Gulf Oil Corporation Limited

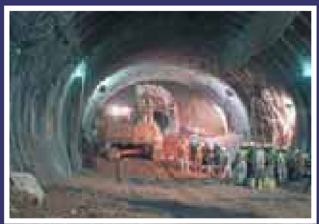
51st

ANNUAL REPORT

2012


LUBRICANTS


INDUSTRIAL EXPLOSIVES


MINING & INFRASTRUCTURE


PROPERTY DEVELOPMENT

EVENTS OF THE YEAR

Agreement signing betwwen L&T-Komatsu and Gulf Oil for supply of Co-branded Genuine Oils

Gulf - Branding at Chepauk Stadium, Chennai

Gulf Branding on carriers

Ashok Leyland and Gulf Oil signing AL-GOCL DOST agreeement

Special Shop Branding

MS Dhoni endorsing Gulf Oil - Mahindra Co-Branded Oil

Unveiling of special signage by MS Dhoni during a press conference in Chennai

Special Gantry on the Express Way to F1Track, Noida

Mr. Sanjay Hinduja with some customers at the F1 Event - Special Gulf

Gulf Branded Drag Bike in Action in Mumbai during a Live Demo

Release of Special Limited Edition Pack signed by MS Dhoni in the presence of Mr. Sanjay Hinduja

‘Meet and Greet Event’ Suresh Raina & MS Dhoni giving awards to Gulf Oil Distributors

Gulf Foster a Child campaign

Gulf Dirt Track National Championship 2012

Gulf Monsoon Scooter Rally at Mumbai

Board of Directors
(as on 30th May, 2012)

Chairman	Directors	
S. G. Hinduja	K. N. Venkatasubramanian	Vinoo S. Hinduja
Vice Chairman	H. C. Asher	V. Ramesh Rao
R. P. Hinduja	M. S. Ramachandran	Vinod K. Dasari *(upto 30th May 2012)*
	Ashok Kini	S. Pramanik, *Managing Director*
	Prakash Shah	A. V. Dujean, *Alternate to R. P. Hinduja (upto 27th April 2012)*
	Kanchan Chitale	K. C. Samdani, *Alternate to Vinoo S. Hinduja*

Board Committees

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

Company Secretarial	S. Subramanian	*Company Secretary (upto 30.09.2011)*	A. Satyanarayana	*Joint General Manager and Deputy Company Secretary*
Executive Team:				
Corporate	S. Subramanian	*Chief Financial Officer (upto 30.09.2011)*	V. Satish Kumar	*Vice President (Internal Audit)*
	Manish Gangwal	*Chief Financial Officer (from 1.10.2011)*	P. Divakaran	*General Manager (Finance)*
	Ravi Chawla	*President & CEO-Lubricants Division*	Amrish Kathane	*Sr. General Manager - Technical Services (B2B & QC)*
	Sunil S. Jambavdekar	*Vice President-Supply Chain & New Projects*	S. Viswanathan	*Sr. General Manager - Filters*
Lubricants Division	Satyabrata Das	*Sr. General Manager*	Bijoy Paul	*General Manager - Marketing*
	Alok Mahajan	*Chief Marketing Officer-Lubes Business*	Somesh Sabhani	*Head - Industrial Sales*
	M. P. Sajeev	*General Manager-Technical Services*		
Explosives Division	Ch. V. Murali Krishna	*General Manager (Hyderabad Works)*		
Contracts Division	T.T. Das	*Associate Vice President-Consult*		

Bankers	State Bank of India State Bank of Hyderabad Oriental Bank of Commerce ICICI Bank Limited	Andhra Bank IDBI Bank Ltd Bank of Bahrain & Kuwait B.S.C HSBC Bank

Auditors	Deloitte Haskins & Sells, Chartered Accountants, Secunderabad Shah & Co., Chartered Accountants, Mumbai (Branch Auditors) Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Cost Auditors)

Registered/ Corporate Office	Kukatpally, Hyderabad - 500 072 Andhra Pradesh	**Registrar & Share Transfer Agents**	Karvy Computershare Private Limited Plot No. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad 500 081.

CONTENTS

A TEN YEAR REVIEW

(Rs. Lakhs)

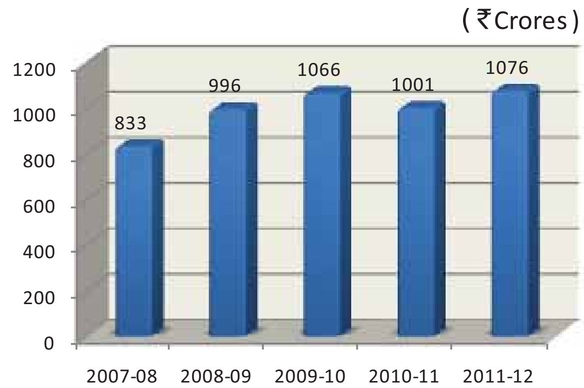
Year	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
INCOME & DIVIDENDS										
Turnover	**107576.16**	100102.35	106565.94	99588.84	83321.52	66865.64	50724.65	47340.47	41551.04	40534.71
Profit Before Tax	**7031.23**	6702.03	5430.23	3875.41	2970.60	3183.37	2543.43	2215.07	2798.39	1132.93
Profit After Tax	**6211.23**	5419.03	4507.23	2904.38	2513.17	2300.59	2278.60	2003.07	2290.80	1531.52
Profit After Tax as percentage of Sales	**5.05%**	5.41%	4.23%	2.92%	3.02%	3.44%	4.49%	4.23%	5.51%	3.78.%
Earnings Per Share (Rs.)	**6.26 #**	6.11 #	6.06 #	3.91 #	3.42 #	16.58	16.43	14.44	16.51	11.04
Dividend per fully paid Equity Share (Rs.)	**2.20 #**	2.00 #	1.80 #	1.70 #	1.50 #	7.50	7.00	6.50	6.00	5.00
Dividend	**2181.19**	1982.90	1338.46	1264.10	1115.38	1115.38	971.02	901.66	832.30	693.59

Year	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
CAPITAL EMPLOYED										
Net Fixed Assets	**101877.61**	43011.36	58103.87	60676.59	200424.32	15647.14	11367.26	10560.95	8215.47	7943.98
Net Working Capital	**26850.55**	10230.27	11388.15	17835.12	22592.43	14451.81	9597.43	8130.11	9837.19	12593.26
Other Assets	**5530.73**	8768.26	3204.01	3595.94	6992.93	7980.24	5278.71	4839.49	2394.70	984.10
Total Capital Employed	**134258.90**	62009.89	72696.03	82107.65	230009.68	38079.19	26243.40	23530.55	20447.36	21521.34

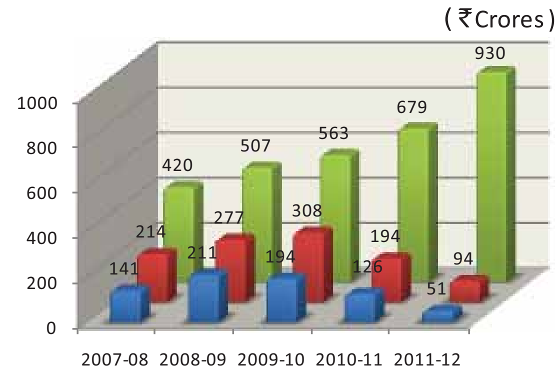
Year	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
NETWORTH & LOANS										
Shareholders' Funds:										
Capital	**1982.90**	1982.90	1487.17	1487.17	1487.17	1387.17	1387.17	1387.17	1387.17	1387.17
Reserves	**105715.88**	42297.79	40789.77	39794.17	203901.39	14388.71	13393.06	12221.67	11246.72	10454.43
Tangible Networth	**107698.78**	44280.69	42276.94	41281.34	204717.18	15237.06	14284.78	12827.12	12045.21	11841.60
Secured Loans	**8457.85**	10204.43	17074.51	17122.63	13457.72	15547.27	8147.69	8243.71	6224.07	7593.02
Unsecured Loans	**18102.28**	7524.77	13344.58	23703.68	11163.40	6251.04	2810.48	1678.00	1589.40	2086.72
Debt Equity	**0.25**	0.40	0.72	0.99	0.12	1.43	0.77	0.77	0.65	0.82
No. of Shareholders at year end	**65289**	66661	61276	59476	56218	43790	43840	45893	47605	48945

Note: Sales figure includes Excise Duty
 # Equity Shares of face value of Rs. 2 each. Previous years face value of Rs. 10 each

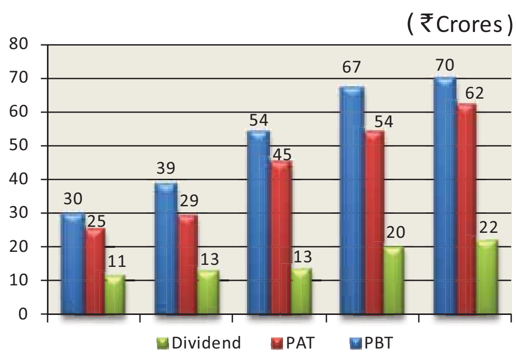
Turnover



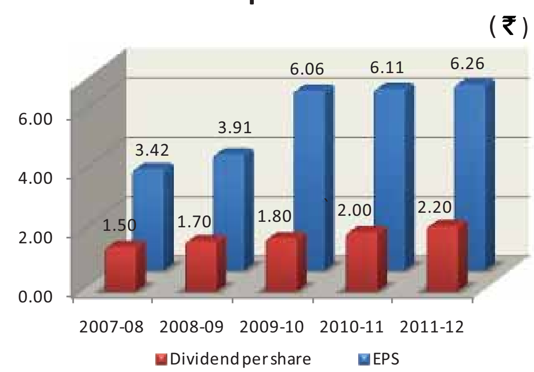
Segment-wise Turnover



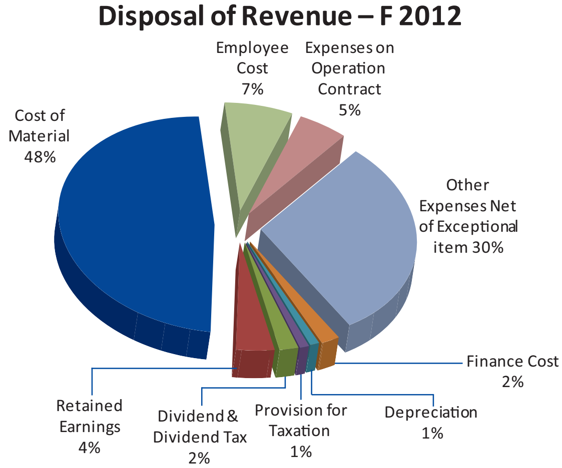
PAT, PBT and Dividend Payout



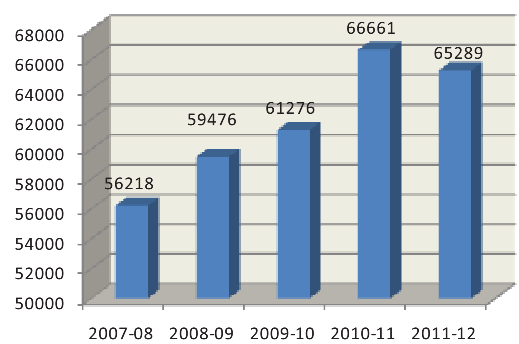
Dividend per share and EPS



Disposal of Revenue – F 2012



Number of Shareholders



Chairman's Letter

Dear Shareholders,

I welcome you to the 51st Annual General Meeting of the Company.

