impacted by the extremely volatile exchange rate and depreciation of the rupee by around 13% during the financial year 2013-14. Since a major portion of demand of base oils and additives for the industry is catered from imports, it resulted in continuous increase in input costs. While the rupee started stabilizing from around February 2014, it impacted the profitability of all import dependant companies and the Lubricants business also had to face this challenge.

During the financial year 2013-14, the automotive industry growth in volume terms has been negative in the commercial vehicle space which saw a 20% drop in domestic sales. Passenger vehicle sales also witnessed a negative drop of 6.8%. 2 wheelers (with scooters showing good growth) came in positively at 7.3% growth. Tractors grew well at 15.75%. Overall the industry grew by 3.5 % (sans Tractors). This has impacted Lubricants volumes for most players in the industry not only for OEM fills but also in the Bazaar market as vehicle movement came down considerably with complete slowdown in infrastructure and mining activities and overall industrial production.

B. Business Overview of the Lubricant division of GOCL

GOCL's Lubricant Division has achieved a compounded annual growth rate of around 12% over last 6 years. In spite of a challenging environment, GOCL's Lubricant Division has been able to maintain volumes, grow its revenues by around 5% and gain further market share during the financial year 2013-14. Within the Automotive segment the division has been successfully increasing its presence on sub segments like New Generation Diesel engine oils for Commercial vehicles, Motorcycle oils and also expanding its focus in the passenger car and tractor lubricant areas.

Lower goods movement on account of the overall subdued economy and closure in mining, slowdown in infrastructure resulted in large number of vehicles remaining idle in the commercial vehicles (trucks, tippers, etc.) and construction equipment. Overall demand for lubricants for commercial vehicles was negative (estimated drop is 8- 10%) in 2013-14 and this impacted the sales of the lubricants division of GOCL directly.

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

New Business Development in terms of an increased sales and addition of new customers in the Government sector, infrastructure, mining and fleet segment, marine, OEMs and direct industries resulted in retaining overall market shares by the Lubricants division of GOCL.

C. Our Strategy

During the current financial year, effective from April 1, 2014, the Company acquired the Lubricants Business on a going concern basis under the court approved Scheme of Arrangement.

Our Company has the following growth strategy:

1. Strengthening the Product Portfolio

It is our Company's endeavor to continue with the efforts to constantly develop new products to cater to our customers requirements both within its traditional product framework as well as for new speciality and value added products.

Our marketing team provides regular inputs to the Global R&D team regarding customer requirements in order to introduce new products to meet customer needs.

2. Strengthening the relationships with OEMs.

One of the key drivers of the global lubricant business is strengthening the alliances with OEMs for developing, manufacturing and marketing "Co-branded Oils", which apart from ensuring appropriate quality and performance at the final customer interface, also provides an auxiliary revenue stream for the OEM's by way of royalties paid by the oil companies.

3. Focus on branding and visibility

Our Company recognizes the importance of branding. We intend to enhance the positioning of the Gulf brand and its visibility through multi-media advertisements, new Customer Relationship Management (CRM) initiatives, and promotional activities including motor sports.

D. Competitive Strengths

1. Benefits of parentage

Our Company has strong parentage being a strategic part of the Hinduja Group. We would benefit from group synergies, including access to talent, technical expertise and knowledge.

2. Well recognized brand and established track record in the lubricants business.

The Gulf brand is a well recognized brand and has an established track record in the lubricants business.

3. Wide range of products in lubricants

Our Company manufactures a complete range of lubricants which include motor oil, gear oil, industrial oils, greases and speciality products. We also manufacture various lubricant products for industrial and marine applications, as well as for construction and mining equipments.

4. Steady performance of the lubricants business

The Lubricants business has steadily performed in the past and is expected to grow in the future as well.

5. Advantage of location in manufacturing and marketing

Our manufacturing facility at Silvassa is well-connected by road and rail to the rest of the country and is in close proximity to major Indian ports at Mumbai and NhavaSheva. It facilitates availability of raw materials at our manufacturing facility and supply of finished products to various parts of the country as well as export to various countries.

6. Diversified customer base

In the institutional segment we have relationships with various OEM's to whom we regularly supply our products. Besides, we also supply to various State Transport Undertakings and

are also approved to participate in tenders for supplies to Public Sector Undertakings (PSU's). Under the retail (bazaar), our Company has a large network of distributors across India for retailing the products. Moreover our Company also exports our products to countries such as Bangladesh, Indonesia and Nepal.

7. Product design and development

Product design and development form an integral part of our Company's operations. Our Company continuously focuses on new product offerings in order to acquire new customers and gain market share.

E. Changes in engine technology

Stronger emission norms and demand for fuel efficiency is driving OEMs to keep developing new engine technology at a faster pace. India has also become an important export center for many global players who are demanding higher specification engines and engine oils to meet the more stringent international norms and specifications. This is driving the lubricant market to low viscosity, synthetic lubricants. Over the last decade, volume growth in the lubricants market has been little, regardless of strong growth in the automobile industry. This has principally been due to advances in technology, resulting in gradually increasing drain intervals.

F. Transforming distribution channel from retail PSUs to bazaar trade

Indian lubricants market is driven by two key distribution segments that are Bazaar segment and Retail oil PSU's. Conventionally the major portion of the revenue used to come from the petrol stations. PSU petrol pumps accounted for 80% of the total automotive lubricants market in India in the 1990s. This trend has changed since then and continues to change with the bazaar segment gaining an upper hand. The bazaar trade is now responsible for 80% of sales and includes leading private players such as Castrol, Shell, Tide Water and our Company. This signifies a change in the landscape of the whole distribution market for automobile lubricants post liberalization. As urbanization has become a standard in recent times, OEM Dealers and authorized workshops are now becoming the major players in the lubricants distribution space.

G. Competition.

The lubricant market is highly competitive and consists of a large number of players including the state owned oil companies, large multinational players as well as local manufacturers. Besides, there are various regional players as well with small capacities. Aggressive pricing or discount strategies from the market leaders or other players, including new players, might have an adverse impact on us. Intense competition is expected to continue in the market, presenting us with various challenges in our ability to maintain growth rates and profit margins.

H. Factors that may affect Results of the Operations:

Our results of operations and financial condition may be affected by a number of factors, including the following:

- our ability to maintain the quality of our products and services,
- our ability to create brand awareness in the new markets;
- our ability to increase our customer base;
- our ability to attract, train and retain employees who have the requisite skills;
- our ability to continue to expand our products and services;
- our ability to build, acquire, maintain and update the required technology and systems;
- the general condition of the global economy (particularly of India and the other markets we may operate in);
- our ability to compete effectively with existing and future competitors;
- changes in our regulatory environment.

For more information on these and other factors which have or may affect our financial conditions, please refer to the section entitled “Risk Factors” section beginning on page no. 7 of this Information Memorandum.

I. Results operations of GOLIL

Our Company did not have any operations since incorporation. The operations consist of the lubricants business of GOCL which has been demerged into the Company effective from April 1, 2014.

Audited Profit & Loss Statement of GOLIL for the past three financial years

(Amount in Rupees)

Particulars	FY 2014	FY 2013	FY 2012
Income			
Total Revenue	23,246	43,785	38,850
Expenses			
Total Expenses	80,653	27,869	23,233
Profit/(Loss)	(57,407)	15,916	15,617

Purchase of land at Ennore near Chennai for the Company’s second lubricants plant

The Company has acquired the land at Ennore for setting up of the second lubricant plant for which the advance payment was made to the seller by taking corresponding advance of Rs. 18,60,00,000 from GOCL in FY 2014. Post demerger, the said liability will be nullified against advance receivables in the books of GOLIL, hence there will be no impact on the financials of GOLIL.

J. Basis of presentation

Our financial statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

K. Critical Accounting Policies

For details of the significant accounting policies of our Company please refer to the section titled “Financial Information” beginning on page no. 68 of this Information Memorandum.

L. Significant developments subsequent to the preparation of the Audit Report i.e. March 31, 2014:

Except for the transfer of the Lubricants business with effect from April 1, 2014 and the compliance requirements with respect to listing the equity shares of the Company pursuant to the Scheme of Arrangement and the appointment of M/s Price Waterhouse as Statutory Auditors of the Company, there are no significant developments subsequent to the preparation of the Audit Report i.e. March 31, 2014.

SECTION – 5 - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

This section should be read in conjunction with the Section “Risk Factors”.

Outstanding litigations and Material developments involving Gulf Oil Lubricants India Limited

There are no litigations against Gulf Oil Lubricants India Limited or against any other company whose outcome could have a materially adverse effect on the position of Gulf Oil Lubricants India Limited, no litigations against the directors involving violation of statutory regulations or alleging criminal offence, criminal/ civil prosecution against the directors for any litigation towards tax liabilities, no pending proceedings initiated for economic offences against GOLIL or its directors, adverse findings in respect of Gulf Oil Lubricants India Limited as regards compliance with the securities laws, no penalties that were imposed by the authorities concerned on Gulf Oil Lubricants India Limited or its directors ;no outstanding litigations, defaults, etc. pertaining to matters likely to affect operations and finances of Gulf Oil Lubricants India Limited, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956) etc. no pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences or civil offences(including the past cases, if found guilty), no disciplinary action taken by the Board or stock exchanges against Gulf Oil Lubricants India Limited or its directors, no small scale undertaking(s) or any other creditors to whom Gulf Oil Lubricants India Limited owes a sum exceeding Rs. one lakh which is outstanding more than thirty days.

