



SCHEDULES TO THE ACCOUNTS – (Contd.)

Schedule 18

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002

1. ACCOUNTING POLICIES:

The accounts have been prepared primarily on the historical cost convention and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The significant accounting policies followed by the company are stated below:

I. FIXED ASSETS:

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

II. DEPRECIATION ON FIXED ASSETS:

- (i) The Company follows the straight line method of charging depreciation on all its fixed assets. The depreciation has been provided in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956 on all the assets except in respect of buildings which were acquired upto 30.06.1986, depreciation on such buildings has been provided at the rates in force at the time of acquisition.
- (ii) Leasehold land is being amortised in equal instalments over the lease period.
- (iii) Technical Know-how is being amortised over a period of five to seven years.

III. INVESTMENTS:

Current Investments are valued at lower of cost and fair value; Long Term Investments are valued at cost. Where applicable, provision is made where there is a permanent fall in valuation of Long Term Investments.

IV. INVENTORIES:

Inventories are valued at lower of cost and net realisable value. The method of arriving at cost of various categories of inventories is as below:

- | | |
|---|--|
| (a) Stores and Spares, Raw and Packing material | First-in-First-out method/Weighted Average method |
| (b) Finished goods and work-In-process | Weighted average cost of production, which comprises direct material costs, direct wages, appropriate overheads. |

V. SUNDRY DEBTORS AND ADVANCES:

Specific debts and advances identified as irrecoverable or doubtful are written off or provided for respectively.

VI. FOREIGN EXCHANGE TRANSACTIONS:

Transactions made during the year in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Assets and Liabilities related to foreign currency transactions remaining unsettled at the year end are translated at the contract rates, when covered by forward cover contracts and at year-end rate in other cases. Realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognised in the profit and loss account. Gain/loss on transaction of long term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of fixed assets.

VII. REVENUE RECOGNITION:

- (a) Sale of goods is recognised at the point of despatch of finished goods to customers. Sales include amount recovered towards excise duty but exclude sales tax.
- (b) Income from services is recognized at the time of rendering the services.
- (c) Dividend income from investment is recognised when the owner's right to receive payment is established.

VIII. RESEARCH AND DEVELOPMENT EXPENSES:

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

IX. RETIREMENT BENEFITS:

Retirement benefits to employees are provided for by means of gratuity, superannuation and provident fund.

The gratuity liability is determined based on the demands made by the Life Insurance Corporation of India (LIC) under the Group Gratuity Scheme. LIC is in the process of determining the gratuity on an actuarial basis. Payments in respect of superannuation are made to the fund administered by LIC. Provision in respect of leave encashment is made based on actuary valuation as at year end.

X. TAXES ON INCOME:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods.

XI. SEGMENT REPORTING:

The accounting policy adopted for Segment Reporting is in line with the accounting policy of the Company with the following additional policy for Segment Reporting:-
Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to the segments on a reasonable basis have been included under "Unallocated Expenses". Inter Segment transfers are at cost.



SCHEDULES TO THE ACCOUNTS – (Contd.)

XII. MISCELLANEOUS:

- (a) Deferred revenue expenses consists of cost of Rose Saplings (floriculture), preliminary expenses/production know-how relating to erstwhile GULF OIL India Ltd., and development charges (non-refundable) paid to Andhra Pradesh State Electricity Board for 1 MW wind mill, are written off over the expected period of future benefits.
- (b) Payments under the Voluntary Retirement Scheme are being written off over a period of five to ten years.
- (c) Software expenditure is amortised over a period of three years.
- (d) Camp site expenditure; i.e., Expenditure on setting up camps for execution of Operation contracts is written off over the period of the contract.