The year in retrospect has not been very encouraging for businesses operating in the country. This situation has arisen due to the economy being affected by several policy issues relating to liquidity, interest rates, sectoral focus, environmental concerns and the global slump. In addition, the Rupee also depreciated by more than 11% during the year putting more pressure on the economy and investments.

The Indian economy has also been affected by the global economy passing through a very volatile phase where confidence levels in most countries have been adversely affected. The European debt crises has been instrumental in global markets turning unpredictable and business optimism being severely dented. While, no permanent solution is still in sight for the Euro crises, the Indian economy in our view, can be stabilized through pragmatic policy and remedial action by the Government by announcing comprehensive revival packages especially in the core sectors comprising of coal, crude oil, gas, fertilisers, steel, cement and electricity. Fortunately, crude oil prices which fuelled inflation in India in the previous year have been moving towards realistic levels providing some degree of comfort.

The Indian economy decelerated to 6.5% in 2011-12 as against 8.5% in the previous fiscal and much below the earlier estimates. Manufacturing reduced from 7.6% to 2.5% whilst mining turned negative of 1% over 5% positive last year. Similarly, construction growth reduced to 5.3% against 8% last year. Although the Government has attempted to reverse the trends in the last 2 quarters of 2011-12 the liquidity and interest rates did not support this objective due to high inflation. However, the worrying feature is the investment–GDP ratio falling by 1% over the year and there seems to be no strong signal of revival. Moreover, projections of GDP for 2012–13 are being forecast below 6% and business sentiments have been dampened due to downgrading of sovereign ratings by major rating agencies.

Whilst the overall economic scenario for India has affected our growth vectors, the Lubricants Division of the Company recorded a sales of Rs. 931 crores up by 37% over the previous year. The robust growth in this Division has been mainly on account of aggressive brand building exercises, channel expansion and introduction of new products for the diesel engine and motorcycle segments. The aggressive stance taken by the Division has helped to grow its “bazaar segment” nearly three times more than the industry average besides entering into may new tie-up with OEMs.

The other current Divisions of our Company, namely, Explosives Division and Mining & Infrastructures Division did not fare well due to the change in the mining and infrastructure scenario where growth rate dipped to negative for mining and by 3% in construction. For the mining segment it may be noted that it is a first slump in around four decades. This is reflected in the performance of the Explosives Division which decelerated from Rs. 194 crores to Rs. 94 crores, whilst the Mining and Infrastructure Division had to idle its machinery and resources throughout the year and clocked only Rs. 51 crores of service income as against Rs. 126 crores in the previous year.

The loss in growth momentum in the mining and construction sectors has had its effect on the electricity generation which was insufficient to meet the increasing demands and also affected the metal industries. It is expected that the Government will be taking certain bold decisions with regard to competitive bidding of coal blocks for the power, steel and cement sectors, single window clearance mechanism for investors and public-private-partnership model for exploiting the large reserves across the country.

PROPERTY DEVELOPMENT

We received all SEZ approvals in March 2012 and local clearances thereafter. The Bhoomi Puja was conducted on 25th April and work started on the 30 acre SEZ from 3rd May. As indicated earlier, the 30 acre IT and ITeS Park along with the 10 acres non-SEZ area housing a hotel, service apartments, and shopping mall will be constructed in a phased manner over the next 5 ½ years. The development of 5.05 million square feet will start yielding revenues for your Company from Q4 of 2013-14.

I am also happy to announce the signing of the Development Agreement for the 76 acres development in Kukatpally, Hyderabad with Hinduja Estates Private Ltd. on 30th July. Under this Agreement, your Company will receive 35% of the developed area of 10.50 million square feet. All costs towards this development will be borne by Hinduja Estates. Work on the town planning has been started.

MAJOR INITIATIVES

The Lubricants Division has been working to consolidate its pioneer position in long drain oils for commercial vehicles by launching long drain oils for other segments. More OEM tie-ups, co-brandings are being worked out with auto majors and heavy equipment manufacturers. The Division is also augmenting resources and building capacities to keep pace with its growth plans. Site selection for its second plant in the South is also being expedited.

BRAND BUILDING

The Lubricants Division moved ahead with its brand building efforts, with MS Dhoni, India's Cricket Team Captain, being appointed as the Brand Ambassador for GULF. I am sure you would have witnessed several GULF campaigns in the electronic media featuring Dhoni.

With the continuing association with motor sports and the IPL team, Chennai Super Kings, the GULF brand has increased its visibility, highlighted the brand's technology, and boosted the confidence of our trade partners.

In conclusion, our outlook for the future remains cautiously optimistic because of the present challenges facing the Indian and global business environment. However, our teams remain committed to growth in business and shareholder value. I take this opportunity to thank the shareholders and business associates for their support and encouragement.

S. G. Hinduja
CHAIRMAN

August 16, 2012

NOTICE OF THE FIFTY FIRST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty First Annual General Meeting of the Company will be held at 2.30 p.m. on Friday, the 21st day of September 2012 at Grand Ball Room, Hotel Taj Krishna, Banjara Hiils, Hyderabad – 500034 to transact the following:

ORDINARY BUSINESS

1. To consider and adopt the Directors' Report, the Auditors' Report, the Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the year ended 31st March 2012.
2. To declare dividend for the financial year ended 31st March 2012.
3. To appoint a Director in place of Mr.K.N.Venkatasubramanian, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment .
4. To appoint a Director in place of Mr.H.C.Asher, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.
5. To appoint a Director in place of Mr.Prakash Shah, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.
6. To appoint a Director in place of Mr.Ashok Kini, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.
7. To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

   "RESOLVED that M/s Deloitte Haskins & Sells, Chartered Accountants, Secunderabad (Registration No.008072S) be and are hereby appointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be negotiated and fixed by the Audit Committee/Board of Directors of the Company in addition to actual out-of-pocket expenses incurred by them for the purpose of audit."
8. To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

   "RESOLVED that M/s. Shah & Co., Chartered Accountants, Mumbai (Registration No.10940W) be and are hereby appointed Branch Auditors of the Company for its Lubricants Division at Mumbai from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be negotiated and fixed by the Audit Committee/Board of Directors of the Company in addition to actual out-of-pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

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

   RESOLVED THAT pursuant to Section 163 and all other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modification or re-enactment thereof, for the time being in force] hereinafter referred to as the "Act", consent and approval of the Company be and is hereby accorded for keeping the Register of Members, Index of Members, copies of all Annual Returns under Section 159 and 160 of the Act together with copies of certificates and documents required to be annexed thereto under Sections 160 and 161 of the Act or any one or more of them at the office of Karvy Computershare Private Limited, having office at Plot No.17-24, Vithal Rao Nagar, Madhapur, Hyderabad-500081 instead of being kept at the registered office of the Company or at the office of Sathguru Management Consultants Private Limited, Hyderabad, the erstwhile Registrar & Share Transfer Agent of the Company.
10. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

    "RESOLVED that in supersession of previous resolution passed by the Members of the Company at their Meeting held on 23rd September 2011 and pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the applicable laws, Rules, Guidelines, Regulations, Notifications and Circulars, if any, issued by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), the Government of India (GOI), the Foreign Investment Promotion Board (FIPB), and other concerned and relevant authorities, and other applicable Indian laws, rules and regulations, if any, and relevant provisions of Memorandum and Articles of Association of the Company and the Listing Agreement(s) entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to such approval(s), consent(s) permission(s) and/ or sanctions(s) as may be required from GOI, FIPB, RBI, SEBI and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction which may be agreed by the Board of Directors of the Company ("the Board") (which term shall be deemed to include 'Offering Committee' or any other Committee constituted or hereafter be constituted for the time being exercising the powers conferred on the Board by this Resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, Securities (as defined below) in the form of Equity or other Shares, Warrants, Bonds or Debentures, Depository Receipts, (whether Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Indian Depositary Receipts (IDRs) or any other form of Depository Receipts), or any other debt instrument either convertible or nonconvertible into Equity or any other Shares whether optionally or otherwise, including Foreign Currency Convertible Bonds representing any type of securities (FCCBs), whether expressed in Foreign Currency or Indian Rupees (all or any of which are hereinafter referred to as "Securities") whether secured or unsecured, and further the Board be and is authorized, subject to applicable laws and regulations, to issue the Securities to investors (including but not limited to Foreign Banks, Financial Institutions, Foreign Institutional Investors, Qualified Institutional Buyers, Mutual Funds, Companies, other Corporate Bodies, Non- Resident Indians, Foreign Nationals and other eligible investors as may be decided by the Board (hereinafter referred to as “Investors”) whether or not such Investors are members, promoters or directors of the company or their relatives or associates, by way of one or more private and/ or public offerings (and whether in any domestic and/ or international market(s), through a public issue(s), private placement(s), Qualified Institutional Placement(s), preferential issue(s) or a combination thereof in such manner and on such terms and conditions as the Board deems appropriate at its absolute discretion provided that the issue size shall not exceed US$100 million or Rs.550 crores inclusive of such premium as may be payable on the Equity Shares or any other Security, at such time or times and at such price or prices and in such tranche or tranches as the Board in its absolute discretion deem fit.

RESOLVED FURTHER THAT in the event the Company proposes to issue Securities through Qualified Institutional Placement, the **‘Relevant Date’** in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 shall be August 21, 2012 being the date 30 days prior to the date of this Annual General Meeting or such other date as may be prescribed.

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

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

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

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

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

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

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

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

    RESOLVED THAT in addition to sitting fees, there shall be paid to such directors who are neither in the whole-time employment of the Company nor the managing director and whose remuneration does not include anything by way of monthly or other periodic payment, commission on net profits of the Company for the year ended 31st March 2013 and four years thereafter of an aggregate amount not exceeding the maximum limit permitted under the provisions of Section 309 and other applicable provisions, if any (the Companies Act, 1956 (“the Act”) (computed in the manner referred to in Section 198 of the Act) as may be decided by the Chairman of the Board of Directors of the Company/Remuneration & Nomination Committee to be distributed amongst such Directors in such manner and to such extent to each director as may be decided by the Chairman of the Board of Directors/Remuneration & Nomination Committee.

By Order of the Board

Hyderabad,
May 30, 2012.

A. Satyanarayana
Dy Company Secretary

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

Notes:

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

   Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. An Explanatory Statement pursuant to Section 173 of the Companies Act 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books will be closed from 15th September, 2012 to 21st September 2012 (both days inclusive) in connection with the ensuing Annual General Meeting and the payment of Dividend.
4. Dividend recommended by the Board and approved by the Members at the AGM, will be paid on or before 20th October 2012. In respect of shares held in physical form, the dividend will be payable to those members whose names appear on the Register of Members on 21st September, 2012. In respect of shares held in electronic form, dividend will be payable to beneficial owners of the shares as per details furnished by the Depositories for this purpose.
5. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund. Accordingly, in the year 2012-13, the Company would be transferring the unclaimed dividend for the year 2004-05 to the Investor Education and Protection Fund. Members who have not encashed their dividend warrant for the year ended March 31, 2005 or thereafter are requested to write to the Company/Registrars and Share Transfer Agents.
6. Details of Unclaimed Shares:

   The details of shares remaining unclaimed in the unclaimed suspense account are given below. Prior to such dematerialisation, three reminders were sent to the concerned shareholders.