Outstanding litigations involving the Promoter and Group Companies

There are no outstanding litigations, disputes, non-payment of statutory dues, over dues to banks / financial institutions, defaults against banks / financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares issued, defaults in creation of full security as per terms of issue, other liabilities, proceedings initiated for economic / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act, 1956) against the promoter and the Group Companies, except the following:

Litigations involving Group Companies:

1. Gulf Oil Corporation Limited

Sr. No	Nature of Litigation	No of Cases	Amount involved (Rs. Lakhs)
A	Filed by GOCL		
1	Civil cases	46	1,273.31
2	Criminal cases	44	233.14
3	Income Tax	9	2,393.19
4	Service Tax	3	1,133.03
5	Sales Tax	19	3,125.06
6	Excise Duty	23	757.30
7	Entry Tax	8	38.51
8	VAT	4	10.33
	SUB TOTAL (A)	156	8,963.87
B	Filed against GOCL		
1	Civil cases*	46	16,773.45
2	Criminal cases**	2	5.00
3	Income Tax	4	760.32
4	Service Tax	1	321.26
5	Sales Tax	21	Negligible
6	Excise Duty	25	7.13
	SUB TOTAL (B)	99	17,867.16

* Out of the civil cases filed against GOCL, following are the major cases in terms of the amount claimed:

- a. Civil Case filed by Udasin Mutt, a Charitable and Religious Endowment Institution for eviction of GOCL from its leased land, for alleged breach of certain conditions of the lease. A claim of Rs.4.26 crores per month for the period 24.12.2007 to 17.08.2010 and arrears aggregating to Rs.136.55 crores for use and occupation charges was filed against GOCL. The matter is currently pending.
- b. Counter claim by Singareni Colliery Company Limited (SCCL), customer of GOCL for Rs. 69.68 lakhs on account of alleged non-achievement of powder factor (product performance).The matter is currently pending.
- c. Penalty levied on GOCL by Competition Commission of India ofRs. 28,94,76,300/- for alleged anti-competitive practice. The matter is currently pending.
- d. Claim for Rs. 28.92 lakhs by M K Sahoo, an employee of GOCL who was dismissed and reinstated, for back wages. The matter is currently pending.
- e. Compensation claim of Rs. 15 lakhs by T Amaravathi, wife of Mr. T Yogeswar Rao, an employee missing in an accident. The matter is currently pending.

** Out of the criminal cases filed against GOCL, there is one motor insurance claim for compensation of Rs. 5 lakhs due to death by accident by a trailer owned by GOCL.

2. IDL Buildware Limited

Sr. No.	Nature of Litigation	No of Cases	Amount involved (Rs. Lakhs)
	Cases filed by IDL Buildware		
1	- Civil cases	1	7.02
2	- Tax cases	1	2.86
	Total	2	9.88

3. Gulf Carosserie India Limited

Sr. No.	Nature of Litigation	No of Cases	Amount involved (Rs. Lakhs)
	Cases filed by Gulf Carosserie India Ltd.		
1	- Tax cases (Sales Tax)	5	39.67
	Total	5	39.67

4. IDL Explosives Limited

Sr. No	Nature of Litigation	No of Cases	Amount involved (Rs. Lakhs)
	Filed by IDL Explosives Limited		
1	Entry Tax	7	26.63
2	Sales Tax	8	6.46
3	Civil cases	1	0.00
4	Central Excise	1	8.41
	Total	17	41.50

GOVERNMENT APPROVALS

Pursuant to the Scheme, all the permissions, approvals, licenses etc. granted by the Government and Government agencies in connection with or relating to the lubricants business of GOCL shall be transferred to and vested in and/or deemed to be transferred to and vested in our Company.

SECTION – 6 REGULATORY AND STATUTORY DISCLOSURES

REGULATORY AND STATUTORY DISCLOSURES

Authority for the scheme

The Hon'ble High Court of Judicature at Andhra Pradesh, by its order dated April 16, 2014 has approved the Scheme of Arrangement between Gulf Oil Corporation Limited, Gulf Oil Lubricants India Limited and their respective shareholders and creditors. In accordance with the Scheme, the Lubricants Undertaking of Gulf Oil Corporation Limited stands transferred to and vested with Gulf Oil Lubricants India Limited, w.e.f. April 1, 2014 (the appointed date under the Scheme) pursuant to Section 391 to 394 read with Sections 78 to 100 of the Companies Act, 1956. In accordance with the said scheme, the Equity shares of our Company to be issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and is subject to fulfillment by our Company of listing criteria of BSE and NSE and also subject to such other terms and conditions prescribed by BSE and NSE at the time of application by our Company seeking listing.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations 2009 do not become applicable. However, SEBI has vide its letter No.CFD/DIL-1/BNS/SD/21607/2014 dated July 22, 2014, granted relaxation of clause (b) to sub-rule (2) of rule 19 thereof by making an application to the Board under sub-rule (7) of rule 19 of the SCRR as per the SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Our Company has submitted the Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on the website www.gulfoilindia.com. Our Company has published an advertisement in the newspapers containing its details as per the SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013. The advertisement has drawn specific reference to the availability of this Information Memorandum on the website.

Prohibition by SEBI

The Company, its directors, its promoter, other companies promoted by the promoter and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Disclaimer Statement by the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 or any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his own risk should be incorporated. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of shares. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.

In Principle Approval from BSE& NSE

The Company has received in-principle approval under clause 24(f) from BSE bearing no. DCS/AMAL/24(f) dated December 13, 2013 and listing approval from BSE bearing no. DCS/AMAL/PS/IP/108/2014-15 dated July 4, 2014 and in-principle approval under clause 24(f) from NSE bearing no. NSE/LIST/224660-Q dated December 16, 2013 and listing approval from NSE bearing no. NSE/LIST/244704-N dated July 11, 2014.

SEBI Relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957

The Securities and Exchange Board of India has given relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 to the company vide the letter bearing no. CFD/DIL-1/BNS/SD/21607/2014 dated July 22, 2014.

Disclaimer Clause – BSE

As required, a copy of this Information Memorandum has been submitted to BSE. BSE has vide its letter dated December 13, 2013 respectively approved the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of that approval, the BSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company; and
- it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause -NSE

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has vide its letter dated December 16, 2013, approved the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of the said approval NSE's name is included in this Information memorandum as one of the stock exchanges on which this Company's securities are proposed to be listed. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Information Memorandum has been cleared or approved by NSE; nor does NSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that the Company's securities will be listed or continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition, whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

Copy of this Information Memorandum has been filed with BSE and NSE.

Demat Credit

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE635Q01029. Shares have been allotted to those shareholders who have provided necessary details to the Company and/or who were holding their shares in Gulf Oil Corporation Limited in demat form as on the Record Date, June 5, 2014. The demat shares have been credited to the demat accounts of the shareholders by CDSL on June 20, 2014 and NSDL on June 21, 2014.

Dispatch of share certificates

Pursuant to the Scheme, on June 12, 2014, our Company has issued and allotted its Shares to eligible shareholders of Gulf Oil Corporation Limited on the Record Date, June 5, 2014 and our Company has dispatched share certificates to those shareholders holding shares in GOCL in physical form on June 18, 2014.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained an expert opinions.

Previous Rights and Public Issues

The Company has not made any public or rights issue since incorporation.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the same management

There are no companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 other than the ones disclosed elsewhere in the Information Memorandum.

Promise vis-a-vis Performance

This is for the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by the Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Disposal of Investor Grievances

Karvy Computershare Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. The Company has set up service standards for each of the various processors involved such as effecting the transfer/dematerialization of securities/change of address ranging from 3-7 days. Karvy Computershare Private Limited maintains an age-wise analysis of the process to ensure that the standards are duly adhered to.

Mr. Vinayak Joshi, the Company Secretary of the Company is vested with responsibility of addressing the Investor Grievance in coordination with Registrar & Transfer Agents.