	2001-02	2000-01
	<u>Rupees Lakhs</u>	<u>Rupees Lakhs</u>
2. MANAGERIAL REMUNERATION UNDER SECTION 198 OF THE COMPANIES ACT, 1956:		
Salaries	16.13	11.16
Commission	8.41	—
Contribution to Provident Fund and Superannuation Fund	2.72	1.94
Benefits	1.16	0.94
Commission to non-whole-time Directors	8.41	—
	<u>36.83</u>	<u>14.04#</u>

#Rs. 10,501 subject to approval of shareholders

Notes:

- (a) Having regard to the fact that there is a global contribution to Gratuity Fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to Gratuity Fund has not been considered in the above computation.
- (b) The former Managing Director who retired on 31st March, 1984 has continued to occupy the Company owned residential accommodation, for which no charge has been raised, pending finalisation of the position in this regard.

3. COMPUTATION OF NET PROFIT AND DIRECTORS COMMISSION:

	2001-02	2000-01
	<u>Rupees Lakhs</u>	<u>Rupees Lakhs</u>
Profit before Taxation as per Profit and Loss Account	978.55	6,084.32
ADD:		
Directors Remuneration	36.83	14.04
Expenditure incurred on Gypsum marble Board taken over from erstwhile IDL Salzbau India Limited written-off during the year due to technology obsolescence	—	88.26
Prior period Item-Advisory fee for sale of investments	109.96	—
	<u>1,125.34</u>	<u>6,186.62</u>
LESS:		
Net profit on disinvestment of long term investment	—	7,812.61
Profit on sale of Investment – long term	113.54	—
Profit on Sale of Fixed Assets	171.30	—
	<u>840.50</u>	<u>(1,625.99)</u>
Commission:		
(a) Whole-time Directors-1% of the net profits	8.41	—
(b) Non-Whole-time Directors-1% of the net profits	8.41	—

4. PAYMENT TO AUDITORS (EXCLUDING SERVICE TAX):

Audit Fees	9.50	7.25
Tax Audit	2.00	2.00
Consultancy Services	4.00	4.00
Miscellaneous Reports	2.35	2.15
Reimbursable Expenses	0.60	0.99

5. REMUNERATION TO AUDITORS OF ERSTWHILE GULF OIL INDIA LTD.:

Audit Fees	1.50	—
Taxation Services	0.50	—
Miscellaneous Reports	1.50	—
Reimbursable Expenses	0.17	—

6. EXPENDITURE IN FOREIGN CURRENCY:

Commission on Exports	26.61	75.14
Interest	1.65	3.54
Other — Travelling expenses, books and periodicals etc.	16.51	10.56
Advisory Fee for sale of investments (US\$ 180000)	87.98	421.83



SCHEDULES TO THE ACCOUNTS – (Contd.)