	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – 1st April 2011	16	1020
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- 31st March 2012	16	1020

7. Members holding shares in dematerialized mode are requested to instruct their respective Depository Participants regarding Bank Accounts in which they wish to receive the dividend. However, the Bank details as furnished by the respective Depositories to your Company will be used for the purpose of distribution of dividend through National Electronic Clearing Service (NECS) as directed by the Stock Exchanges. Your Company/Registrar and Share Transfer Agents will not act on any direct request from Members holding shares in dematerialized form for change/deletion of such Bank details.
8. Members holding shares in physical form, are requested to inform the Company/ Registrars and Share Transfer Agents of any change in their addresses immediately for future communication at their correct addresses and Members holding shares in demat form are requested to notify to their Depository Participants.
9. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Transfer Agents to enable them to consolidate their holdings into one folio.
10. As required under Clause 49 of the Listing Agreement, brief information of Directors, being appointed/reappointed, is given in the Directors' Report.
11. Members requiring any clarification/information on any report/statements, are requested to send their queries to the Registered Office of the Company, at least 10 days before the date of the AGM.
12. Members are requested to quote their folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Registrar and the Share Transfer Agent.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.9

The activities pertaining to share transfer, transmission, dematerialization, rematerialization etc., were being carried out by Sathguru Management Consultants Private Limited. Since, the above Registrar conveyed that they are closing down their Registry operations, the Board of Directors approved appointment of Karvy Computershare Private Limited, Hyderabad as Registrar & Share Transfer Agent of the Company in place of Sathguru Management Consultants Private Limited.

The above change in Registrar & Transfer Agent will result in keeping the Register of Members, Index of Members, copies of Annual Returns etc, at the premises of the new Registrar & Share Transfer Agent viz., Karvy Computershare Private Limited, Hyderabad. The approval of the shareholders is requested for the aforesaid change.

None of the Directors of the Company is in any way, concerned or interested in this resolution.

The Board recommends this resolution for your approval.

Item No.10

The global economy has been undergoing weakness in the last few years. In this background, conditions for raising of financial resources from overseas markets have not been conducive. Hence, the Company could not raise any amounts based on the similar resolution approved by the shareholders at the last Annual General Meeting. The validity period of the shareholders resolution is one year and hence the need to pass the resolution once again.

With a view to augment long term financial resources of the Company and to meet costs in connection with the expansion, diversification projects and other permissible uses, it is proposed to raise an amount not exceeding US$ 100 millions or Rs.550 crores through issue of Foreign Currency Convertible Bonds (FCCBs) and / or American Depository Receipts (ADRs) or Global Depository Receipts (GDRs) and/or Qualified Institutions Placement and/or any other suitable financial instruments as contained in the Resolution.

The salient features are mentioned in the resolution and will be issued on such terms and conditions as may be appropriate at the time of issue.

The FCCBs/ADRs/GDRs/any other financial instruments including Qualified Institutions Placement, would be listed on the London and/or any other Stock Exchange within or outside India.

The Special Resolution gives adequate flexibility and discretion to the Board to finalise the terms of the issue in consultation with the lead managers, under writers, legal advisers and experts or such other authorities as need to be consulted including in relation to the pricing of the issue.

The consent of the shareholders, is therefore, sought to authorise the Board of Directors as set out in the Resolution to issue in one or more tranches, the securities referred to therein in the Indian market to eligible investors or international market to Foreign Financial Institutions, to Foreign Investors/Collaborators/Companies and/or to Foreign Investment Institutions operating in India, whether shareholders of the Company or not, through a public issue or private placement basis and/or preferential basis or Qualified Institutions Placement.

None of the Directors is as such concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

Item No.11

The Company has been paying commission out of net profits to the Directors, who are neither in the whole-time employment of the Company nor the Managing Director and whose remuneration does not include anything by way of monthly payment nor commission out of net profits of the Company. The Company proposes to continue the payment of this commission for a further period of five years, commencing from the accounting year of the Company from 1st April, 2012.

All Directors of the Company except Mr Subhas S Pramanik, Managing Director, are interested in the resolution.

The Board recommends this Resolution for your approval.

By Order of the Board

Hyderabad,
May 30, 2012.

A.Satyanarayana
Dy. Company Secretary

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

REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in presenting their Fifty First Annual Report and Audited Accounts for the year ended 31st March 2012.

1. FINANCIAL RESULTS:

(Rs. in lakhs)

	2011-12	2010-11
Profit after providing for Depreciation of Rs.1441.61 lakhs (Rs. 1605.22 lakhs) and before extraordinary items and taxation	4939.06	4690.29
Exceptional Income:	2092.17	2011.74
Profit Before Taxation	7031.23	6702.03
Taxation:		
Current	1585.00	866.00
Deferred	(95.00)	417.00
MAT Credit	(670.00)	-
Profit After Taxation	6211.23	5419.03
Balance brought forward from previous year	10868.32	8303.87
Balance available for appropriation	17079.55	13722.90
Appropriations:		
Proposed Dividend	2181.19	1982.90
Provision for tax on proposed dividend	353.84	321.68
Transfer to General Reserve	650.00	550.00
Balance carried to Balance Sheet	13894.52	10868.32
EPS	6.26	6.11

2. DIVIDEND

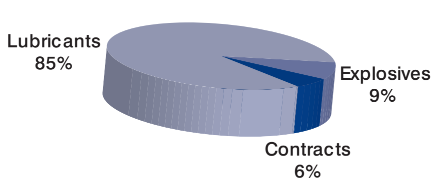
The Directors recommend the payment of Dividend of Rs. 2.20 per share (Rs. 2.00 per share) on the Paid Up Capital of the Company. The dividend of Rs.21.81 crores (Rs.19.83 crores), if approved by the Shareholders at the Fifty First Annual General Meeting, will be paid out of the profits for the current year to all Shareholders of the Company whose names appear on the Register of Members as on the date of the Book Closure.

3. OPERATIONS

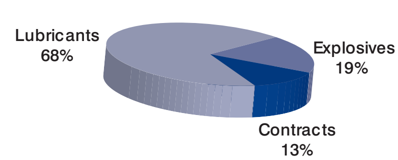
The total turnover of the Company was Rs. 1075.76 crores (previous year - Rs.1001.02 crores). The profit before exceptional items and taxation was Rs. 49.39 crores (Rs. 46.90 crores). The profit before tax was Rs. 70.31 crores (Rs. 67.02 crores). The profit after provision for current tax of Rs. 15.85 crores and write back of deferred tax of Rs. 0.95 crores and adjustment of MAT credit of Rs. 6.70 crores, was Rs. 62.11 crores (Rs. 54.19 crores) resulting in an EPS of Rs. 6.26 for the year (Rs. 6.11).

4. DIVISIONAL PERFORMANCE

4.1 Business Operations



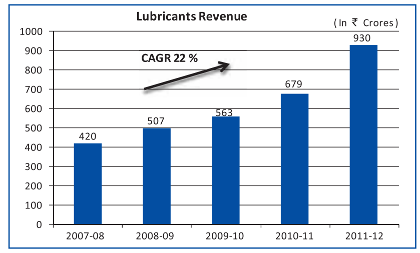
2011-12 Total Revenue: Rs. 1075.76 crores



2010-11 Total Revenue: Rs. 1001.02 crores

4.2 Lubricants

Continuing the Growth Journey………



The Lubricants Division continued its growth journey by delivering significantly higher revenues and profits during the Financial Year 2011-12. The gross turnover of the Division was at Rs. 931 crores as against Rs. 679 crores, an increase of 37% over previous year and segment profits increased by 28%.

Outperforming Industry and Competitor growth rates………

The Lubricant Industry estimated annual growth in overall volumes was 2-3% and the bazaar market segment growth slowed down to 5-6 %. The Automobile Industry witnessed positive growth throughout the year but at a slower pace with Commercial Vehicles segment posting a growth of 18%, mainly due to the increase in sales of Light Commercial Vehicles. Passenger Cars and Two Wheelers sales grew at 2 % and 14% respectively. The overall growth of the automobile industry was moderate at 12%. Accordingly, demand conditions in the lube industry remained positive for Automotive Lubricants. With industrial growth slowing down all through the year, the demand for industrial lubricants in particular was lower.

Rising Input costs …..Increased Volumes….Increased Profits

The Lubes Division has achieved significant growth in volumes which was well ahead of the industry and achieved faster growth resulting in increased market share in spite of the situation wherein prices of major raw materials were volatile throughout the year with an upward bias coupled with increase in prices of additives, packaging, etc. Fluctuations in the exchange rates and weakening of the Rupee against US Dollar to unprecedented levels led to significant uncertainty in input costs and the margins were under pressure throughout the year. The Division’s focused strategies and execution resulted in the Division attaining one of the highest volume and revenue growth in the industry which directly contributed to the improved financial results of the Division.

On ground activations and Brand Building……

The volume growths were higher in the focus segments namely New Generation Diesel Engine Oils and Motorcycle Engine Oils. Continued on-the-ground below-the-line initiatives and distribution increase across segments resulted in increased retail shares and product usage. Sales from co-branded ranges with Ashok Leyland and Mahindra also contributed to the growth.

Brand Building efforts like campaigns with the Champions of IPL – the Chennai Super Kings and also other multi-media campaigns featuring our newly appointed Brand Ambassador – Indian cricket captain and India’s leading Youth Icon – Mahendra Singh Dhoni, were instrumental in driving brand awareness, communicating the brand value of ‘longer drain’ and strengthening the brand equity. The Division also achieved success in the Fleet, Construction and Mining segments by increasing its customer base.

Motor Sports……revving up excitement levels

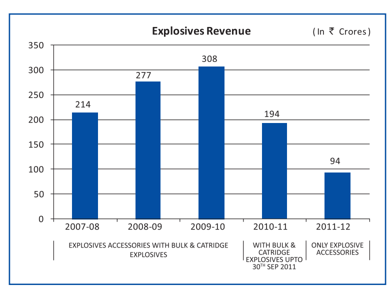
The Division continued its association with motor sports with many regular and new events. The annual Gulf Dirt Track Championship was staged in Nashik, Jodhpur and Bhopal. The unique Gulf Foster A Child Car Drive – A Corporate Social Responsibility activity and Gulf Monsoon Scooter Rally were organized in Mumbai.

To promote ‘young talent’ in motor racing, two Gulf sponsored cars participated and won the MRF Formula 1600 Championship 2011 and also featured in the Support Race at the Indian F1 track at the Buddh International Circuit in Noida before the main F1 race Gulf’s Top Fuel Bike driven by 5 times European Drag Bike Champion – Ian King (sponsored by Gulf Oil International) which is one of the fastest bikes in the world, was flown in to Mumbai to demonstrate its awesome speed and endurance powers to bike enthusiasts and media.

OEM tie-ups with Global Majors……

The technical and business development teams secured and announced tie-ups with Leyland Nissan, Leyland Deere, MANForce for co-branded products and also secured approval for its products from Mahindra Navistar to consolidate it’s position as one of the foremost lubricant companies in the diesel engine space.