Name and Contact Address of the Company Secretary:

Mr. Vinayak Joshi
Gulf Oil Lubricants India Limited
IN Centre, 49/50 MIDC 12th Road, Marol, Andheri (East),
Mumbai – 400093
Tel: +91 22 6648 7777
Fax: +91 22 2824 8232
E-mail: secretarial@gulfoil.co.in

Change in auditors during last three years

Ford, Rhodes, Parks & Co., Firm Registration Number:102860W was appointed as the first auditor of our Company. Ford, Rhodes, Parks & Co. remained the statutory auditors of the Company till the financial year ending 2013-14 and expressed their unwillingness for re-appointment as Statutory Auditors for the financial year 2014-2015. The shareholders of the Company thereafter appointed M/s Price Waterhouse, Chartered Accountant, Firm Registration No.301112E as Statutory Auditors of the Company on June 4, 2014 for a term of 5(five) consecutive years from the financial year 2014-15.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

GENERAL

1. Regulations contained in Table A in the First Schedule to the Act shall apply in so far only as they are not inconsistent with any of the provisions contained in these Regulations and also those for which no provision has been made in these Regulations.
2. In the construction of these Articles, unless there be something in the subject or context inconsistent therewith, words or expressions contained in these presents shall bear the same meaning as in the Companies Act, 1956 and in particular.
 - a) "The Company" means " *GULF OIL LUBRICANTS INDIA LIMITED".
 - b) 'The Act' or 'the said Act' means the Companies Act, 1956 (1 of 1956) or any statutory modification or re-enactment thereof for the time being in force.
 - c) "Board" shall mean the Board of Directors of the Company.
 - d) "Director(s)" shall mean the Director(s) of the Company.
 - e) "In Writing" includes printing, lithography, type writing and other usual substitutes for writing.
 - f) "Member" shall mean Members of the Company holding a share or shares of any class and registered in the Register of members of the Company.
 - g) "Month" shall mean the calendar Month.
 - h) "The Office" means the Registered Office of the Company.
 - i) "Paid up" shall include 'Credited as Fully Paid up'.
 - j) "Persons" shall include any Corporation as well as individuals.
 - k) "Proxy" includes persons duly constituted under a Power of Attorney.
 - l) "These Presents" or "Regulations" means these Articles of Association originally framed or altered from time to time and in force for the time being and include the Memorandum of Association where the context so requires .
 - m) "The Register " shall mean the Register of Members to be kept as required by Section 150 of the Act .
 - n) "The Seal" means the Common Seal for the time being of the Company.
 - o) "Share" means a fully paid-up equity share in the fully paid-up equity share capital of the Company currently having a face/par value of Rs.10 per share.
 - p) "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.
 - q) Words importing the masculine gender shall include the feminine gender and vice versa.
 - r) Words importing the singular shall include the plural and words importing plural shall include the singular .
 - s) "Section" means Section of THE COMPANIES ACT, 1956, or any amendment thereof.
 - t) "Year" means year of account of the Company.

CAPITAL*

3. The Authorised Share Capital of the Company is Rs. 9,96,44,980 / - (Rupees Nine Crore Ninety Six Lacs forty four Thousand Nine Hundred Eighty Only) divided into 4,98,22,490 (Four Crore Ninety Eight Lacs Twenty Two Thousand Four Hundred Ninety only) Equity Shares of Rs. 2/- (Rupees Two Only) each and the same may be increased or reduced in accordance with the Companies Act, 1956 and the Memorandum of Association of the Company as and when thought fit.

** As amended by the Scheme of Arrangement inserted in the MOA & AOA*

SHARES

4. The Board shall duly comply with the provisions of Section 75 of the Act with regard to allotment of shares from time to time.
5. The Board may, at its discretion, convert the un-issued Equity Shares and issue into Preference

Shares or Redeemable Preference Shares or vice versa and the Company may issue in part or parts of the un-issued shares upon such terms and conditions and with such rights and privileges annexed thereto subject to the provision of Section 86 of the Act as the Company thinks fit and in particular may issue such shares with such preferential or qualified right to dividends.

6. The Directors may from time to time make such calls upon Members in respect of all moneys unpaid on their Shares. A call shall be deemed to have been made at the time when resolution of the Directors authorizing such calls was passed

SHARE CERTIFICATES

7.
 1. Every certificate of title to shares be issued under the Seal of the Company. Every share certificate and document of title to the shares whether in renewal of any existing share certificate or other document of title or issued for the first time shall be issued, under the authority of the Board of Directors and in accordance with provisions of the Companies (Issue of Share Certificate) Rules, 1960 or any modification thereof and in accordance with the provisions of law or other rules having the force of law applicable thereto
 2. Every person whose name is entered as a member in the register shall be entitled to receive without payment.
 - (a) One certificate for all the Shares. Share /Debenture Certificates shall be issued in marketable lots and where share /debenture certificates are issued for either more or less than marketable lots, sub - division /consolidation into marketable lots shall be done free of charge.
 - (b) Whether the shares so allotted at any one time exceed the number of shares fixed as marketable lot in accordance with the usages of the Stock Exchange or at the request of the Shareholder, several certificates one each per marketable lot and one for the balance.
 3. The Company shall within ten weeks of close of subscription list or within one month after application for the registration of the transfer of any shares or debentures complete and deliver the certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares or debentures otherwise provide.
 4. Every certificate shall be under the seal and shall specify the shares or debentures to which it relates and the amount paid up thereon.
 5. The provision of clause (3) and (4) above shall apply mutatesmutandis to debentures and debenture stock allowed or transferred.
 6. No fee shall be charged for the issue of a new share certificate either for sub -division of the existing share certificate or for consolidation of several share certificates into one or for issue of fresh share certificates in lieu of share certificates on the back of which there is no space for endorsement of transfer or for registration of any probate, letter of administration, succession certificate or like document.

CALLS ON SHARES

8.
 1. Subject to the provisions of Section 91 of the Act, the Board of Directors may, from time to time make such calls as they think fit upon the members in respect of all money unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the time, date and place or at the dates, times and places appointed by the Board of Directors
 2. The Board of Directors, may when making a call by resolution, determine the date on which such calls shall be deemed to have been made not being earlier than the date of

resolution making such call, and there upon the call shall be deemed to have been made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the Board making the call was passed.

3. Not less than 30 days notice of any call shall be given specifying the date , time and place of payment provided that before the time for payment of such call the directors may by notice in writing to the members , extend the time for payment thereof.
4. If by terms of issue of any shares or otherwise any amount is made payable at any fixed date or by installments at fixed dates whether on account of the nominal value of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.
5. a) If a sum called in respect of the shares is not paid on or before the day appointed for payment thereof , the person from whom the sum is due shall pay interest upon the sum at the rate (not exceeding fifteen percent per annum) as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of the actual payment , but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part

(b) The provisions of this Article as to payment of interest shall apply in the case of non-payment of any such call which by their terms of issue of a share becomes payable at a fixed date whether on account of the amount of the share or by way of premium as if the same had become payable by virtue of a call duly made and notified.
6. The Board of Directors may if they think fit , receive from any member willing to advance the same , all or any part of the moneys uncalled and unpaid upon any share held by him , and upon all or any part of the moneys uncalled and unpaid upon any share held by him, and upon all or any part of the moneys so advanced , may (until the same would , but for such advance become presently payable) pay interest at such rate not less than 15% p.a.,(without the sanction of the Company in general meeting) as may be agreed upon between the member paying the sum in advance and the Board of Directors but shall not on receipt of such advances confer a right to the dividend or to participate in profits or to any voting rights.
7. Neither a Judgment or a decree in favour of the Company, for calls or other moneys due in respect of any share , nor any part payment or satisfaction thereunder , nor the receipt by the Company of a portion of any money which shall , from time to time , be due from any member in respect of any share , either by way of principal or interest , nor any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein under provided.
8. If by any conditions of allotment of any share , the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall , when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representative , if any.
9. If a member fails to pay any call or installment of a call on the day appointed for the payment thereof , the Board of Directors may at any time thereafter during such time as any amount of such a call or installment remains unpaid , serve a notice on him requiring payment of so much of the call or installment as unpaid , together with any interest , which may have accrued.
10.
 1. The notice shall name a day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day named the shares in respect of which the call was made shall be liable to

be forfeited.

2. If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture

11.

1. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors may think fit , and at any time before a sale or disposition , the forfeiture may be cancelled on such terms as the Board of Directors may think fit .
2. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding , remain liable to pay and shall forthwith pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares , but his liability shall cease if and when the Company receives payment in full of the nominal amount of shares whether legal proceeding for the recovery of the same had been barred by limitation or not .
3. A duly certified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled of the facts and that declaration and receipt of the Company for the considerations given for the shares on the sale or disposition thereof , shall constitute a good title to the share , and the person to whom the share is sold or disposed of shall be registered as the holder of the share nor be bound to see the application of the purchase money nor shall his title to the shares be affected by any way of irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.
4. The provisions of these regulations as to forfeiture shall apply in the case of non -payment of any sum which by the terms of issue of shares becomes payable at a fixed time , whether on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

LIEN

9. The Company shall have a first and paramount lien upon all the partly paid up Shares registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any such Shares shall be created except upon the footing and condition that this Article is to have full legal effect . Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares , provided that the Board of Directors may at any time, declare any shares to be wholly or in part exempt from the provisions of the above
10. The Company may sell in such manner as the Board thinks fit , any Shares on which the Company has a lien for the purpose of enforcing the same , provided that no sale be made :
 - a) Unless a sum in respect of which the lien exists is presently payable, or
 - b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists and is presently payable has

been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

11. i) The net proceeds of any sale shall be received by the Company and applied in or towards payment of such part of the amounts in respect of which the lien exists is presently payable.
ii) The residue, if any, shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

(1) Definitions:

For the purpose of this Article:

(a) "Beneficial Owner" means a person or persons whose name /s is /are recorded as such with a depository.

(b) "Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India, Act, 1992.