	2001-02 Rupees Lakhs	2000-01 Rupees Lakhs
7. EARNINGS IN FOREIGN EXCHANGE:		
Export on F O B Basis	1,498.98	1,502.26
8. AMOUNT REMITTED DURING THE YEAR IN FOREIGN CURRENCY		
ON ACCOUNT OF DIVIDEND:		
(a) Number of non-resident Shareholders	1	1
(b) Number of shares held	3925980	3925980
(c) Dividend remitted (Rupees Lakhs)	196.30	98.15
9. VALUE OF IMPORTS ON C I F BASIS		
Raw Materials	2,031.74	364.02
Capital Goods	45.86	17.08
Stores & Spares	0.56	4.59
10. CAPITAL COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account	78.83	112.75
11. CONSUMPTION OF MATERIAL		
	2001-02	2000-01
	<u>Rupees Lakhs</u>	<u>Rupees Lakhs</u>
	<u>Percentage</u>	<u>Percentage</u>
(a) Raw Material		
Imported	3,201.43	383.99
Indigeneous	7,137.40	7,941.61
	<u>10,338.83</u>	<u>8,325.60</u>
	<u>100.00</u>	<u>100.00</u>
(b) Components and Spare Parts	—	—
Note : Components and Spare Parts referred to in para 4D(c) of Part II of Schedule VI to the Companies Act,1956 are assumed to be those incorporated in goods produced and not those used for maintenance of Plant and Machinery.		
12. CONTINGENT LIABILITIES:		
	31-3-2002	31-3-2001
	Rupees Lakhs	Rupees Lakhs
(a) Bills Discounted	342.98	324.82
(b) Claims against the Company not acknowledged as debts:		
(i) Income Tax Demands	487.72	407.24
(ii) Sales Tax Demands	267.21	8.68
(iii) Excise Demands	20.48	16.37
(iv) Additional Demands towards cost of land	3.85	3.85
(v) Claims of workmen/ex-employees	118.65	91.20
(vi) Other Matters	303.74	316.52
13. SECURED LOANS:		
(a) 15% Non-Convertible Debentures privately placed with Unit Trust Of India amounting to Rs. 300 Lakhs is to be secured by an equitable mortgage of the immovable properties of the Company. These Debentures are redeemable in 3 equal instalments from the expiry of 4th year from the date of allotment.		
(b) Loan from banks on Cash Credit account including foreign currency loan is secured by hypothecation of all movable assets of the Company including raw materials, finished goods, work-in-process, Stores and Spares and present and future book debts of the Company and by a second charge on all the fixed assets of the Company, both present and future.		
(c) Loan from National Horticulture Board (NHB) is secured by a deferred payment bank guarantee issued by State Bank of India.		
(d) Loan from Indian Renewable Energy Development Agency Limited is secured by bank guarantee issued by State Bank of Mysore.		
(e) The term loans from State Bank of Hyderabad and Centurion Bank are secured by first charge on the specific assets financed out of the term loans.		
(f) The term loan from ICICI Ltd. is secured by specified fixed assets of Lubricants division (i.e., erstwhile GULF OIL India Limited).		
(g) Term Loan from Jammu and Kashmir Bank is to be secured by a first charge on all immovable and movable properties and a second charge on other assets including raw materials, finished goods, work in process and book debts of Lubricants division (i.e., erstwhile GULF OIL India Limited).		



SCHEDULES TO THE ACCOUNTS – (Contd.)

- (h) Interest accrued and due on loans taken over from erstwhile IDL Salzbau (India) Limited amounting to Rs. 211.81 Lakhs is secured by first charge on all immovable properties and second charge on other assets including raw materials, finished goods, work-in-process, stores and spares and book debts of Building Product Division.
- (i) Fixed Deposits to the extent of Rs. 375.86 Lakhs were secured by a second charge on all tangible movable property and fixed assets including all movable machinery and plant, machinery spares and stores, tools and accessories and other movables both present and future as approved by the Controller of Capital Issues vide his letter dated 1st November, 1980.
- (j) In respect of loans fully repaid during the previous year/current year to the banks and Public Financial Institutions, satisfaction of charge is under process.

14. SALES TAX:

In respect of taxability under the Central Sales Tax Act, 1956, of stock transfers from Rourkela Unit to its consignment agents outside the state of Orissa, favourable orders have been received from the sales tax officer/Orissa Sales Tax Tribunal/Honourable Orissa High Court where by such stock transfers have been exempted from tax and various demands raised by the Sales Tax authorities in this regard ceased to exist.

The amount deposited under protest by the Company with the Orissa Sales Tax authorities in respect of this matter stands at Rs. 150.17 Lakhs as on 31st March, 2002 and is included under Loans and Advances (Schedule 10). Steps are being taken to claim the refund of the above deposit as per the provisions of Orissa Sales Tax Act, 1947.

15. FIXED ASSETS:

(a) Buildings include:

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

(b) Capital Work-in-Progress and advances on Capital Account include Rs. 4.30 Lakhs (net) paid in earlier years towards cost of land at Bangalore allotted by the Karnataka Industrial Areas Development Board. Lease agreements between the Company and the Karnataka Industrial Areas Development Board have been executed on 30th November, 1979 for this land but not registered as it is the intention of the Company to have the land registered/assigned in the name(s) of its sister concerns as agreed to by the Board vide its letter No. IADB 6551/79-80 dated 21st January, 1980.