4.3 Detonators and Accessories (Explosives)



The gross turnover of the Division was at Rs.94 crores as against Rs. 194 crores in the previous year which includes the turnover of the demerged undertaking from 1st April 2010 to 30th September 2010.

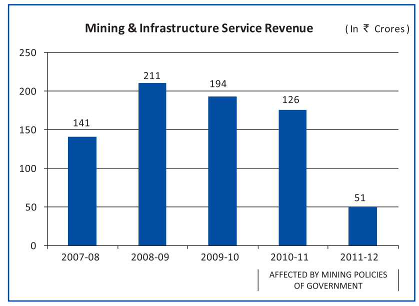
The Company markets its Detonators and Accessories through IDL Explosives Limited, a wholly owned subsidiary. This arrangement has been necessitated on account of market conditions, as the customers prefer to place a combined order for industrial explosives and accessories. The industrial explosives business was transferred to IDL

Explosives Limited during the last year, as part of Scheme of Arrangement. The Explosives Division of the Company now consists of the manufacturing plant and other facilities of the Hyderabad Works only.

The Division has manufactured 109.434 million Detonators (103.293 million) and 24.239 million meters (22.903 million meters) of Detonating Cord during the year 2011-12, registering a growth of 6% over the previous year. Growth in the production of Detonating Cords was in high value added products.

4.4 Mining and Infrastructure (IDLconsult)

The Year 2011-12 was no better for the Mining Industry over the previous year and the performance of Mining and Infrastructure Division (IDL Consult) is held back by various Governmental issues faced by mine owners. The mining contracts in the Iron ore block of Orissa which was contributing to the business of the Division in the previous years were affected due to the statutory restrictions from the State and Central Government on account of lease areas allowed for mining and environmental exigencies. As a result, the Division ended the year with the revenue of Rs. 51 crores as against Rs. 126 crores in the previous year.



However the Division has taken up one Irrigation Project in Andhra Pradesh to build canals for the Pranahita Chevella Project.Division's contract is in the first package of this prestigious Project in AP.

Uranium ore mining project for Uranium Corporation of India under the Department of Atomic Energy suffered due to issues amongst the management of UCIL and the land losers for few months. The Project picked up in the later part of the year.

The Division had undertaken an ambitious project for implementing and integrating Management system covering Quality, Safety, Occupation health and environment. This Division is the only Mining Service Provider in India with all certification under ISO 9001, ISO 14001 and BS OHSAS 18001.

4.5 Other Business Groups

The 4 Wind Mills (1 MW) located at Ramagiri in Andhra Pradesh generated 2,61,000 units (2,01,600 units). The Hyderabad factory received the benefit of the generation through the APTRANSCO grid.

4.6 Exports

Sales of Explosive accessories was Rs. 28 crores during F 12 as against Rs. 31 crores in previous year. This was despite continuing economic slow down in both Europe and Middle East and more stringent shipping procedures and increased competition. Margins were maintained by optimizing product mix, clubbing shipments and better cost management.

Exports of the Lubricants Division were at 658 KL during 2011-12 as compared to 1487 KL in 2010-11. Export turnover of lubricant products was lower at Rs. 9.14 crores during 2011-12 against Rs. 13.34 crores in 2010-11. The Division is exporting its products mainly to ASEAN markets and highly competitive Middle East markets.

4.7 Property Development

Bangalore:

During the year, the Bangalore project of the Company was notified by the Ministry of Commerce and Industry, Government of India as Special Economic Zone (SEZ) comprising of an area of 12.14 hectares (30.35 acres). The remaining area of 9.32 acres is being developed as non-SEZ property. Auspicious Bhoomi Puja for the project was performed in the month of April 2012. Designed by renowned Architects – RSP Design Consultants, the project will consist of a total of 8.00 million sq ft out of which revenue area is 3.82 million sq ft of IT SEZ and 1.23 million sq ft of non-SEZ space encompassing a Hotel, Serviced Apartments, Commercial Offices and a Retail Mall.

It is being developed at a total cost of Rs 1800 crores on a Joint Development basis with Hinduja Realty Ventures Ltd who are responsible for all Architectural Scheme design, project funding, permissions, approvals, construction and development, marketing / leasing and eventual maintenance of the entire complex.

There will be no additional cost to be incurred by the Company on the development. In return for making available the land for the project, the Company is entitled to 30% of the entire developed area totalling 2.4 million sq ft out of which revenue area will be 1.5 million sq ft. Revenues are planned in a phased manner from the last quarter of the FY 2013–14.

The Co-Developers are involving reputed contractors and consultants for adherence to quality and timely completion of the project in a phased manner in about 5 ½ years.

Hyderabad:

Work on the 100 ft. road through the property of the Company being laid by Greater Hyderabad Municipal Corporation (GHMC) has been progressing well. The Company had handed over 8 acres and 11 guntas of land for the road, in lieu of which the Company is entitled to waiver of impact fee in respect of the proposed development of the property.

The Company is in advanced stage of entering into of agreement for developing the property with Hinduja Realty Ventures Limited, sharing ratio based on the recommendations of reputed property consultants is being considered.

5. INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Internal Control System:

The Company has an Internal Audit Department with an objective to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the Organisation's risk management, control and governance processes. The function also assesses opportunities for improvement in business processes, systems and controls; provides recommendations, designed to add value to the organization in consultation with the Senior Management. After review by the Audit Committee, follow through on the implementation of corrective actions are monitored.

The Audit function in its process of monitoring the effectiveness of the internal controls also reviews and reports to the management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks. The Audit Committee of the Board of Directors regularly review the significant audit findings, adequacy of internal controls, action taken reports as well as implementation of various comprehensive policies for compliance and governance.

The Internal Audit Department in consultation with the Statutory Auditors and the Audit Committee develop and document annual audit plans and coverage on significant areas of operations with a risk based approach. Based on the annual audit plan, the Internal Audit Department carries out process reviews for critical functions at all locations in an efficient and timely manner.

During the year, the Audit Committee met six times to review the reports submitted by the Internal Audit Department. The Audit Committee regularly meets the Company's Statutory Auditors to ascertain their views on the adequacy of business and control systems in the Company and their observations on financial reports.

6. FIXED DEPOSITS

Fixed Deposits from the public and the shareholders as on 31st March 2012 amounted to Rs. 346.44 lakhs (Rs. 557.43 lakhs). Out of the above, 49 deposits amounting to Rs. 236.33 lakhs (Rs. 172.76 lakhs), which had matured, remained unclaimed. Of these, 45 deposits amounting to Rs. 224.95 lakhs had matured only on 31st March 2012, most of which have been renewed / repaid to the depositors in the month of April/May 2012.

7. TAXATION

Orissa Sales Tax

The matter pertains to transfer of finished goods from the Rourkela factory situated in the State of Orissa to other States, in respect of 10 assessment years viz., 1976-77 to 1983-84, 1989-90 and 1990-91. Subsequent to the dismissal of the Review Petition in the Orissa High Court, the Company had filed a Special Leave Petition in the Supreme Court and in terms of the liberty granted by the Supreme Court, the Company had filed Tax Revision Petition and a Stay Petition against demand notices, before the Commissioner of Commercial Taxes at Bhubaneswar. The Stay Petition was dismissed and the Company has filed a Writ Petition before the Orissa High Court. The Tax Revision Petition was dismissed in February 2012 and the Company filed Writ Petition in the Orissa High Court in March, 2012 against the order of the Commissioner of Commercial Taxes.

8. RESEARCH & DEVELOPMENT

During the year under review, the R & D of the Explosives Division has obtained relevant statutory permissions for trial manufacture and field-evaluation of improved indigenous version and imported version of detonators. Field trials of indigenously developed improved version Electronic Detonators are successfully completed. Initial field trials of programmable electronic detonators using imported electronic systems were also completed. More field trials are planned at various customer locations during the current year.

Initial designs are being tested in the lab for high security initiating systems/detonators which can be initiated only by authorized persons at authorized locations. Regulatory approvals have been received for manufacture of new products developed by the inhouse R & D for Boostering and Metal Forming applications. High energetic materials for defense applications have been developed for premier Defense establishments of the Government of India and pyrotehnic igniters for Space applications.

9. SUBSIDIARIES

Gulf Oil Bangladesh Limited reported a profit of Rs.100.29 lakhs (Rs. 67.45 lakhs).

PT. Gulf Oil Lubricants Indonesia reported a profit of Rs.122.94 lakhs (Rs. 48.14 lakhs)

Gulf Oil (Yantai) Co. Ltd. reported a profit of Rs. 225.59 lakhs (Rs. 261.43 lakhs)

Hinduja Infrastructure Limited reported a profit of Rs.0.11 lakhs (Rs. 0.02 lakhs).

IDL Buildware Limited reported a profit of Rs. 14.27 lakhs (loss of Rs. 144.47 lakhs) after closure of the factory at Vizag.

Gulf Carosserie India Limited reported a loss of Rs. 0.13 lakhs (Rs. 0.20 lakhs).

IDL Explosives Limited reported a loss of Rs. 1270.44 lakhs (profit of Rs.27.69 lakhs).

10. HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Explosives Division has maintained cordial industrial relations, with low absenteeism. The Division conducted various training programmes on quality, safety and health management and also programmes to improve the competency levels. Focus on periodical medical checkups was emphasised. Specialised programmes were conducted and discussion sessions were arranged on “Stress Management” to create a healthy work atmosphere which would lead to reduction in absenteeism and thereby better levels of productivity. Also, programmes were started for upgrading skill levels of the employees in their respective areas of work to overcome challenges in more competitive market conditions.

The Lubes Division’s focus has been on the developing competencies by conducting training programmes in the areas of ‘Creating a Selling Edge’, Understanding of Business Processes using SAP technology and enhancing ISO awareness levels across the Division’s employees . For the Division’s Core Sales Team, programs to learn and practice Conceptual Thinking models based on Dr. Edward de Bono’s techniques, were imparted through “Six Thinkings Hats” workshops. Also modules of Persuasive Selling Skills and Merchandising programs were conducted for the sales teams across regions. In addition, other internal and external functional training programs were imparted during the year.

Safety

The Explosives Division has implemented safety projects during the year such as IMS Surveillance Audit by reputed auditors, installation of new Dissolver and replacement of flooring with new chequered plates at PETN Crystallization plant, safety awareness programmes and fire-fighting training sessions covered for all categories of employees including contract workmen working in process plants.

Security

With a view to beef up enhanced security around the explosives magazines, CC cameras are being installed, height of the boundary walls surrounding the magazines increased to 10 feet secured by blade edged coils. Watch towers with illumination facility have been erected in the magazines areas. Entry of people and authorised vehicles into the factory are being subjected to stricter monitoring by way of entry passes and such other measures.

11. OUTLOOK FOR THE CURRENT YEAR, OPPORTUNITIES AND THREATS

11.1 Lubricants

Volume growth in the lubricant industry is expected to be subdued at similar levels as in the last year at 5 % in the bazaar market and 2-3 % overall. The automotive industry growth is pegged at 10-11 % (as per SIAM). Increasing input costs and adverse exchange rates are likely to put pressure on margins.

The Division will focus on maintaining its volume growth at double the rate of the industry and increase its presence in the B2B / OEM segments. Additional opportunities to extend the distribution base and network in the automotive and industrial markets are also being tapped to increase market shares. New Synthetic lubricant products and mineral based ‘long life’ products will be launched in 2012-13.