"SEBI" means the Securities and Exchange Board of India.

"Security" means such security as may be specified by SEBI from time to time.

(2) Dematerialization of Securities:

Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

(3) Options to hold Securities:

(a) Every person subscribing to securities offered by the Company shall have the option either to receive the security certificates or to hold the security certificates with a depository. If a person opts to hold a security with a depository, the company shall intimate such depository such details of allotment of the security. On receipt of such information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.

(b) Every person who is the beneficial owner of the securities can at any time opt out of a depository, in the manner provided by the Depositories Act. The Company shall in the manner and within the time prescribed, issue the beneficial owner the required certificates of securities.

(4) Securities in Depositories to be in fungible form:

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C, and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(5) Rights of Depositories and beneficial owners:

(a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities, which are held by

a depository.

(6) Service of Documents:

Notwithstanding anything contained in the Act or Articles , where securities are held in a depository, the record of the beneficial ownership may be served by such depository of the Company by means of electronic mode or by delivery of floppies or discs .

(7) Transfer of securities:

Nothing contained in Section 108 of the Act or the Articles , shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the depository.

(8) Allotment of Securities dealt with in a depository:

Notwithstanding anything contained in the Act or the Articles , where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities .

(9) Distinctive Numbers of Securities held in a depository:

Nothing in the Act or the Articles regarding necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

(10) Register and index of beneficial owners:

The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of the Articles

TRANSFER AND TRANSMISSION OF SHARES

12. The instrument of transfer of any shares in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof . The instrument of transfer shall be in respect of only one class of shares and should be in the form prescribed under Section 108 of the Act . The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act , 1956 or of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.
13. The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate relating to the shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board of Directors that an instrument of transfer signed by the transferor and the transferee has been lost , the Company, may, if the Board of Directors think fit , on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer , register the transfer on such terms as to indemnity, as the Board of Directors may think fit.

14. An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee. Provided that where such application is made by the transferor no registration shall , in case of partly paid shares , be effected unless the Company gives notice of the application to the transferee and the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice , enter in the register the name

of the transferee in the same manner and subject to the same conditions as if the application for registration were made by the transferee .

15. For the purpose of Article 14 notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee , and shall be deemed to have been delivered in the ordinary course of post .
16. Nothing in Article 15 shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
17. Nothing in this Article shall prejudice the powers of the Board of Directors to refuse to register the transfer of any shares to a transferee whether a member or not .
18. The shares in the Company shall be transferred by an instrument in writing in the prescribed form, duly stamped and in the manner provided under the provisions of Section 108 of the Act and any modification there of the Rules prescribed thereunder.
19.
 1. Every endorsement upon the certificate of any shares in favour of any transferee shall be signed by the Managing Director or Secretary or by some other person for the time being duly authorised by the Board of Directors in his behalf . In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate he shall be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering up for cancellation every old or existing certificate which is to be replaced by a new one.
 2. Notwithstanding any other provisions to the contrary in these presents , no fee shall be charged for any of the following , viz .
 - a) for registration of transfer of shares and debentures .
 - b) for sub-divisions and consolidation of share and debenture certificates and for sub -division of letters of allotment and split, consolidation , renewal and pucca transfer receipts into /denominations corresponding to the market units of trading.
 - c) for sub -division of renounceable letters of right .
 - d) for issue of certificates in replacement of those which are old, decrepit or worn out , or where the cages on the reverse for recording transfers have been fully utilised .
 - e) for registration of any power of attorney, probate , letters of administration or similar other documents.
20.
 1. Subject to the provisions of Section 111 of the Act, and Section 22A of the Securities Contracts (Regulation) Act , 1956 , the Board may at any time in their absolute discretion and without assigning any reasons decline to register any transfer or transmission by operation of law of the right to a share , whether fully paid -up or not and whether the transferee is a member of the Company or not and may also decline to register any transfer of shares on which the Company has a lien provided further that the registration of transfer shall not be refused on the ground of the transferor being alone or either jointly with any other person or persons indebted to the Company on any account except a lien on the shares .
 2. If the Board refuses to register any transfer or transmission of right, they shall within one month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be .

3. In case of such refusal by the Board, the decision of the Board shall be subject to the right to apply conferred by section 111 of the Act and Section 22 A of the Securities Contracts (Regulation) Act, 1956 .

21. No fee shall be charged for any transfer.

ALTERATION OF CAPITAL

22. The Company may from time to time but subject to the provisions of Section 94 of the Act , alter the conditions of its Memorandum as follows :

- a) Increase its share capital by such amount as it thinks expedient by issuing new shares .
- b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- c) Convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denominations.
- d) Subdivide its shares , or any of them , into shares of smaller amount than is fixed by the Memorandum, so however, that in subdivision the proportion between the amount, if any, unpaid on each reduced share shall be the same as it was in the case of share from which the reduced share is derived .
- e) Cancel any shares which , at the date of the passing of the resolution in the behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- f) The resolutions whereby any share is subdivided may determine that as between the holder of the shares resulting from such subdivision, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with others.

GENERAL MEETING

23. The Company shall in addition to other meeting hold a General Meeting, which shall be styled as its Annual general Meeting at intervals and in accordance with the provisions specified below :
- a) The First Annual General Meeting of the Company shall be held within 18 months of its incorporation .
 - b) Thereafter an Annual General Meeting of the Company shall be held once in every calendar year within 6 months after the expiry of each financial year subject however to the power of the Registrar of Companies to extend the time within which a meeting can be held for a period not exceeding 3 months and subject thereto not more than 15 months shall lapse from the date of one Annual General Meeting and that of the next.
24. a) Every Annual General Meeting shall be called for at a time during the business hours on a day that is not a public holiday and shall be held either at the Registered office of the Company or at some other place within the city, town or village in which the Registered office of the Company is situated.
- b) Notice calling such meetings shall specify them as the Annual General Meetings.

PROCEEDINGS AT GENERAL MEETINGS

25. 1. Five members personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the business.
2. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon by the requisition of member shall be dissolved; in any other case, it stands adjourned to the same day in the next week at the same and place or such other day and at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
3. The chairman, if any, of the Board of Directors shall preside over as Chairman at every General Meeting of the Company.
4. If there is no such chairman, or if at any meeting he is not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Directors present shall choose another Director as Chairman and if no Directors be present or if all the Directors decline to take the chair, then the members present shall choose someone of their member to be the Chairman.
26. The Chairman may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the Meeting), adjourn that meeting from time to time and from place to place, but no business be transacted at any adjourned meeting other than that of the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more notice of the adjourned meeting shall be given as nearly as may be in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of any adjournment of the business to be transacted at an adjourned meeting.

VOTE OF MEMBERS

27. 1. Every member holding any equity shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have one vote. On a poll his voting right in respect of his equity shares shall be in proportion to his share of the paid up capital in respect of the equity shares.
2. In the event of the company issuing any preference shares, the holders of such preference shares shall have the voting rights set out in that behalf under Section 87 of the Act.
3. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.
4. In the case of joint holders, the vote of the first name of such joint holders who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
5. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.
6. No member shall be entitled to vote in any General Meeting unless all calls or other sums

presently payable by him in respect of his shares in the Company have been paid.

PROXY

28. 1. On a poll, votes may be given either personally or by proxy.

2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not, unless he be a member, have any right to speak, at the meeting and shall not be entitled to vote except on a poll.

3.a) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as proxy whether he is a member or not.

b) A corporate body (whether a Company within the meaning of the Act or not) may, if it is a member or a creditor or a debenture holder of the company, by the resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members of the Company or at any meeting of any creditors of the Company held in pursuance of the provisions contained in any Debenture or Trust Deed as the case may be. The person so authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

c) So long as an authorization under clause (b) above is in force, the power to appoint proxy shall be exercised only by the person so appointed as representative.

4. The instrument appointing a proxy and the power of attorney or other authority if any under which it is signed or a notarially certified copy of that power of authority shall be deposited, at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

5. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation of the proxy, or the transfer of the share in respect of which the proxy is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the Registered office of the company before the commencement of the meeting or adjourned meeting at which the proxy is used.

6. Every instrument appointing a proxy shall be retained by the Company and the form of proxy shall be "Two-way-proxy" as given in schedule IX of the Companies Act, 1956 enabling the shareholders to vote for or against any resolution.

DIRECTORS

29. a) Unless, otherwise determined by a General Meeting the number of Directors shall be not less than 3 and not more than 12 including all kinds of Directors, excluding Alternate Directors.

b) the persons hereinafter named shall become and be the first Directors of the company.

1. Mr. SUBHAS PRAMANIK

2. Mr. SUKHENDU CHAKRABARTI

3. Mr. TAMAL TARUN DAS

(c) Only an individual and not a body corporate, association or firm shall be appointed as

Director of the Company.