16. AMALGAMATION OF GULF OIL INDIA LIMITED WITH THE COMPANY:

- (i) In accordance with the Scheme of Amalgamation of the erstwhile GULF OIL India Limited with the Company as approved by the members at a meeting convened by the Honourable High Court of Andhra Pradesh held on 20th April, 2002 and subsequently sanctioned by Honourable High Court of Mumbai and Andhra Pradesh on 5th August 2002 and 17th July 2002 respectively and the assets and liabilities of the erstwhile GULF OIL India Limited were transferred to and vested in the Company with effect from 1st January, 2002. The scheme has, accordingly, been given effect to in these accounts.
- (ii) The erstwhile GULF OIL India Limited was primarily engaged in the manufacture and sale of lubricating oils.
- (iii) The Amalgamation has been accounted for under the 'Pooling of Interest method' as prescribed by Accounting Standard (AS-14) on Accounting for Amalgamation issued by the Institute of Chartered Accountants of India. Accordingly, the assets, liabilities and the reserves of the erstwhile GULF OIL India Limited as at 1st January 2002 have been taken over at their book values. The excess of the net book value of assets over the liabilities and the reserves taken over, after adjustments for Rs. 123.83 Lakhs effected for differences in the accounting policies between the two companies, less the consideration has been credited to General Reserve (see Schedule 2).
- (iv) Pursuant to the scheme of Amalgamation, 58,70,000 equity shares of Rs. 10 each of the Company are to be issued to the share holders of erstwhile GULF OIL India Limited in the ratio of one fully paid up equity share of the Company for every two fully paid up equity shares of Rs. 10 each in erstwhile GULF OIL India Limited. Pending allotment an amount of Rs. 587 Lakhs has been included in the Share Capital Suspense Account as at 31st March, 2002 (Schedule 1A).
- (v) In view of the aforesaid amalgamation with effect from 1st January, 2002 the figures for the current year are not comparable to those of the previous year.

17. TAXATION:

- (i) Pursuant to the scheme of merger with ISIL sanctioned by the BIFR, the company has considered the tax losses of Rs. 1498.36 Lakhs allowable upto 30th March, 1999 in computing the company's income for the year ended 31st March, 1999 giving a tax benefit of Rs. 524.43 Lakhs in that year. However, the tax losses and tax benefits thereon do not include funded interest accrued on the loans taken by ISIL from the Financial Institutions as the tax benefit on such interest shall accrue to the company as and when the interest is paid to the Financial Institutions.

In the current year the Company has paid an amount of Rs. 42.43 Lakhs, being the interest due to the institutions.

- (ii) Pursuant to the scheme of amalgamation of GULF OIL India Limited with the Company, brought forward tax losses of Rs. 3470.50 Lakhs as at 31st December, 2001 have been considered in computing the Company's tax liabilities for the current year.



SCHEDULES TO THE ACCOUNTS – (Contd.)

(iii) Deferred tax:

(a) Consequent to the introduction of Accounting Standard 22 “Accounting for Taxes on Income” the Company has recorded the cumulative deferred tax liability of Rs. 1088.62 Lakhs as at 31st March, 2001 as a reduction to the General Reserve on 1st April, 2001.

31st March, 2002
Rupees Lakhs

(b) Deferred tax assets arising on account of timing differences:–	
Expenditure under section 43B of the Income-tax Act, 1961	79.05
Unabsorbed business loss/depreciation	1197.73#
Long term Capital loss	31.94
Provision for doubtful debts/advances	262.58
	1571.30
(c) Deferred tax liabilities arising on account of timing differences:	
Depreciation	1056.99
Miscellaneous Expenditure	268.84
	1325.83
Net deferred tax asset	245.47

Relates to erstwhile GULF OIL India Limited, in view of the Company’s future profit projections the Company expects to fully realise the deferred tax asset.