Competition is expected to increase as they have been loosing volumes with more price discounts and promotions, putting pressure on margins and market share.

The Division will continue and further strengthen its strategies and executions to counter these possible threats and tap the opportunities.

11.2 Detonators and Accessories

In India, the mining sector accounts for 80% demand for industrial explosives which in turn is dominated by coal mining and the balance 20% is for other minerals and infrastructure projects like roads, hydro engineering, irrigation etc. Operations of various coal and iron ore mining projects have been affected in recent times on account of regulatory and other approvals and issues relating to rehabilitation of the mine-displaced people, thus affecting the demand for the products of the Division. However, with both Central and State Governments, focusing their policies towards resolving these issues, the mining sector is expected to improve in the coming months.

11.3 Mining and Infrastructure (IDLconsult)

Mining contract business in the country may continue to suffer also in the current year and our results may be similar to the last year in the Mining sector. The major reasons being the temporary closure of many iron ore and manganese ore mines of our major clients due to various statutory and environmental issues under review by the Central and State governments and entry level pricing by new entrants with an eye on future growth of these sectors. However, the Governments are expected to act positively in view of the importance of mining in the growth of the economy.

In the coal sector, the Government of India has started acting at an accelerated pace to clear about 200 coal-blocks in the country, which provides ample scope for mining contract business since India is currently importing about 100 million of coal annually while having large coal reserves. In short there are strong indications that the Governments will be clearing the decks soon to increase mining activities in the country.

Increased Government attention to the infrastructure sector and its financing is also expected to give a fillip to activities such as irrigation and tunneling in which the Division is engaged.

12. RISKS AND CONCERNS

12.1 Environmental Risks

Regular safety audits are carried out by internal safety audit teams and at regular intervals by external teams. General Safety Directions (GSDs) are strictly enforced in all factories and plants within the factories to ensure minimisation of risk. In addition, strict compliance of the requirements of the Explosives Act and Rules are ensured to protect the exposure of adjacent neighbourhoods to the explosives and accessories factories from undue risk. Operations are carried out to comply with emission, waste water and waste disposal norms of the local authorities of the respective factories. In addition, the Hyderabad Factory has implemented the Integrated Management System incorporating ISO 14001 and OHSAS 18001 whilst the Silvassa Factory is certified under ISO 14001 incorporating the Environment Management System.

12.2 Operational Risk

Licensing

The Explosives Division operates in a highly regulated and licensed industry and amendment / revision in licenses are required based on expiry of the licenses and change in production capacity and process. Amended / revised licenses for increase in license capacity for any of the explosives products may get delayed temporarily or for long periods thereby limiting our ability to cater to any increase in demand for these products from our customers. Non availability of licenses / approvals for expansion of new products could affect our future growth and expansion plans. The Division, therefore, ensures that approvals are applied for well in advance to avoid launch dates / export of products.

Location Risks

Manufacturing facilities, for our Industrial Explosives Division, are spread across six states. The optimum locations for packed explosives unit is determined by the customer location and the source of raw material. The advantage of the location of bulk explosives units is optimized to be close to the customer location. With changes in sources of raw material our location may not continue to be optimal in comparison with the competition. Moreover, if there is a consolidation in the industry, and the size of each manufacturing units go up, we may be disadvantaged by being sub-optimal.

Further since the lubricants are manufactured at one location and distributed throughout India, the cost of transportation and storage are higher in comparison to some of our competitors operations.

Raw Materials

Many of the inputs of the three major Divisions are imported, availability of which is affected by global market situations. Also, prices of such items are volatile. Timely availability of raw materials is critical for continuous plant operations. The Company seeks to mitigate the risk by entering into long-term relationship with global raw material suppliers, with suitable escalation clauses to ensure regular supplies.

As the world economy is facing a rising commodity price cycle currently, with Crude Oil prices also firming up, the raw material prices and input costs are expected to increase. Base oils are showing a rapidly increasing trend and this is expected to impact margins/profitability. The Company seeks to mitigate the risk by entering into long-term relationship with global raw material suppliers, with suitable escalation clauses to ensure regular supplies.

12.3 Market Risks:

Markets

All the Divisions of the Company operate in highly competitive markets where competition from all India players as well as regional players is high. Of which, two major divisions, namely Explosive Accessories and IDLconsult Divisions operate in tender-driven markets, sometimes with onerous and unreasonable performance clauses. In the Lubes Division, increased competition from existing players and entry level pricing by new entrants leading to price undercutting could affect revenues. Therefore, there is a risk of cost increases, especially of petro product inputs, if not possible to be passed on to ultimate consumers.

Any reversal in growth trend in the economy in general and weak monsoons in particular, could affect demand in the automobile industry and consequent deceleration in manufacturing industry. This is likely to have an adverse impact on the lube industry. In order to minimise such adverse impact, the Lubes Division is taking various product and marketing initiatives.

Concentration of Customers

The IDLconsult Division which currently undertakes mining services in coal, iron ore and limestone sectors, is exposed to business risks on account of non-availability of environmental clearances in time and lack of adequate infrastructure for dispatch of ores from the mine, especially during the rainy seasons. In view of this, detailed review of approvals and quality of infrastructure is carried out before undertaking mining service contracts. Both the Explosives and Contract Divisions are operating in the mining and infrastructure sectors, dominated by the PSUs, where the tendering system is in vogue, with the attendant risks. Missing L1 status in these tenders might result in loss of business opportunities for extended periods for the relevant tender(s).

12.4 Financial Risks:

Currency Value and Interest Rate Fluctuations

Financial risk management is done by the Finance Department at the various business Divisions and at Corporate Office under policies approved by the Board of Directors. Policies for overall foreign exchange loss risks and liquidity are regularly reviewed based on emerging trends. Interests' risks arising out of financial debt, are normally done at fixed rates or linked to LIBOR and appropriate Bank lending rates. Adverse movement of Rupee from current levels may further impact base oil and ammonium nitrate rates.

Credit Risk

The Company sells its products through the customary trade channels, with the attendant risk of payment delays and defaults. To mitigate the risk, a credit risk policy is also in place to ensure that sale of products are made to customers after evaluation of their ability to meet financial commitments through allotment of specific credit limits to respective customers. Credit availability and Exposure (with the trade channels) is another area of risk.

Liquidity Risk

Liquidity conditions in the money market and the commercial interest rates may impact the capability of distribution channel of the Lubes Division to support growth in business. Steps are being taken up for tie–up with financing partners to support distributors.

All the three major Divisions operate in working capital intensive industries. The Company realizes that its ability to meet its obligations to its suppliers and others is linked to timely collection of receivables and maintaining a healthy credit rating. Review of working capital constituents like inventory of raw materials, finished goods and receivables are done regularly by the respective Divisions and Corporate Finance.

12.5 Legal and Statutory Risks:

Contractual Liability

All major contracts are reviewed / vetted by the in-house Legal department before the same are executed. In addition, the Company engages the services of reputed independent legal counsels, on need basis. In matters of tax law and other statutory obligations the outcome of litigation cannot always be predicted. Hence, appropriate financial provisions, insurance policies and credit lines are taken to limit the risk for the Company.

Litigation Risks:

The Company is exposed to the risk of litigation of prolonged nature. Apart from the Tax Matters referred to in the Financial Statements. Litigations having a major impact on the Company include those with Udasin Mutt pertaining to leased lands of Hyderabad Works, Competition Commission of India, which are being pursued by the Company with the appropriate Court/ Tribunal.

12.6 IT Risks

The Company is dependent on intra-office and inter-office networks, as well as several business software operated from the Corporate Office and the business Divisions. Failure of system networks and consequential loss of business is attempted to be minimised by critical systems being operated on secured servers with regular maintenance, regular back up and off-site storage of data, selection of suitable firewall and virus protection systems / software.

12.7 Other Risks

Various assets of the Company including plant and machinery, stocks, buildings, furniture, office equipment and computer systems could suffer damages / loss owing to occurrences like fire, accidental mishaps, etc. The Company has taken insurance covers to protect these assets from possible damage / loss.

While the Company undertakes regular review of remuneration structures, threat of poaching by competitors, especially, new entrants in the industry of key persons is possible. Such actions could lead to temporary drop in efficiency and performance in the specific areas.

13. DIRECTORS

In accordance with the provisions of the Companies Act 1956 and the Articles of Association of the Company, Mr.K.N.Venkatasubramanian, Mr.H.C.Asher, Mr.Prakash Shah and Mr.Ashok Kini retire by rotation at the 51st Annual General Meeting of the Company and are eligible for reappointment.

Profile of members of the Board of Directors being appointed / reappointed :

K.N.Venkatasubramanian

K.N. Venkatasubramanian is a Chemical Engineer and M.Tech from IIT-Khargpur. He was Executive Director – Marketing and later Director (Operations) in Indian Petrochemicals Corporation Limited (IPCL) and also a Director on the Board of State Trading Corporation of India and also served as Chairman of Cashew Corporation of India. He was the Chairman of the Sub-Committee on “Petrochemicals” constituted by the Department of Chemicals and Petrochemicals for formulating the perspective plan of petrochemicals during the 8th and 9th Plans periods. He was Chairman and Managing Director of Engineers India Limited and Chairman of Indian Oil Corporation from where he retired.

H.C.Asher

Hemraj Chaturbhuj Asher is a Senior Solicitor and Senior Partner of M/s. Crawford Bayley & Co., a leading firm of Solicitors and Advocates in Mumbai. He specializes in broad spectrum of Corporate Laws.

Prakash Shah

Mr.Prakash Shah was a Member of the Indian Foreign Service for over 35 years. In his distinguished career, Mr.Prakash Shah has served as India’s ambassodor to Japan and Venezuela, India’s High Commissioner to Malaysia and Brunei and India’s Permanent Representative to the United Nations Offices in Geneva and New York. He had also served as Under Secretary General, the UNO and Secretary General’s Special Envoy for Iraq.

Ashok Kini

Mr. Ashok Kini graduated from Mysore University in 1965 majoring in Science and obtained a Master’s degree in English Literature from Madras Christian College, Chennai before joining State Bank of India (SBI) as Probationary Officer in 1967 and reached the position of Managing Director (National Banking) of SBI. During his career, Mr. Ashok Kini was responsible for the Bank’s IT plans, from concept and RFP to execution and vendor management, domestic distribution, retail business, consumer banking, marketing/brand management, etc.

Names of companies in which the Directors, being appointed/reappointed at the ensuing AGM, hold positions of directorship and the membership/chairmanship of committees of the Board, are as per the Annexure to the Report on Corporate Governance.

14. STATUTORY INFORMATION

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and the Statement under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are annexed to this full Report. However, as per the provisions of Sec.219 (1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company.

15. INFORMATION ON STOCK EXCHANGES

The Equity shares of the Company are listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and the Listing Fees have been paid to them uptodate.

16. CORPORATE GOVERNANCE

A detailed report on the subject forms part of this report. The Statutory Auditors of the Company have examined the Company’s compliance and have certified the same as required under the SEBI Guidelines. Such certificate is reproduced in this Annual Report.

17. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors, on the basis of informative documents made available to them, confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

c. They have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. They have prepared the annual accounts on a going concern basis.