30. Any person whether a member of the company or not may be appointed as director and no qualifications by way of shares shall be required to be held for any Directors.
31. Any casual vacancy occurring in the Board of Directors may be filled up by the Board of Directors but the person so appointed shall hold office upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.
32. The Board of Directors shall have power at any time , and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed . Any Additional Directors so appointed shall hold office upto the date of the next Annual General Meeting, but he shall be eligible for appointment by the Company at the meeting .
33. The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the Original Director) during the absence of the original Director for a period of not less than three months from the State in which the meetings of the Board are ordinarily held . An Alternate Director appointed shall vacate office as and when the original Director returns to the State in which meetings of the Board are ordinarily held . If the term of office of the original Director is determined before he so returns to the State aforesaid any provision for automatic reappointment shall apply to the original and not to the alternate Director .
34. Every Director shall be paid a sitting fee as per Companies (Central Government's) General Rules and Forms 1956 for each meeting of the Board of Directors or of any Committee thereof attended by him and shall be paid in addition thereto , all traveling , hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any Committee thereof General Meeting of the Company or in connection with the business of the Company to and from any place.
35. If any Director being willing , shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purpose of the Company or in giving special attention to the business of the Company, then subject to Section 198, 309, 310 and 314 the Board may remunerate the Director in so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
36. The Continuing Director or directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three , the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or summoning a General Meeting of the Company but for no other purpose.
37. The Office of Director shall be vacated, if :
 - a) he is found to be of unsound mind by a Court of Competent jurisdiction or
 - b) he applies to be adjudicated or is adjudged an insolvent; or
 - c) he fails to pay calls made on him in respect of shares held by him within 6 months from the last date fixed for the payment of the call unless the Central Government has by notification in the official gazette , removed the disqualification incurred by such failure; or
 - d) he is convicted by a Court for any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months ; or
 - e) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months whichever is longer , without obtaining leave of absence from the Board , or

f) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner of any private Company of which he is a director accepts a loan or any guarantee or security for a loan , from the Company in contravention of the Act or

g) he acts in contravention of Section 299 or

h) he becomes disqualified by an order of Court under Section 203 or

i) he is removed in pursuance of Section 284; or

j) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company.

Provided that notwithstanding anything in sub -clause (b), (d) and (h) above the disqualification referred to in those clauses shall not take effect;

a) for 30 days from the date of adjudication , sentence or order ;

b) Where any appeal or petition is preferred within 30 days aforesaid against the adjudication , sentence or order until the expiry of 7 days from the date on which such appeal or petition is disposed of ; or

c) Where within the 7 days aforesaid any further appeal or petition is preferred in respect of the adjudication , sentence , conviction or order and the appeal or petition , if allowed , would result in the removal of the disqualification until such further appeal or petition is disposed of .

38. 1) Subject to the provisions of the Act, the Directors including the Managing Director if any, shall not be disqualified from their office as such , by reason of contracting with the Company either as vendor , purchaser , tenderer , agent , broker , or otherwise nor shall apply any contract or agreement entered into by or on behalf of the Company with any Director or the Managing Director or with any Company or partnership in which any Director or Managing Director shall be a member or otherwise interested be avoided nor shall any Directors or the Managing Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or agreement by reason only of such Director holding that office or the fiduciary relationship hereby established , but the nature of the interest must be disclosed by him or them at the meeting of the Board at which the contract or agreement is determined or , if the interest then exists or in any other case at the meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall take part in the discussion of or vote as a Director in respect of any contract or agreement in which he is interested as aforesaid and if he does so his vote shall not be counted but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present .

The provision shall not apply to any contract entered into by or on behalf of the Company to give to the Directors or the Managing Director or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being sureties for the Company or to any contractor or agreements entered into or to be entered into with a public company or a private company which is a subsidiary of a public company, in which the interest of a Director aforesaid consists solely in his being a director of such company and the holder of not more than of such number or value therein as is required to qualify him for appointment as a Director thereof , he having been nominated as such Director by the

Company or in his being a member holding not more than 2 % of its paid up share capital.

2) A General notice that any Director is a Director or a member of any specified Company or is a partner of any specified firm and is to be regarded as interested in any subsequent transaction with such Company or firm shall , as regards any such transaction , be sufficient disclosure under this Article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such Company or firm.

3) A Director may become a Director or member of any Company promoted by this Company or in which this Company may be interested as vendor , shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.

39. Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION OF DIRECTORS

40. Not less than 2/3rd of the total Number of Directors of the Company for the time being holding office shall be the Directors whose period of office is liable to be determined by retirement by rotation and who shall be appointed by the Company in General Meeting.
41. At the first Annual Meeting of the Company , the whole of the Board of Directors , except nominated or ex -Officio Director (if their number is not more than 1/3rd of the total strength) shall retire from office and at any Annual General Meeting in every subsequent year , 1/3rd of such of the Directors as are liable to retire by rotation for the time being or if their number is not three or multiple of three then the number nearest to 1/3rd shall retire from office.
42. A retiring Director shall be eligible for re-election and the Company at the Annual General meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.
43. The Directors to retire in every year shall be those who have been longest in office since their last appointment , but as between persons who become Directors on the same day, those to retire shall unless they otherwise agree amongst themselves , be determined by lot .
44. Subject to the provisions of section 256 of the Act , if at any meeting at which an election of Directors ought to take place , the place of the vacating Directors is not filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till next succeeding day which is not a public holiday at the same time and place and if the adjourned meeting has not expressly resolved not to fill up the vacancy then the retiring Director or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.
45. Subject to the provisions of Section 252, 255 and 259 of the Act , the Company in General Meeting may by ordinary resolution increase or reduce the number of its Directors within the limit fixed by Article 31.
46. Subject to the provisions of the Section 284 of the Act , the Company may by an ordinary

resolution in General Meeting remove any Director before the expiration of office , and may by an ordinary resolution appoint another person instead ; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director .

47. A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be.

PROCEEDINGS OF THE DIRECTORS

48. The Board of Directors shall meet at least once in every three calendar months for the despatch of business, adjourn and otherwise regulate its meeting and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.
49. A Director may at any time summon a meeting of the Board and the Managing Director or a Secretary on the requisition of a Director shall at any time summon a meeting of the Board and shall give notice to every Director for the time being in India , at his usual address in India .
50. The quorum for a meeting of the Board shall be $\frac{1}{3}$ rd of the total strength (any fraction contained in that $\frac{1}{3}$ rd being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors is equal to or exceeding $\frac{2}{3}$ rd of total strength , the number of Directors who are not interested present at the time being not less than two , shall be the quorum during such time . The total strength of the Board shall mean the number of Directors holding office as Directors on the date of the resolution or meeting , that is to say, the total strength of the Board after deducting , there from the number of Directors if any, whose places are vacant at the time .
51. 1) Save as otherwise expressly provided in the Act , a meeting of the Board for the time being at which quorum is present shall be competent to exercise all or any of the authorities , powers and directions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the votes
- 2) In case of any equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.
52. 1) The Board may elect a Chairman at its meeting and determine the period for which he is to hold office .
- 2) If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.
53. 1) The Board may subject to the provisions of the Act; delegate any of its powers to committees consisting of such members of its body as it thinks fit.
- 2) Any Committee so formed shall , in the exercise of the powers so delegated , conform

to any regulations that may be imposed on it by the Board .

54. 1) If the Chairman of the Board is a member of the Committee then he shall also act as Chairman of the Committee. If the Chairman is not a member thereof, the Committee may elect a Chairman of its meeting. If no such Chairman is elected , or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the members present may choose one of their member to be Chairman of the meeting .
- 2) The quorum of a Committee may be fixed by the Board of Directors and until so fixed if the Committee is of a single member or two members shall be one and if more than two members it shall be two.
55. 1) A Committee may meet and adjourn as it thinks proper.
- 2) Questions arising at any meeting of Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of vote Chairman shall have a second or casting vote in addition to his vote as a member of the committee.
56. All acts done by any meeting of the Board of a Committee thereof or any person acting as a Director shall notwithstanding that it may be afterwards be discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or of that they or any of them were disqualified , be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
57. Save as otherwise expressly provided in the Act , a resolution in writing circulated in draft with the necessary papers , if any, to all the Directors or to all the members of the Committee then in India not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors or members as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee.

POWERS & DUTIES OF DIRECTORS

58. The business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company , as are authorised by the Act or any statutory modifications thereof for the time being in force except those by these presents are required to be exercised by the Company in General Meeting . Provided that in exercising any power or doing any such act or thing , the Board shall be subjected to the provisions contained in that behalf in the Act or any other provision of Law or the Memorandum of Association of the Company or these Articles or in any regulation not inconsistent therewith and duly made thereunder including regulations made in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
59. Without prejudice to the generality of the foregoing , it is hereby expressly declared that the Directors shall have the following powers , that is to say:
- 1) To carry on and transact the several kinds of business specified in Clause III of the Memorandum of Association of the Company, subject to the provisions of law in that behalf.
- 2) To draw, accept, endorse, discount negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, any prior, hundies, drafts, railway receipts , dock warrants, delivery order Government promissory notes, other Government instruments, bonds , debentures or debenture stocks of Corporation , Local bodies , Port trusts , improvements

Trusts or other Corporate bodies and to execute transfer deeds for transferring stocks shares or stock certificates of the Govt. and other local or corporate bodies in connection with any subject of the Company.

- 3) At their discretion , to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares bonds , debentures or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon ; and any such bonds , debentures , or other securities may be either specifically charged upon all or any of the property of the Company or not so charged.