18. MISCELLANEOUS:

- (a) In current year, the Company has accounted for sales inclusive of excise duty recovered; in the previous year sales were accounted exclusive of excise duty. This change in the method of accounting has no impact on the profit for the year.
- (b) There are no claims for interest payment from any supplier with reference to Interest on delayed payments to Small and Ancillary Industrial Undertakings Ordinance, 1992. Consequently, the liability under the said Ordinance on account of interest is not ascertainable as on 31 March, 2002.
- (c) “Sundry Debtors – Debts outstanding for a period exceeding six months, Considered good”, include Rs. 210.89 Lakhs due from an ex-consignment agent which is outstanding from earlier years. In respect of this debt, the Company has initiated appropriate legal proceedings for recovery of the amounts. Pending finalisation of the matter, no provision has been made in respect of the above debt.
- (d) Sales-tax deferment (interest free) shown under Unsecured loans (Schedule-4) from Government of Andhra Pradesh is repayable at the end of 10th year from the year of deferment of sales-tax.
- (e) The net difference in foreign exchange (i.e., difference between the spot rate on the dates of the transactions and the actual rate at which the transactions are settled/appropriate rates applicable at the year end) debited to Profit and Loss Account is Rs. 37.77 Lakhs (Previous Year: Rs. 1.08 Lakhs).
- (f) (i) Sundry creditors include Rs. 373.43 Lakhs (Previous year Rs. 245.23 Lakhs) due to Small Scale Industrial undertakings (SSIs). Names of SSIs to whom the Company owes sums outstanding for more than 30 days as on 31st March, 2002.
- | | | |
|--|--|--|
| (i) G.Vittal Rao & Sons | (xxiv) SRD Enterprises | |
| (ii) Hyderabad Polymers | (xxv) Unique Rubber | |
| (iii) Industrial Plastics | (xxvi) Vijaya Durga Plastics | |
| (iv) Krimesh Enterprises | (xxvii) Solar Chemicals | |
| (v) Asiatic Enterprises | (xxviii) R Chem | |
| (vi) Hitech Plastics | (xxix) Anukampa Industries | |
| (vii) Chemical Udyog | (xxx) Spak Orgo Chemicals Industries (P) Limited | |
| (viii) Industrial Packaging Industries | (xxxi) Sri Venkateswara Sulphur Products | |
| (ix) Jaishil Sulphur & Chemicals Ltd. | (xxxii) Krupa Chemicals (P) Ltd. | |
| (x) Kalinga Wrappers | (xxxiii) Ramesh Silicate & Chemical Industries | |
| (xi) Kraft Box (P) Ltd. | (xxxiv) R.B. Chemical & Agro Industries (P) Ltd. | |
| (xii) Lara Chemicals | (xxxv) Rudraksha Chemicals & Minerals | |
| (xiii) Penguin Paper Plast (P) Ltd. | (xxxvi) S.K. Allied Products | |
| (xiv) R.P. Chemicals | (xxxvii) Hindustan Metals | |
| (xv) Steel Alloy Corporation | (xxxviii) D.V.S. Chemical & Engineering Industries | |
| (xvi) Shivani Chemicals | (xxxix) Jay Plasto Industries | |
| (xvii) B.N. Khatra | (xl) Super Plast Industries | |
| (xviii) Elite Engineers | (xli) Kanchi Plast Enterprises | |
| (xix) Eles Vinyl | (xlii) Jai Plastic Industries | |
| (xx) Hindustan Timber | (xliii) Noble Plastic Industries | |
| (xxi) Navbharat Engineers | (xliv) Vikrant Packaging Industries | |
| (xxii) RLV Plastics | (xlv) L.G. Systems | |
| (xxiii) Saswati Chemicals | (xlvi) Sil Boards Pvt. Ltd. | |



SCHEDULES TO THE ACCOUNTS – (Contd.)