18. SUBSIDIARY COMPANIES

In the context of mandatory requirement to present consolidated position of the Company including subsidiaries, at the first instance, members are being provided with the Report and Accounts of the Company treating these as abridged accounts as contemplated by Section 219 of the Companies Act, 1956. Members desirous of receiving the full Report and Accounts of the subsidiaries, which are available for inspection at the Registered Office of the Company, will be provided the same on receipt of a written request from them. The Board has given consent for not attaching balance sheets and other financial statements of the subsidiary companies, by passing a resolution to this effect. However, specified information of each of the subsidiary company has been provided in this annual report.

19. AUDITORS

M/s Deloitte Haskins and Sells and M/s Shah and Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received confirmation that their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Cost Audit

The Ministry of Corporate Affairs, Cost Audit Branch had, vide its Order dated 2nd May, 2011 directed audit of cost records of companies covered under the Cost Accounting Records (Petroleum Industry) Rules, 2002. The said Order is applicable to the Company, being manufacturer of Lubricating Oils. Accordingly, the Company has appointed M/s Dhananjay V Joshi & Associates, Cost Accountants, Pune for audit of the Cost Records of the Lubricants Division for the financial year 2011-12.

The Cost Auditor is required to forward his report to the Central Government by 30th September 2012.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government of India and various State Government authorities and agencies, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of all employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2012

S. G. Hinduja
Chairman

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company will continue to be in the forefront of its diverse interests and sustain growth activities through emphasis on TQM, adoption of emerging technologies, innovation through research, good corporate governance, adherence to fair business practices and effective use of physical, technological, R & D, information and financial resources, thus fulfilling the aspirations of customers, shareholders, employees and financiers.

2. BOARD OF DIRECTORS

(A) Composition: The Board of Directors of the company headed by a Non-executive Chairman consists of the following Directors as on 31st March, 2012 categorised as indicated below :

(i) Chairman (Non-executive)	Mr. Sanjay G Hinduja
(ii) Non-Executive Directors:	
(a) Promoter Group:	Mr. Sanjay G Hinduja
	Mr. Ramkrishan P Hinduja
	Ms. Vinoo S Hinduja
	Mr. V.Ramesh Rao
	Mr. Vinod K Dasari
	Mr. Alain V Dujean *(Alternate to Mr.Ramkrishan P Hinduja)*
	Mr. K. C Samdani *(Alternate to Ms.Vinoo S Hinduja)*
(b) Independent :	Mr. K N Venkatasubramanian
	Mr. H C Asher
	Mr. M.S.Ramachandran
	Mr. Ashok Kini
	Mr.Prakash Shah
	Ms.Kanchan Chitale
(iii) Managing Director:	Mr. Subhas Pramanik

(B) Attendance of each director at the Board Meetings and the last AGM and details of membership of Directors in other Board and Board Committees:

Name of the Director	No. of Board Meetings Attended	Whether attended last AGM	No. of Memberships of other Boards as on 31/03/12@	No. of Memberships of other Committees*	No. of Chairmanships in other Committees*
Sanjay G Hinduja	5	Yes	9	-	-
Ramkrishan P Hinduja	3	Yes	9	3	-
K N Venkatasubramanian	4	Yes	8	1	2
Hemraj C Asher	3	Yes	15	4	3
M.S.Ramachandran	4	Yes	5	3	-
Ashok Kini	5	Yes	6	2	3
Prakash Shah	4	Yes	7	1	-
Kanchan Chitale	5	Yes	3	1	-
Vinoo S Hinduja	1	No	5	-	-
Vinod K Dasari	3	Yes	8	-	-
V Ramesh Rao	5	Yes	9	-	-
S Pramanik	5	Yes	4	1	-
Alain Vincent Dujean	2	NA	11	-	-
K C Samdani	3	Yes	8	-	-

@Includes private limited companies and companies registered outside India.

**As per explanation to Clause 49.I(C), only Audit Committee and Shareholders' Grievance Committee have been considered for the purpose.*

Board Agenda

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated seven days prior to the Board Meeting.

Information placed before the Board

Apart from the items that are required to be placed before the Board for its approval, the following are also tabled for the Board's periodic review / information:

- Quarterly performance against plan, including business-wise financials in respect of revenue, profits, cash flow, balance sheet, investments and capital expenditure.
- Periodic summary of all long term borrowings and applications thereof.
- Internal Audit findings (through the Audit Committee).
- Status of safety, security and legal compliance.
- Status of business risk exposures, its management and related action plans.
- Show Cause, demand and adjudication notices, if any, from revenue authorities, which are considered materially important.
- Information on strikes, lockouts, retrenchment, fatal accidents, etc., if any
- Write offs / disposals (fixed assets, inventories, receivables, advances, etc.)

(C) Brief profiles of the Directors being appointed/reappointed have been given in the Directors' Report.

(D) **Details of Board Meetings held during the Year 2011-12**

Date of the Meeting	Board Strength	No. of Directors Present
25.05.2011	12	10
02.08.2011	12	11
23.09.2011	12	11
31.10.2011	12	11
06.02.2012	12	9

(E) **Code of Conduct**

The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The text of the Code of Conduct is uploaded on the website of the Company – www.gulfoilcorp.com. The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2012 The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

(F) **CEO & CFO Certification**

The Managing Director and the Chief Financial Officer have certified to the Board of Directors of the Company that:

(a) They have reviewed the financial statements and the cash flow statement for the year ended 31st March 2012 and that to the best of their knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting; and that they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the Auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

G) **Shares held by non- executive Directors**

Mr H C Asher held 5095 (of Rs. 2/- each) equity shares of the Company as on 31.03.2012 and none of the other non-executive Directors holds any shares in the Company.

3. AUDIT COMMITTEE

The Audit Committee was constituted in February 1987. The current terms of reference are in full conformity with the requirements of Section 292A of the Companies Act, 1956.

Composition -

Chairperson : Ms. Kanchan Chitale

Members : Mr. Hemraj C Asher
Mr Ashok Kini

Meetings and Attendance:

Audit Committee Meetings held during the year 2011-12 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
25.05.2011	3	2
02.08.2011	3	3
31.10.2011	3	3
09.11.2011	3	3
06.02.2012	3	3
22.03.2012	3	3

Company Secretary / Deputy Company Secretary / Assistant Company Secretary of the Company is the Secretary to the Committee.

Mr. S Pramanik, Managing Director was invitee for all the Audit Committee Meetings. Chief Financial Officer and Head of Internal Audit attended all the meetings.

The Statutory Auditors of the Company were invited to join the Audit Committee in all the meetings for discussing the quarterly unaudited financial results and the Annual Audited Accounts before placing it to the Board of Directors. The Audit Committee held discussions with the Statutory Auditors on the yearly Audit Plan, matters relating to compliance of Accounting Standards, their observations arising from the annual audit of the Company's Accounts and other related matters.

4. SUBSIDIARIES

There are no material non-listed Indian subsidiaries of the Company.

5. REMUNERATION & NOMINATION COMMITTEE

In keeping with the best governance practices, it was felt desirable to bring oversight of Strategic Human Capital under Board preview apart from adding "Nomination" function to the existing Remuneration Committee.

Accordingly, the Terms of Reference of the Committee were enhanced and the Committee was renamed as Remuneration and Nomination Committee of the Board.

The composition of the Remuneration and Nomination Committee is given as follows:

Chairman : Mr. Prakash Shah

Member : Mr. H. C. Asher
Mr. M. S. Ramachandran
Ms. Vinoo S Hinduja

The key role of this Committee effective going forward are as follows:

- Provide oversight on Strategic Human Capital issues.
- Search for, evaluate, shortlist and recommend the incumbent for the position of Managing Director and other Directors and their engagement terms to the Board.
- Evaluate and approve for appointment candidates recommended by Managing Directors for key senior positions.
- Review the Succession Plan for Critical Positions and suggest actions.
- Have the responsibility for setting the remuneration for the Managing Director and Whole Time Directors. Review and take into notice remuneration for the direct reportees of the Managing Director. Remuneration in this context will include salary, performance based variable component and any compensation payments, such as retiral benefits or stock options.

In order to perform these duties the Committee shall meet more frequently as may be deemed fit by Committee Chairman.

Meetings and Attendance

Date of the Meeting	Committee Strength	No. of Directors present
30.05.2011	3	2

Remuneration policy -

i) For Managing Director

The total remuneration subject to shareholders approval consists of:

- a fixed component – consisting of salary and perquisites
- a variable component by way commission as determined by the Board/Remuneration & Nomination Committee within the limits approved by the shareholders.

ii) (a) For Non– executive Directors

An amount of Rs. 20,000/- for each Board Meeting, Audit Committee Meeting and Meeting of the Committee of Directors, Rs.5,000/- for each Remuneration Committee, Rs. 2,000/- for each Share Transfer Committee Meeting and Rs.12,000/- for each meeting of the Safety Review Committee and Investment Appraisal & Project Review Committee, plus reimbursement of travel and incidental expenditure not exceeding Rs.1,500 for Share Transfer Committee Meetings and Rs.5,000/- for Meetings of the Board and other Committees and commission on net profits of the Company to the extent permitted, are paid (as per the provisions of Sections 198, 309, 310 of the Companies Act, 1956). In addition, aggregate commission amount not exceeding 1% of the net profit of the Company calculated as per Sections 349 and 350 of the Companies Act 1956, is paid to all the non-executive Directors, to be distributed as authorized by the Board / Remuneration & Nomination Committee.

(Rs. in lakhs)

Non-executive Directors	Sitting Fees	Commission	Total
Mr. Sanjay G. Hinduja	1.20	1.19	2.39
Mr. Ramkrishan P. Hinduja	0.60	0.71	1.31
Mr. K N Venkatasubramanian	0.92	2.26	3.18
Ms. Kanchan Chitale	2.20	5.24	7.44
Mr. H C Asher	1.60	3.21	4.81
Mr. M.S.Ramachandran	1.81	4.40	6.21
Mr. Ashok Kini	3.12	7.86	10.98
Mr. Prakash Shah	0.85	2.38	3.23
Ms. Vinoo S Hinduja	0.20	0.24	0.44
Mr. Vinod K Dasari	0.76	1.31	2.07
Mr. V.Ramesh Rao	1.00	1.19	2.19
Mr. Alain V. Dujean	0.40	-	0.40
Mr. K.C.Samdani	1.16	-	1.16
Total	**15.82**	**29.99**	**45.81**

(b) For Executive Directors

(Rs. in Lakhs)

	Managing Director
Salaries	62.73
Commission	9.50
Contribution to Provident Fund and Superannuation Fund	10.59
Benefits	2.57
Total	**85.39**

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.

Managing Director is under contract of employment with the company with 6 months' notice period from either side. There is no severance fee payable to the Executive Directors. The Company does not have any stock option scheme.

6. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Composition	:	3 Directors
Chairman	:	Mr. Ashok Kini
Members	:	Mr. S Pramanik
		Mr. Vinod K Dasari

The Shareholders / Investors Grievance Committee specifically looks into redressing of shareholders/ investors complaints in matters such as transfer of shares, non-receipt of declared dividends and ensure expeditious share transfer process.