4) To engage and in their discretion to remove , suspend , dismiss and remunerate banker , legal advisers , accountants , cashier , agents dealer's brokers , men servants , employees of every description and to employ such professional or technical or skilled assistants as from time to time may in their option be necessary or advisable in the interest of the Company and upon such terms as to durations of employment, remuneration or otherwise as may be required and security in such instances and to such amounts as the Directors think fit.

5) Subject to the provisions of Sections 100 to 105 to accept from any member , on such terms and conditions as shall be agreed, a surrender of his shares of stock or any part thereof.

6) To secure the fulfillment of any contracts or agreements entered into by the Company, by mortgage on all or any of the Company or in such other manner as they think fit .

7) To institute, conduct , defend , compound or abandon any actions , suits and legal proceeding by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings.

8) To make and give receipts , releases and other discharges or money payable to the Company and for the claims and demands of the Company.

9) To determine who shall be entitled to sign on the Company's behalf bills of exchange promissory notes , dividend warrants , cheques and other negotiable instruments , receipt , acceptance endorsements, releases , contracts , deeds and documents .

10) From time to time to regulate the affairs of the company in such manner as they think fit and in particular to appoint any person to be the attorneys or agents for the Company either abroad or in India with such terms as may be thought fit .

11) To invest and deal with any money of the Company not immediately required for the purpose of the business of the Company upon such securities as they think fit.

12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the Company's property (present and future) as they think fit .

13) To give to any person employed by the Company commission on the profits , or any particular business or transactions , or a share in the general profits of the Company, and such commission , or share of profits shall be treated as part of the working expenses of the Company.

14) From time to time , to make , vary and repeal bye -laws for the regulation of the business of the Company, its officers and servants .

15) To enter into all such negotiations and contracts and to rescind and vary all such contracts , and execute and do all such acts , deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

16) To pay gratuities , bonus , rewards , presents and gifts to employees or dependants of any deceased employees to charitable institutions or purposes , to subscribe for provident funds

and other associations for the benefit of the employees.

60. Subject to the provisions of Section 292 of the Act , and other provisions of the Act , the Board may delegate from time to time and at any time to a committee formed out of the directors all or any of the powers , authorities and descriptions for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit .
61. The Board may appoint at any time and from time to time a power of attorney under the Company's seal for any person to be attorney of the Company to such purposes and with such powers , authorities and discretion not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit , and any such appointment may if the Board thinks fit , be made in favour of the members or any of the members of any firm or Company, or otherwise in favour of anybody or persons, nominated directly by the Board and any such power of attorney may contain such provision for the protection convenience of persons dealing with such attorney as the Board may think fit .
62. The Board may authorise any such delegatee or attorney as aforesaid to sub -delegate all or any of the powers, authorities and discretions for the time being vested in it.
63. 1) The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of the mortgages and charges affecting the Company or created by it and to keep a Register of the Directors and or sending to the Registrar an annual list of members and a summary of particulars of shares and stock and copies of special resolutions and other resolutions of the Board as are required to be filed with the Registrar under Section 192 of the Act , and a copy of the Register of Directors and notification of any changes therein .
- 2) The Company shall comply with the requirement of Sections 193 of the Act, in respect of keeping of the minutes of all proceedings of every general meeting and of every meeting of the Board or any Committee of the Board.
- 3) The Chairman of the meeting may exclude at his absolute discretion such of the matters as are or could reasonably be regarded a defamatory of any person , irrelevant or immaterial to the proceeding or detrimental to the interests of the Company.
64. The Board shall have the power to appoint a person as the Secretary possessing the prescribed qualifications and fit in their opinion for the said office for such period and on such terms and conditions as regards remuneration and otherwise as they may determine . The Secretary shall have such powers and duties as may, from time to time , be delegated to or entrusted to him by the Directors .
65. Any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
66. Subject to provisions of Section 292 , the Board may delegate all or any of their powers to any Directors jointly or severally or to any one Director at their discretion.
67. 1) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under Section 293, raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of

business shall not , without the consent of the Company at a General Meeting, exceed the aggregate of the paid -up capital of the Company and its free reserves , that is to say reserves not set apart for any specific purpose and in particular , but subject to the provisions of Section 292 of the Act the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company by the issue of debentures , perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities and in security of any money so borrowed , raised or received , mortgage , pledge or charge , the whole or any part of the property, assets or revenue of the Company present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase , redeem or pay off any such securities.

Provided that every resolution passed by the Company in general meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors.

- 2) The Directors may by a resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director, within the limits prescribed.
 - 3) Subject to the provisions of the above clause , the Directors may from time to time , at their discretion , raise or borrow or secure the payment of any sum of money for the purpose of the Company at such time and in such manner and upon such terms and conditions in all respects as they think fit , and in particular , by promissory notes or by opening current account or by receiving deposits and advances with or without security or by the issue of bonds , perpetual or redeemable debentures or debenture stock of the Company (both present and future) including its uncalled capital for the time being , or by mortgaging or charging or pledging any lands , buildings goods or other properties and securities of the Company, or by such other means as to them may seem expedient .
68. Such debentures , debenture stock , bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued .
 69. Any such debentures , debenture stock , bonds or other securities may be issued at a discount , premium or otherwise and with any special privileges as to redemption , surrender , drawings , allotments of shares of the Company appointment of Director or otherwise . Debentures , debenture stocks , bonds or other securities , with a right of conversion into or allotment of shares shall be issued only with the sanction of the Company in General Meeting .
 70. The Directors shall cause a proper register to be kept in accordance with the Act , of all mortgages and charges specially affecting the property of the Company and shall duly comply with the requirements of the Act , in regard to the registration of mortgage and charges therein specified .
 71. Where any uncalled capital of the Company is charged , all persons taking any subsequent charge thereon shall take the same , subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise to obtain priority over such prior charge .
 72. If the Director or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company; by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.
 73. 1) The Board of Directors shall exercise the following powers on behalf of the Company and said powers shall be exercised only by resolution passed at the meeting of the Board.

- a) Power to make calls on shareholders in respect of moneys unpaid on their shares;
- b) Power to issue debentures;
- c) Power to borrow moneys otherwise than on debentures;
- d) Power to invest the funds of the Company;
- e) Power to make Loans;

Debenture /Debenture Stocks , Loan /Loan stocks , bonds or other securities conferring the right to allotment or conversion into shares or the option or right to call for allotment of shares shall not be issued except with the sanction of the Company in General Meeting.

2) The Board of Directors may by a meeting resolve to delegate to any Committee of the Directors or Managing Director , the powers specified in sub -clauses (c) , (d) and (e) above .

3) Every resolution delegating the power set out in sub -clause (e) above shall specify the total amount up to which money may be borrowed by the said delegate.

4) Every resolution delegating the power referred to in sub -clause (d) above shall specify the total amount upto which the funds may be invested and the nature of the investment which may be made by the delegate.

5) Every resolution delegating the power referred to in sub -clause (e) above shall specify the total amount upon which the loans may be made by the delegate , the purpose for which the loans may be made by the delegate, and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTORS /WHOLE TIME DIRECTORS

74.
 - a) The Board may, from time to time with such sanction of the Central Government as may be required by law, appoint one or more of their body to the office of Managing Director or Whole time Directors.
 - b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or whole time Directors.
 - c) In the event of any vacancy arising in the office of Managing Directors of whole time Director and the Directors resolve to increase the number of Managing Directors or Whole Time Directors the vacancy shall be filled up by the Board of Directors and the Managing Director or whole time Director so appointed shall hold the office for such period as the Board of Directors may fix subject to the approval of the Central Government .
 - d) If a Managing Director or Whole Time Director ceases to hold office as Director he shall ipso facto and immediately cease to be a Managing Director or whole time Director.
 - e) The Managing Director shall not be liable to retirement by rotation as long as he holds office as Managing Director.
75. Managing Director or Whole Time Director shall subject to supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors as they may think fit and confer such powers for such time and to be exercised for such object , purposes and upon such terms and conditions and with such restrictions as they may think expedient and from time to time revoke , withdraw , alter , vary all or any of such powers . The Managing Directors or Whole Time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.
76. Subject to the provisions of the Act and subject to such sanction of the Central Government as may be required for the purpose , the Managing Director or Whole Time Directors shall

receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

77. The Managing Director or whole time Director shall be entitled to charge and be paid for all actual expenses , if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and pay remuneration to such part time employees.
78. 1) The Managing Director or Whole Time Director shall subject to the supervision, control and directions of the Board have the management of the whole of the business of the Company and all of its affairs and shall exercise all powers and perform all duties in relation to the management of the affairs and transactions of the Company except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by the Board of Directors and also subject to such conditions or restrictions, imposed by the Companies Act, or by these presents.
- 2) Without prejudice to the generality of the foregoing and subject to supervision and control of the Board of Directors , the business of the company shall be carried on by the Managing Director or Whole Time Director and he shall have and exercise all the powers set out in Article 59 except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board .
- 3) The Board may from time to time delegate to the Managing Director or Whole Time Directors such of their powers and subject such limitations and conditions as they may deem fit . The Board may from time to time revoke , withdraw , alter or vary all or any of the powers conferred on the Managing Director or Whole Time Director by the Board or by these presents.