(ii) The above information has been compiled in respect of parties to the extent to which they could be identified as small scale and ancillary undertakings on the basis of the information available with the Company.

(g) Future rentals in respect of Lease commitments taken by the Company prior to 1st April 2001 are Rs. 8.95 Lakhs (Previous year Rs. 16.59 Lakhs).

19. EARNINGS PER SHARE:

	Year ended 31st March, 2002	Year ended 31st March, 2001
(a) Profit after Tax (Rs. Lakhs)	769.55	5464.32
(b) Number of Equity Shares at the beginning of the year	8001747	8001747
(c) Number of Equity Shares at the end of the year	13871747 *	8001747
(d) Weighted average number of Equity shares outstanding during the year	9469247	8001747
(e) Face value of each Equity Share (Rs.)	10	10
(f) Basic & Diluted Earnings per Share (Rs.)	8.12	68.29

*Including 58,70,000 Equity Shares to be issued by the Company pursuant to the Scheme of Amalgamation referred to in Note 16.

20. RELATED PARTY DISCLOSURES:

Information relating to Related Party Transactions as per "Accounting Standard 18" issued by the Institute of Chartered Accountants of India.

(A)	Name of the Related Party	Relationship
	GULF OIL (Mauritius) Inc.	Associate
	N N Investments BV, Netherlands	Associate
	IDL Agro Chemicals Limited	Subsidiary
	IDL Finance Limited	Subsidiary
	IDL Arom International Limited	Subsidiary
	Gulf Carosserie India Limited	Subsidiary
	Mr. S. Pramanik, Managing Director	Key Management Personnel

(B) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2002:

Rupees Lakhs

Particulars	Subsidiaries	Associates	Key Management Personnel & Relatives
Expenses paid	23.75		
Interest received	0.08		
Lease Rent paid	9.52		
Advances given	16.10		
Advance realised	9.00		
Expenses recovered	1.34		
Dividend payments (for the year 2001)		196.30	0.15
Directors' Remuneration			28.42
<u>Outstanding balances as on March 31, 2002:</u>			
(a) Due from subsidiaries	56.22		
(b) Due to subsidiaries	5.14		
Advance due written off	53.47		
Investment written off	19.00		



SCHEDULES TO THE ACCOUNTS – (Contd.)

21. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2002:

(i) Information about Primary Business Segments

(Rupees Lakhs)

	Explosives	Building Products	Lubricating Oils	Others	Unallocated	Eliminations	Total
REVENUE							
External	19,569.58	243.64	5,166.62	433.16	68.70		25,481.70
Inter-segment	—	—	6.21	—	—	(6.21)	—
Total Revenue	19,569.58	243.64	5,172.83	433.16	68.70	(6.21)	25,481.70
RESULT							
Segment result	1,462.93	(69.96)	199.01	225.34	—	—	1817.32
Unallocated Expenditure net of unallocated income							(426.47)
Interest Expense							(1,023.47)
Interest Income							694.04
Dividend Income							24.03
Profit before Taxation & Prior Period Item							1,085.45
Prior Period Item							(106.90)
Net Profit							978.55
OTHER INFORMATION							
Segment Assets	16,964.38	891.25	12,421.06	427.96	8,816.57		39,521.22
Segment Liabilities	6,460.68	378.56	8,997.21	258.42	9,096.18		25,191.05
Capital Expenditure	1,972.77	0.83	30.13		415.02		2,418.75
Depreciation	341.34	64.32	61.22	25.81	18.88		511.57
Non-cash expenses other than depreciation	178.38	—	31.83	26.21	8.24		244.66

(ii) Information about Secondary Business Segments

Revenue by geographical market
Inter-Segment

Total

Carrying amount of segment assets
Additions to Fixed Assets

	India	Outside India	Total
Revenue by geographical market	23660.16	1821.54	25481.70
Inter-Segment	—	—	—
Total	23660.16	1821.54	25481.70
Carrying amount of segment assets	39117.34	403.88	39521.22
Additions to Fixed Assets	2418.75	—	2418.75

(iii) Notes:

(a) Business Segment:

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

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

The business segments of the Company are (i) Explosives, (ii) Building Products (iii) Lubricating Oils and (iv) Others.