Number of Shareholders Complaints received so far	:	62
Not solved to the satisfaction of the shareholders	:	NIL

7. GENERAL BODY MEETINGS

Location, time and venue where last three AGMs held :

Financial Year	Location of AGM	Date & Time of AGM
2010-11	Grand Ball Room, Hotel Taj Krishna, Banjara Hills, Hyderabad	23.09.2011, 2.30 p.m
2009-10	Hotel Taj Krishna, Banjara Hills, Hyderabad	23.09.2010, 2.30 p.m
2008-09	'Kohinoor', Hotel Taj Krishna, Banjara Hills, Hyderabad	31.07.2009, 3.30 p.m.

Special Resolutions

Special resolutions were passed at the annual general meetings as under:

i) AGM held on 31st July 2009 – 2 Special Resolutions

ii) AGM held on 23rd September 2010-1 Special Resolutions.

iii) AGM held on 23rd September 2011- 3 Special Resolutions

No Special resolution that requires approval through postal ballot was passed in the previous year. No Special resolution which requires approval through postal ballot is proposed to be conducted at the ensuing AGM.

8. DISCLOSURES

Related Parties

There were no materially significant related party transactions which may have potential conflict with the interests of the Company at large. Confirmation has been placed before the Audit Committee and the Board that all related party transactions during the year under reference were in the ordinary course of business and on arm's length basis. Transactions with related parties are disclosed in Note. No.41 of Notes forming part of Financial statements.

BOARD DISCLOSURES - Risk Management

The Company has laid down procedures to inform the Board of the Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

9. STRICTURES AND PENALTIES

There were no strictures or penalties imposed on the Company by either Stock Exchanges or SEBI or any Statutory Authority for non-Compliance on any matter related to Capital Market during the last three years.

10. MEANS OF COMMUNICATION

The quarterly and half yearly reports, are normally published in Business Standard and in the local newspaper – Andhra Prabha and are displayed on the Website of the Company www.gulfoilcorp.com. During the year no presentations were made to institutional investors or to the analysts.

The Management Discussion and Analysis Report forms part of the Directors' Report.

11. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting :

Date - 21st September 2012

Venue - Hotel Taj Krishna, Banjara Hills, Hyderabad-500034

Time - 2.30 p.m.

Financial Calendar :

- Unaudited results for 1st quarter of next Financial Year – by 14.08.2012
- Unaudited results for 2nd quarter of next Financial Year – by 15.11.2012
- Unaudited results for 3rd quarter of next Financial Year – by 14.02.2013
- Audited results for next Financial Year – by 30.05.2013

Date of Book Closure – 15th September 2012 to 21st September 2012

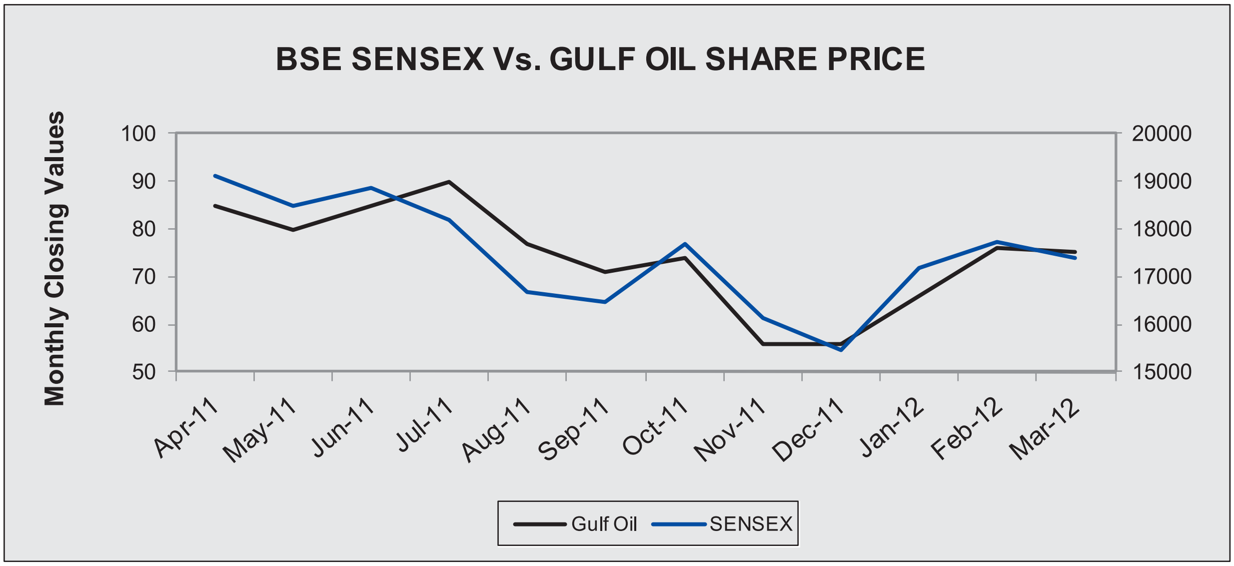
Date of Dividend Payment – Between September 27 and October 7, 2012

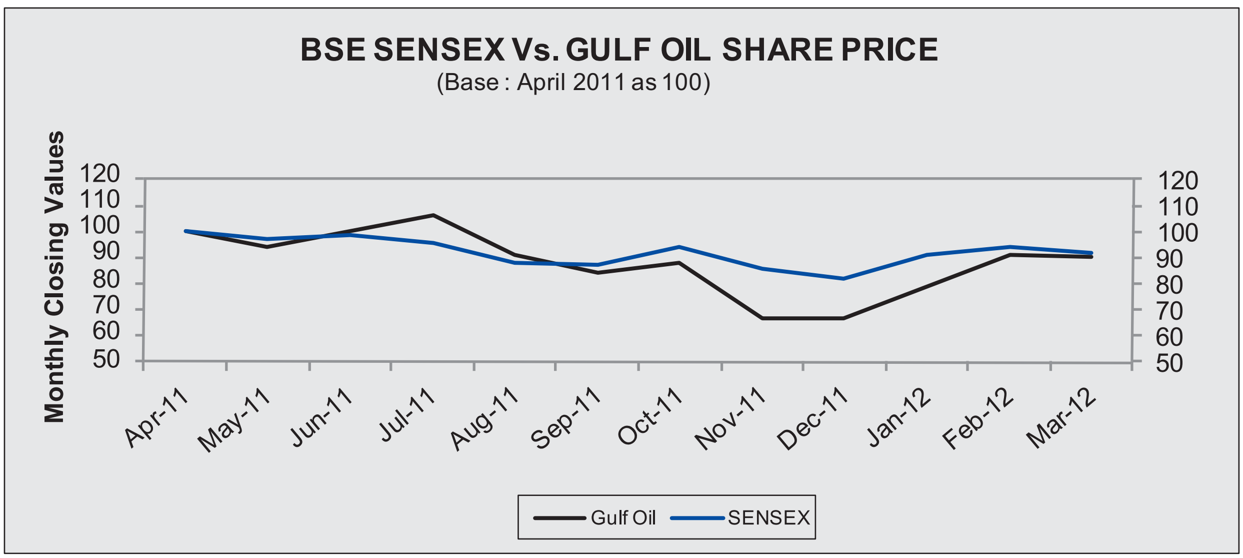
Listing of Equity Shares – Bombay Stock Exchange Limited – Code 506480

– National Stock Exchange of India Ltd – Code GULFOILCOR

Market Price Data (in Rupees): in respect of the Company's shares on BSE, monthly high and low during the last Financial Year

Month & Year	High (Rs.)	Low (Rs.)
April, 2011	93.40	80.90
May, 2011	87.45	76.40
June, 2011	92.85	79.60
July, 2011	100.75	85.35
August, 2011	93.15	71.00
September, 2011	81.90	70.15
October, 2011	76.00	66.65
November, 2011	79.40	52.25
December, 2011	66.00	52.25
January, 2012	72.00	55.00
February, 2012	89.05	66.25
March, 2012	81.30	72.20





Distribution of Shareholding as on 31.03.2012

Paid up Share Capital (Rs.)	Shareholders		No. of Shares	
	No.	%	No.	%
Up to 5000	64172	98.29	8763864	8.84
5001 – 10000	584	0.89	2106370	2.12
10001 – 20000	238	0.36	1702716	1.72
20001 – 30000	83	0.13	1036475	1.05
30001 – 40000	42	0.06	737996	0.74
40001 – 50000	37	0.06	852499	0.86
50001 – 100000	59	0.09	2050691	2.07
100001 and above	74	0.11	81894369	82.60
Total	**65289**	**100**	**99144980**	**100**

Pattern of Shareholding as on 31.03.2012:

Category	No. of Holders	No. of Shares	% of Shareholding
Promoters	1	49536335	49.96
Public :			
Institutional Investors:			
Mutual Funds & UTI, Banks, Financial Institutions & Others	8	5183277	5.23
Private Corporate Bodies	789	13710155	13.84
Indian Public	64176	27014479	27.24
NRIs/ OCBs	306	3262219	3.29
FIIs	9	438515	0.44
GRAND TOTAL	**65289**	**99144980**	**100.00**

Dematerialisation of shares and liquidity – 96675361 shares were dematerialized amounting to 97.51% of the total paid up capital. However, out of the total 65,289 shareholders, 32,287 shareholders, holding small quantity of shares aggregating 2469619 shares, continue to hold the shares in physical form. Shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and frequently traded on both the Exchanges.

Details of Share Transfer System:

The authority relating to approval of share transfers has been delegated to the Share Transfer Committee consisting of Mr. Ashok Kini, Chairman, Mr. S Pramanik and Mr. Vinod K Dasari. The Committee has met four times during the year for approving transfers, transmissions, etc. Operations with regard to dematerialization are being complied with, in conformity with the regulations prescribed.

The name and designation of Compliance Officer : Mr. A Satyanaratyana, Dy.Company Secretary

The Registrar and Share Transfer Agents are handling all the share transfers and related transactions. As on March 31, 2012 there were no requests pending for demats / overdue beyond the due dates.

Plant Locations:		
A. Explosives	:	Explosives Division, Hyderabad, AP.
B. Lubricants	:	Lubes Division, Silvassa
Details of Addresses for Correspondence:		
Registered Office	:	Gulf Oil Corporation Limited Kukatpally, Sanathnagar (IE) PO HYDERABAD 500 018 Ph – 91 40 2381 0671 – 79 Fax – 91 40 2381 3860 E-mail : secretarial@gulfoilcorp.com www.gulfoilcorp.com
Registrar and Share Transfer Agents	:	Karvy Compuetershare Private Ltd. Plot No.17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad –500081 Tel No.040-44655208, Fax No.040-23420814 Email: gulfoil@karvy.com
ISIN for the Equity Shares	:	IN E 077F01027
Dividend for the last three years	:	2011-12: 110% 2010-11: 100% 2009-10: 90%

12. NON MANDATORY REQUIREMENTS

The Board has constituted a Remuneration Committee and the terms of reference of this Committee are given in para 5 above.

Whistle Blower Policy

The Company is in the process of establishing a structured mechanism for employees to report to the management, concerns about unethical behaviour or violation of the Code of Conduct.