COMMON SEAL

79. The Board shall provide a Common Seal for the Company and they shall have power from time to time to destroy the same and substitute new seal in lieu thereof; and the common seal shall be kept at the Registered office of the Company and committed to the custody of the Managing Director or the Secretary, if there is one
80. The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney of the Company, be signed by one Director at least in whose presence the seal shall have been affixed and counter -signed by any Director , or by the Company Secretary or such other person as may from time to time be authorised by the Board , provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same

DISTRIBUTION OF PROFITS

81. a. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of the presents , as to the reserve fund , shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively

- b. Where capital is paid on any share in advance of calls, upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profits
- 82. The Company in General Meeting may declare dividend but no dividend shall exceed the amount recommended by the Board.
- 83. The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.
- 84. No dividend shall be payable except out of the profits except as provided by Section 205 of the Act.
- 85.
 - a. The Board may, before recommending any dividends set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provisions for meeting contingencies or for equalising dividends and pending such application may at the like discretion either be employed in the business of the Company or as the Board may from time to time think fit.
 - b. The Board may also carry forward any profits when it may think prudent not to divide, without setting them aside as reserve.
- 86. The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of calls and otherwise in relation to the shares of the Company.
- 87. Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.
- 88.
 - a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post direct to registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.
 - b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
 - c. Every such cheque or warrant shall be posted within thirty days from the date of declaration of dividend.
- 89. Any one or two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such shares.
- 90. Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.
- 91. No dividend shall bear interest against the Company No unclaimed dividend shall be forfeited

by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 205-A of the Act , in respect of unclaimed dividends.

92.

- a. Where dividend has been declared by the Company but has not been paid or the warrant in respect thereof has not been posted within thirty days from the date of declaration to any share holder entitled for the payment of dividend the Company shall within 7 days from the date of expiry of the said period of 30 days , transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of thirty days to a special account to be opened by the Company in that behalf in any scheduled bank to be called Unpaid dividend Account.
- b. Any money transferred to the unpaid dividend account that remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund Account of the Central Government but a claim to any money so transferred to the Investor Education and Protection Fund account may be preferred to the Central Government by the person to whom the money is due and shall be dealt with as if such transfer to the General Revenue Account had not been made ; the order if any for payment of the claim being treated as an order for refund or revenue.
- c. The Company shall when making any transfer under clause (2) to the Investor Education and Protection Fund Account of the Central Government any unpaid or unclaimed dividend furnish to such officer as the Central Government may appoint in this behalf , a statement in the prescribed form setting forth in respect of all sums included in such transfer the nature of the sums the names and the last known addresses of the persons entitled to receive the sum the amount to which such person is entitled and the nature of his claim thereto of and such other particulars as may be prescribed.

93. Any transfer of shares shall pass the right to any dividend declared thereon before the registration of the transfer

CAPITALISATION OF PROFITS

94.

- a. The Company in General Meeting may on the recommendation of the Board , resolve :
 - i. That it is desirable to capitalize any part of the amounts for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss accounts or dividend otherwise available for distribution; and
 - ii. That such some be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto if distributed by way of such dividend and in the same proportion .
- b. The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:
 - i. Paying up any amount for the time being unpaid on shares held by such members respectively:
 - ii. Paying up in full un-issued shares of be Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid ; or

- iii. Partly in the way specified in sub -clause) and partly in that specified in sub -clause (ii)

95.

1. Whenever such a resolution as aforesaid shall have been passed the Board shall :
 - b) make all appropriations and applications of the undistributed profits to be capitalised thereby and issue fully paid shares or debentures , if any; and
 - c) generally do all acts and things required to give effect thereto.
2. The Board shall have full powers:
 - a) to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit , in the case of shares becoming distributable in fraction , and also
 - b) to authorise any person to enter , on behalf of all the members entitled thereto , into an agreement with the Company providing for the allotment to them respectively, credit as fully paid up of any further shares or debentures of which they may be entitled upon such capitalization , or as the case may require , for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any part of the amounts remaining unpaid on their existing shares
 - c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

96.

- d) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place of all sales and purchases of goods by the Company and of the assets credits and liabilities of the Company.
- e) If the Company shall have a branch office whether in or outside the country, proper books of account relating to the transactions effected at that office shall be kept at the office and proper summarized returns made upto date at intervals of not more than three months, shall be sent by Branch office to the Company at its registered office or to such other place in India as the Board thinks fit where the main books of the Company are kept.
- f) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office as the case may be with respect to the matters aforesaid and explain its transaction.

97. The Books of account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

98. The Board of Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulation the Accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any Account or books of account or documents of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in General Meeting.

99. The Board of Directors shall keep before each annual general meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

100.

- g) Subject to the provisions of Section 211 of the Act, every balance sheet and Profit and Loss Account of the Company shall be in the forms set out in Para I and 11 respectively of Schedule VI of the Act, or as near thereto as circumstances admit.
- h) So long as the Company is a holding Company having a subsidiary, the Company shall conform to Section 212 and other applicable provisions of the Act.

101.

- i) Every Balance Sheet and every Profits & Loss Account of the Company shall be signed by the Secretary, if any, and by not less than two Directors of the Company one of whom shall be the Managing Director. Provided that when only one Director is for the time being in India the Balance Sheet and Profit & Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit & Loss Account a statement signed by him explaining the reason of non-compliance with the provisions of sub-clause.

The Balance Sheet and every Profit & Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

102. The Profit & Loss Account and the auditors report shall be attached to every balance sheet of the Company and shall be laid before the members of the Company.

103.

- j) Every Balance Sheet laid before the Company in Annual General Meeting shall have attached to it a report by the Board of Directors with a report on the state of Company's affairs, the amounts if any, which it proposes to carry to any reserves in such Balance Sheet and the amount if any, which it recommends to be paid by way of dividend, material changes and commitment if any, affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the Balance Sheet relates and the date of the report.
- k) The report shall, so far as it is material for the appreciation or the state of the Company's affairs by its members deal with any changes which have occurred during financial year in the nature of the Company's business or in the Company's subsidiaries or in the nature of business in which the company has an interest.
- l) The Board's report shall also include a statement showing the name of every employee of the Company who if employed throughout the financial year was in receipt of remuneration for that year which in the aggregate was not less of remuneration for any part of that year at a rate which in the aggregate was not

less than such amount as may be prescribed under section 217 (2 A) of the Companies Act , 1956 from time to time. The statement shall also indicate whether any such employee is a relative of any Director or Manager of the company and if so , the names of such Director and such other particulars prescribed

- m) The Board shall also give the fullest information and explanation in its report in cases falling under the provision to Section 222 in an addendum to that report on every reservation , qualification or adverse remark contained in the Auditor 's Report .
- n) The Boards ' Report and addendum (if any) thereto shall be signed by its Chairman , if he is authorised in that behalf by the Board and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit & Loss Account of the Company by virtue of sub -clause (1) and (2) of the Article 100.

- o) The Board shall have the right to charge any person being a Director with the duty of seeing that the provisions of sub –clause) to (3) of this article are complied with

104. The Company shall comply with the requirement of Section 219 of the Act.

ANNUAL RETURNS

105. The Company shall make the requisite Annual Return in accordance with the Sections 159 and 162 of the Act.

AUDIT

106. Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

107.

- p) The first Auditor of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting provided that
 - i. The Company, may at General Meeting remove any such Auditor or all or any such auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination special notice has been given to the members of the meeting and
 - ii. If the Board fails to exercise its powers under this clause the Company in General Meeting may appoint the first Auditor or Auditors.
- q) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 days . Provided that before the appointment or reappointment of Auditor or Auditors is made by the Company at any General Meeting a written certificate shall be obtained by the Company from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or appointments if made , will be in accordance with the limits specified in sub -section 1- 8 of Section 224. Every Auditor so appointed shall within 30 days of the receipt from the Company of the intimation of his appointment shall inform to the Registrar of Companies in writing that

- he has accepted or refused to accept such appointment .
- r) Subject to the provisions of Section 224 (1-B) and Section 224-A of the Act, at any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless;
- i. he is not qualified for re-appointment .
 - ii. he has given to the Company a notice in writing of his unwillingness to be re appointed.
 - iii. a resolution has been passed at that meeting appointing somebody instead him or providing expressly that he shall not be appointed; or
 - iv. where a notice has been given of an intended resolution to appoint some person in the place of retiring Auditor and by reason of the death or incapacity or disqualification of that person or of all those persons as the case may be the resolution cannot be proceeded with.
- s) Where at an Annual General Meeting no Auditors are appointed the Central Government may appoint a person to fill the vacancy.
- t) The Company shall within 7 days of the Central Government's power under sub - clause (4) becoming exercisable give notice of that fact to the Government.
- u) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining Auditor or Auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- v) A person other than a retiring Auditor shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than 14 days before the meeting in accordance with Section 190 and the company shall send a copy of any such notice to the retiring auditor and shall give notice thereof to the members and all other provisions of Section 225 shall apply in the matters. The provisions of this sub-clause shall also apply to a resolution that retiring auditor shall not be re-appointed
- w) The person qualified for appointment as Auditors shall be the only those referred to in Section 226 of the Act.
- x) None of the persons mentioned in Section 226 of the Act, who are disqualified for appointment as Auditors shall be appointed as Auditors of the Company.
- y) The Company or its Board of Directors shall not appoint or re-appoint any person or firm as its Auditors if such person or firm is at the date of such appointment or re-appointment held appointment as Auditor of the specified number of Companies or more than the specified number of companies per partner of the firm shall be reckoned , provided further that where any partner of the firm is also a partner of any other firm of Auditors the number of companies which may be taken into account by all the firms together in relation to such partner shall not exceed the specified number in aggregate. Provided also that , where any partner of a firm of Auditors is holding office in his individual capacity as Auditors of one or more companies the number of companies which may be taken

in account in his case shall not exceed the specified number in the aggregate. Specified number means in the case of person or firm holding appointment as Auditors of a number of companies each of which has a paid up share capital of less than Rs 25 lakhs 20 companies out of which not more than ten shall be companies each of which has a paid up share capital of Rs 25 lakhs or more.