Others include Floriculture and Property Income.

(b) Geographical Segment:

The Geographical segments considered for disclosure are as follows:

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

(c) Segment Revenue comprises of:

	Rupees Lakhs
– Income from Sales and other operations	25,250.68
– Other Income excluding dividend, interest received and profit on sale of investments	231.02
	<u>25,481.70</u>

22. Previous year's figures have been regrouped/recasted wherever necessary.

Schedules 1 to 18 annexed hereto form part of these accounts.

Per our report attached

For **A.F. FERGUSON & CO.**
Chartered Accountants

For and on behalf of the Board of Directors

A.C. GUPTA
Partner

A. VASUDEVAMURTHY
Secretary

S. PRAMANIK
Managing Director

K.N. VENKATASUBRAMANIAN
Chairman

Hyderabad
August 31, 2002



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002

	2001-2002		2000-2001	
	Rupees Lakhs	Rupees Lakhs	Rupees Lakhs	Rupees Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax and extraordinary items		1,085.45		(1,423.95)
Adjustments for:				
Depreciation	511.57		312.94	
Dividend received	(24.03)		(84.73)	
Miscellaneous Expenditure written off	244.67		159.79	
Interest received	(4.13)		(4.13)	
Loss/(Profit) on sale of Fixed Assets	(175.57)		1.15	
Profit on sale of Investment	(113.54)		(2.90)	
Diminution in value of Investment	6.25		—	
Interest expenses	1,023.47		833.69	
Unrealised (Gain)/Loss on Exchange-Net	11.51		0.43	
		1,480.20		1,216.24
Operating Profit/(Loss) before working Capital changes		2,565.65		(207.71)
Adjustments for:				
Trade and other Receivables - (Increase)/Decrease	(955.88)		(746.80)	
Inventories - (Increase)/Decrease	505.66		(141.88)	
Trade Payable - Increase/(Decrease)	(657.83)		1,555.31	
		(1,108.05)		666.63
Miscellaneous Expenditure (not written off or adjusted) incurred during the year		(477.67)		(459.24)
Cash generated from Operations		979.93		(0.32)
Direct Taxes paid (net of refunds)	(253.02)		(659.71)	
Interest paid	(1,032.68)		(958.06)	
		(1,285.70)		(1,617.77)
Cash inflow/(outflow) before extraordinary/prior period items		(305.77)		(1,618.09)
Extraordinary items		—		(216.08)
Prior period item - Additional Advisory Fees for sale of investments		(109.96)		—
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		(415.73)		(1,834.17)
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(2,418.75)		(547.43)	
Sale of Fixed Assets	244.78		5.50	
Purchase of Investments	(115.97)		(499.36)	
Sale/Redemption of Investments	211.87		8,928.13	
Advance to Subsidiary Companies	(17.71)		(6.85)	
Loans Realised	150.00		12.00	
Loan Given	—		(2,150.00)	
Interest received	4.13		4.13	
Dividend received	24.03		84.73	
NET CASH INFLOW/(USED) IN INVESTING ACTIVITIES		(1,917.62)		5,830.85



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002 (Contd.)

	2001-2002		2000-2001	
	Rupees Lakhs	Rupees Lakhs	Rupees Lakhs	Rupees Lakhs
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	6,213.13		3,231.90	
Proceeds from Fixed Deposits	189.55		175.58	
Repayment of borrowing	(3,365.12)		(3,757.19)	
Dividend paid	(395.34)		(195.99)	
Dividend tax paid	(40.81)		(22.00)	
NET CASH INFLOW/(OUTFLOW) FROM FINANCIAL ACTIVITIES		2,601.41		(567.70)
Net increase/(decrease) in cash and cash equivalents		268.06		3,428.98
Cash and Cash Equivalents as at the commencement of the year - Cash and Bank Balances		3,795.02		366.47
Cash and Cash Equivalents taken over on amalgamation (Note-2)		503.70		—
Cash and Cash Equivalents as at the end of the year - Cash and Bank Balances		4,566.78		3,795.45
Cash and Cash Equivalents Comprise:				
Cash and Bank Balances	4,564.51		3,795.02	
Unrealised Loss/(Gain) on Foreign Currency Cash and Cash Equivalents	2.27		0.43	
		4,566.78		3,795.45

For and on behalf of the Board of Directors

Hyderabad
August 31, 2002

A. VASUDEVAMURTHY
Secretary

S. PRAMANIK
Managing Director

K. N. VENKATASUBRAMANIAN
Chairman

Notes to the Cash flow Statement for the year ended March 31, 2002:

- Purchase of fixed assets include payments for items in capital work-in-progress and advances for purchase of fixed assets.
- Cash and cash equivalents include Rs. 503.70 Lakhs of erstwhile GULF OIL India Limited taken over on amalgamation.
- The amalgamation of the erstwhile GULF OIL India Limited with the Company is a non-cash transaction. (See note 16 on Schedule 18)
- (i) The previous year's figures are not comparable due to Note-3 above.
(ii) Previous year's figures have been regrouped/restated, where necessary.

AUDITORS' REPORT

We have examined the above cash flow statement of GULF OIL Corporation Limited (formerly IDL Industries Limited) for the year ended 31st March, 2002. The statement has been prepared by the Company in accordance with the listing requirements of the Stock Exchanges in India and is based on and derived from the audited accounts of the Company for the year ended 31st March, 2002.

For **A. F. Ferguson & Co.,**
Chartered Accountants

Hyderabad
August 31, 2002

A. C. GUPTA
Partner



Statement Under Section 212 of the Companies Act, 1956,

Name of the Subsidiary	Financial Year Ending of the Subsidiary	Number of Shares	Extent of Holding	For the Financial Years of the Subsidiary		For the previous Financial Years since it became a Subsidiary	
				Profits/(Losses) so far it concerns the members of the Holding Company and not dealt with in the Books of Accounts of the Holding Company (Except to the extent dealt with in Col. 6)	Profits/(Losses) so far it concerns the members of the Holding Company and dealt with in the Books of Accounts of the Holding Company	Profits/(Losses) so far it concerns the members of the Holding Company and not dealt with in the Books of Accounts of the Holding Company (Except to the extent dealt with in Col. 8)	Profits/(Losses) so far it concerns the members of the Holding Company and dealt with in the Books of Accounts of the Holding Company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
IDL Agro Chemicals Limited	31.03.2002	240000*	100%	Rs. 1.66 Lakhs	Nil	(Rs. 19.09 Lakhs)	Nil
IDL Finance Limited	31.03.2002	88460	52.04%	(Rs. 2.73 Lakhs)	Nil	(Rs. 19.09 Lakhs)	Nil
IDL Arom International Limited	31.03.2002	100000	83.33%	Rs. 4.42 Lakhs	Nil	Rs. 13.28 Lakhs	Nil
GULF Carrosserie India Limited	31.03.2002	380000	94.99%	(Rs. 4.46 Lakhs)	Nil	(Rs. 95.70 Lakhs)	Nil

*out of which 7 equity Shares of Rs. 10/- each were held by the Nominees of GULF OIL Corporation Limited (Formerly IDL Industries Limited)

For and on behalf of the Board of Directors

Hyderabad
August 31, 2002

A. VASUDEVAMURTHY
Secretary

S. PRAMANIK
Managing Director

K. N. VENKATASUBRAMANIAN
Chairman