108. The Company shall comply with the provisions of Section 228 of the Act, in relation to the audit to the accounts of Branch Offices of the Company.

109. The remuneration of the Auditors shall be decided by the Company in General Meeting except that the remuneration of any Auditor appointed by the Board to fill any casual vacancy may be filled by the Board.

110.

z) Every Auditor of the company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of his duties as Auditor.

aa) All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to receive shall be sent to the Auditor.

bb) The Auditor shall make a report to the members of the company on the accounts examined by him and on every Balance Sheet and Profit & Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit & Loss Account which are laid before the company in General Meeting during his tenure of office and the report shall state whether in his opinion and to the best of his information and according to the explanations given to him the said Accounts give the information required and give a true and fair view.

i. In the case of Balance Sheet of the state of the Company's affairs as at the end of its financial year and

ii. In the case of Profit & Loss Account of the Profit or Loss from its financial year.

cc) The Auditor's Report shall also state:

i. Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

ii. whether in his opinion proper books of account as required by law have been kept by the Company so far as it appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him

iii. whether the report on the Accounts of any Branch Office audited under Section 228 by a person other than Company's Auditor has been forwarded to him as required by clause (c) of sub section (3) or Section 2

28 of the Act and how he has dealt with the same in agreement with the Books of Accounts and returns.

- dd) Whether any of the matter referred to on items (i) and (ii) of Sub-clause (3) above or in items (a), (b), (c) and (d) of sub-clause (4) above is answered in the negative or with a qualification the Directors Report shall state the reason for the answer.
- ee) The Accounts of the company shall not be deemed as not having been properly drawn up on the ground merely that the Company has not disclosed certain matters if;
 - i. those matters are such as the company is not required to be disclosed by virtue of any other Act, and;
 - ii. these provisions are specified in the Balance Sheet and Profit & Loss Account of the Company.
- ff) The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

111. Every account of the Company when audited and approved by a General Meeting shall be conclusive in all respects.

SERVICE OF DOCUMENTS AND NOTES

112. A document may be served on the Company or an officer thereof by sending it to the Company at the Registered Office of the Company by post under a Certificate of posting or by Registered post or by leaving it at its Registered Office.

113.

- gg) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgment or any other document in relation to, or in the winding up of the company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any, within India supplied by him to the Company for giving of notice to him.
- hh) All notices shall with respect to any registered shareholders to which persons are entitled jointly, be given to whichever of such persons is named first in the register and notice of so given shall be sufficient notice to all the holders of such shares.
- ii) Where a document is sent by post.
 - i. Service thereof shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

- ii. unless the contrary is proved, such service shall be deemed to have been effected;
 - 1. in the case of a notice of a meeting at the expiration of forty eight hours after the letter containing the notice is posted; and
 - 2. in any other case , at the time at which the letter would be delivered in the ordinary course of post.
114. Each registered holder of shares shall from time to time notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed his place of residence.
115. If a member has not registered an address in India and has not supplied to the Company an address within India for giving of notice to him a document advertised in a newspaper circulating in the neighborhood where the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
116. A document may be served by the Company on the persons entitled to a share in consequence of the death or by insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by title or representative of the deceased or assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
117. Subject to the provisions of the Act and these Articles notice of General Meeting shall be given:
- jj) To the members of the Company as provided by the Articles, in any manner authorised by Article 113 and 115 as the case may be or as authorised by the Act.
 - kk) To the persons entitled to a share in, consequence of the death or insolvency or a member as provided by Article 116 or as authorised by the Act.
 - ll) To the Auditors for the time being of the Company in the manner authorised by Article 113 as in the case of any member or members of the Company.
118. Subject to the provisions of the Act , and document required to be served or sent by the Company on or to the members or any of them and not expressly provided for by these presents shall be deemed to be duly served or sent if it is advertised in newspapers circulating in the district in which the Registered Office is situated.
119. Every person who by the operation of law transfer or other means whatsoever shall become entitled to any shares shall be bound by every document in respect of such share which previously to his name and address being entered on the Register shall have been duly served on or sent to the person from whom he delivered his title to such share.
120. Any notice to be given by the Company shall be signed by the Managing Director or such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

121. Save as otherwise expressly provided in the Act or these Articles a document or proceeding requiring authentication by the Company may be signed by a Director , Managing

Director , Manager or Secretary or an authorised officer of the Company and need not be under its seal.

WINDING UP

122. Subject to the provisions of the Act as to preferential payments the assets of the Company shall , on its winding up , be applied in satisfaction of its liabilities paripassu and subject to such application shall be distributed among the members according to their rights and interests in the Company.
123. If the Company shall be wound up whether voluntarily or otherwise the liquidators may with the sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the company in trustees upon such trusts for the benefit of the contributories or any of them as liquidators with the like sanction shall think fit , in case any shares to such division to any of the said shares may within 10 days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall if practicable act accordingly.

INDEMNITY & RESPONSIBILITY

124.

- mm) Subject to the provisions of Section 201 of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors of the Company to pay all costs and losses and expenses (including traveling expenses) which any such Director, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Officer or Employee or in any way in the discharge of his duties.
- nn) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officers or Employees of the Company shall be indemnified against any liability incurred by them or him in defending any proceeding whether civil or criminal which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under section 633 of the Act , in which relief is given to him by the Court.

125.

- oo) Subject to the provisions of Section 201 of the Act , no Director or other Officer of the Company shall be liable for the acts , receipts neglects or defaults of any Director or Officer or for joining in any receipts or other acts for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or forfeitious act of any person company or corporation with whom any moneys , securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever ; which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own willful neglect act or default.

SECRECY CLAUSE

126. No member shall be entitled to inspect the Company's works without the permission of Director or Managing Director ; or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret process which may relate to the conduct of the business of the company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public.
127. Every Director , Managing Director , Manager , Secretary, Auditors, Trustees, members of a Committee , Officer , Servant, Agent , Accountant or other persons employed in the business of the company, shall if so required by the Directors before entering upon his duties , or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of Accounts and in matters relating thereto and shall by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or any meeting or by a Court of law or by person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles or Law.

SECTION - 7 - OTHER INFORMATION

Documents for Inspection

Copies of the following documents will be available for inspection at the registered office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Andhra Pradesh) between 11:00 a.m. and 1:00 p.m. for a period of seven days from the date of filing of this Information Memorandum with the Stock Exchanges.

1. Memorandum and Articles of Association of the Company, as amended till date
2. Certification of incorporation of the Company dated July 17, 2008 and Certificate for Commencement of the business dated September 17, 2008.
3. Audited financial Statements and Report of the Company for the past five financial years.
4. Statement of Tax Benefit dated June 17, 2014 from Ford Rhodes Parks & Co, Chartered Accountants.
5. Order dated April 16, 2014 of the Honorable High Court of Judicature at Hyderabad approving the Scheme of Arrangement, received on May 8, 2014.
6. Letter under Clause 24(f) of Listing Agreement dated December 13, 2013 of BSE and that of NSE dated December 16, 2014 approving the Scheme.
7. SEBI's letter bearing No. CFD/DIL-1/BNS/SD/21607/2014 dated July 22, 2014 granting relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 for the purpose of listing of the shares of Gulf Oil Lubricants India Limited.
8. BSE letter No. DCS/AMAL/PS/IP/108/2014-15 dated July 4, 2014 granting in-principle approval for listing.
9. NSE letter No. NSE/LIST/244704-N dated July 11, 2014 granting in- principle approval for listing.
10. Tripartite Agreement with National Securities Depository Ltd., RTA and the Company.
11. Tripartite Agreement with Central Depository Services (India) Ltd., RTA and the Company.

DECLARATION

To the best of knowledge and belief of the Board of Directors of the Company, all statements made in this Information Memorandum are true and correct.

For and on behalf of the Board of Directors of Gulf Oil Lubricants India Limited

Sd/-

Vinayak Joshi

Company Secretary and Compliance Officer

Place: Mumbai

Dated: July23, 2014