List of outside Company Directorships: **ANNEXURE**

Ashok Kini	Prakash Shah	H C Asher	K N Venkatasubramanian
UTI Trustee Company Pvt. Ltd. Indus Ind Bank Limited Financial Information Network & Operations Ltd.(FINO) Sesa Goa Ltd. Gulf Oil Yantai Co. Ltd. Edelweiss Asset Reconstruction Co. Ltd.	Hinduja Ventures Ltd. Hinduja Group India Ltd. Hinduja National Power Corporation Ltd. IndusInd Media & Communication Ltd.	Allied Pickfords Pvt.Ltd. OerlikonTextile India Private Limited. Diamant Boart Marketing Pvt. Ltd. Elof Hansson (India) Pvt.Ltd Grant Investrade Limited Hind Filters Limited Hinduja Ventures Ltd The Indian Card Clothing Co.Ltd. Ingersoll-Rand (India) Ltd. KELTECH Energies Ltd. Lakshmi Synthetic Machinery Manufacturers Ltd. (in liquid) Monsanto India Limited PRS Technologies Pvt.Ltd TUV India Pvt.Ltd. IDL Explosives Limited	Essar Oil Limited Adani Ports & SEZ Ltd. Imperial Corporate Finance & Services Pvt. Limited Time Technoplast Limited Gulf Carosserie India Limited Royal Chemie Corporation Ltd (foreign company) IDL Explosives Ltd. M and B Engineering P.Ltd.
Chairman of the Board of Directors of other Indian Companies			
-	-	-	Time Technoplast Ltd. M AND B Engineering P.Ltd. Imperial Corporate Finance & Services Pvt. Limited
Chairman/Member of the Committees of Directors of other Companies in which he/she is a Director*			
IndusInd Bank Ltd. – Member of Audit Committee UTI Trustee Company Pvt.Ltd. – Member of Audit Committee. Financial Information Network & Operations Ltd (FINO) – Chairman of Audit Committee Sesa Goa Limited – Chairman of Audit Committee. Edelweiss Asset Reconstruction Co. Ltd. – Chairman of Audit Committee	Hinduja National Power Corporation Ltd. – Member of Audit Committee.	Ingersoll-Rand (India) Ltd – Chairman of Audit Committee and Member of Investor Service & Grievance Committee. Indian Card Clothing Limited - Member of Audit Committee. Monsanto India Limited - Chairman of Audit Committee and Member of Investor Service & Grievance Committee. Hinduja Ventures Limited – Member of Audit Committee and Chairman of Investor Service & Grievance Committee	Essar Oil Limited – Member of Audit Committee. Adani Ports & SEZ Ltd. – Chairman of Audit Committee & Investor Grievance Committee

*As per explanation to Clause 49.I(C), only Audit Committee and Shareholders' Grievance Committee have been considered for the purpose.

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2012 as envisaged in Clause 49 of the Listing agreement with stock exchanges.

S. Pramanik
Managing Director

Place: Hyderabad
Date: May 30, 2012

AUDITORS' CERTIFICATE

To the Members of Gulf Oil Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Gulf Oil Corporation Limited ("the Company") for the year ended on 31st March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Certificate of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sell**s
Chartered Accountants
(Registration No. 008072S)

K.Rajasekhar
Partner
(Membership No.23341)

Hyderabad
May 30, 2012

AUDITORS' REPORT

AUDITORS' REPORT

TO THE MEMBERS OF GULF OIL CORPORATION LIMITED

1. We have audited the attached Balance Sheet of **Gulf Oil Corporation Limited** ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto, in which are incorporated the Returns from the Lubricants Branch audited by other auditors. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
   (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Lubricants Branch audited by other auditors;
   (iii) the reports on the accounts of the Lubricants Branch audited by other auditors have been forwarded to us and have been dealt with by us in preparing this report;
   (iv) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account and the audited Branch Returns;
   (v) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
      (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
      (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

K. Rajasekhar
Partner
(Membership No. 23341)

Place: Hyderabad
Date : May 30, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of Company's business/activities/result, clauses (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material descrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventories:

(a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) As explained to us and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly clause 4(v) (b) of CARO is not applicable.

(vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(viii) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

(ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of income-tax, wealth tax, custom duty, excise duty and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.

(c) Details of dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (Rs. lakhs)	Forum where the dispute is Pending
Central Excise Act, 1944	Excise Duty	1980-87	6.12	Assistant Commissioner Central Excise & Customs
		1992-96	1.11	Commissioner Appeals, Central Excise & Customs
		1992-93	1.76	Commissioner Appeals, Central Excise & Customs
		2003-04	4.61	High Court
		2006-07	631.44	Central Excise and Service Tax Appellate Tribunal
Sales Tax Act	Sales Tax	1992-93, 1994-95, 1995-96, 1998-99 & 2003-04	1,375.78	Sales Tax Tribunal, Orissa

ANNEXURE TO THE AUDITORS' REPORT

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (Rs. lakhs)	Forum where the dispute is Pending
		1977-78 To 1987-88, 1989-90 & 1990-91	1,338.16	High Court, Orissa
		1976-77 To 1983-84	927.37	Additional Commissioner, Commercial Taxes
		1976-77 To 1983-84, 1997-98 & 2008-09	233.32	Commissioner, Commercial Taxes
		2001-02,2003-04 & 2004-05	7.10	Assistant Commissioner, Commercial Taxes
		2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 & 2008-09	275.98	Joint Commissioner
		2005-06, 2006-07 & 2007-08	35.75	Deputy Commissioner
Service Tax Act, 1994	Service Tax	2006-07 To 2007-08	1,348.71	Central Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2001-02	10.27	Income Tax Appellate Tribunal
		2003-04	437.33	Commissioner of Income Tax (Appeals)
		2004-05	552.52	Commissioner of Income Tax (Appeals)
Wealth Tax, 1957	Wealth Tax	2002-03	51.97	Commissioner of Wealth Tax (Appeals)
		2003-04	86.82	Commissioner of Wealth Tax (Appeals)
Lubricants Branch				
Central Excise Act,1944	Excise Duty	1998-99, 2005-06	17.59	Commissioner
		2009-10, 1999-2000	88.75	Joint Commissioner
Sales Tax Act	Sales Tax	1994-1995 To 1995-1996, 1997-98 To 2002-03, 2005-06, 2007-08, 2009-10 & 2011-12	75.68	Deputy Commissioner
		2003-04	531.36	Joint Commissioner Sales Tax Appeals II
		2004-05	1,186.84	Joint Commissioner Sales Tax Appeals II
Income Tax Act,1961	Income Tax	1999-2000 & 2000-01	12.75	Commissioner Appeals

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks during the year.

(xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not prima facie prejudicial to the interests of the Company.

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

K. Rajasekhar
Partner
(Membership No. 23341)

Place: Hyderabad
Date : May 30, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**1982.90**	1982.90
Reserves and Surplus	3	**105715.88**	42297.79
Non-current Liabilities			
Long-term Borrowings	4	**2790.79**	2648.47
Deferred Tax Liabilities (net)	5	**23.21**	118.21
Other Long-term Liabilities	6	**646.49**	672.69
Long-term Provisions	7	**9277.21**	9494.14
Current Liabilities			
Short-term Borrowings	8	**21438.59**	12428.73
Trade Payables	9	**9492.91**	11689.95
Other Current Liabilities	10	**6158.41**	6467.34
Short-term Provisions	7	**2620.56**	2404.24
TOTAL		**160146.95**	90204.46
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**100549.55**	41658.88
Intangible Assets	11	**141.91**	157.49
Capital Work-in-progress		**1186.15**	1167.43
Non-current Investments	12	**3063.94**	6396.47
Long-term Loans and Advances	13	**1283.36**	1136.47
Other Non-current Assets	14	**116.21**	1147.38
		106341.12	51664.12
Current Assets			
Current Investments	15	**2490.00**	2490.00
Inventories	16	**17251.03**	16155.24
Trade Receivables	17	**11037.79**	9768.38
Cash and Cash Equivalents	18	**18788.65**	6431.04
Short-term Loans and Advances	13	**3358.37**	3619.71
Other Current Assets	14	**879.99**	75.97
		53805.83	38540.34
TOTAL		**160146.95**	90204.46

The accompanying notes form an integral part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of Board of Directors

K. Rajasekhar
Partner

Manish K Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S.G. Hinduja
Chairman

A. Satyanarayana
Dy. Company Secretary

Place: Hyderabad
Date : May 30, 2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Income			
Revenue from Operations (gross)		**107576.16**	100268.25
Less : Excise Duty		**11627.30**	9975.22
Revenue from Operations (net)	19	**95948.86**	90293.03
Other Income	20	**2593.26**	3132.99
Total revenue (I)		**98542.12**	93426.02
Expenses			
Cost of Materials Consumed	21 (a)	**42545.46**	37995.33
Purchase of Stock in trade	21 (b)	**4710.42**	3486.00
Increase in Inventories of Finished Goods, Work-in-progress and Traded Goods	22	**(100.84)**	(2590.26)
Employee Benefits Expenses	23	**6584.75**	7490.45
Finance Costs	24	**2198.39**	2191.94
Depreciation and Amortisation Expense	11	**1441.61**	1605.22
Other Expenses	25	**36223.27**	38557.05
Total Expenses (II)		**93603.06**	88735.73
Profit before Exceptional Items and Tax (I-II)		**4939.06**	4690.29
Exceptional Items	26	**(2092.17)**	(2011.74)
Profit Before Tax		**7031.23**	6702.03
Tax Expenses			
Current Tax Expenses for Current Year		**1585.00**	866.00
Less: MAT Credit		**(670.00)**	-
Net Current Tax Expense		**915.00**	866.00
Deferred Tax		**(95.00)**	417.00
Total Tax Expense		**820.00**	1283.00
Profit for the Year		**6211.23**	5419.03
Earnings per Equity Share in ₹ (Refer note 40)			
Basic and Diluted in ₹		**6.26**	6.11

The accompanying notes form an integral part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of Board of Directors

K. Rajasekhar
Partner

Manish K Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S.G. Hinduja
Chairman

A. Satyanarayana
Dy. Company Secretary

Place: Hyderabad
Date : May 30, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST 2012

Sl No.	Particulars	2011-12 ₹ Lakhs	2011-12 ₹ Lakhs	2010-2011 ₹ Lakhs	2010-2011 ₹ Lakhs
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax and after exceptional items		7031.23		6702.03
	Adjustments for:				
	Depreciation	1441.61		1605.22	
	Dividend received	(42.40)		(2.04)	
	Provision for doubtful debts/ advances	190.00		422.70	
	Loss/(Profit) on sale of Fixed Assets	0.24		(2451.57)	
	Surplus on transfer of Explosives undertaking	-		(234.64)	
	Excess of compensation over cost of land acquired by National Highways Authority of India	(237.27)		-	
	Amount received against advances made and adjusted to Revaluation Reserve in earlier year	(354.90)		(917.10)	
	Amount received towards redemption of Preference Shares	(1500.00)		(700.00)	
	Profit on sale of long term Investments	(702.21)		(160.00)	
	Interest Income	(1714.04)		(529.29)	
	Unrealised Loss/(Gain) on Exchange - Net	501.54		(167.64)	
	Interest expense	2038.47	(378.96)	1850.94	(1283.42)
	Operating Profit before working Capital changes		6652.27		5418.61
	Adjustments for:				
	Trade and other Receivables - Decrease/(Increase)	(91.11)		(2781.34)	
	Inventories - Decrease/(Increase)	(1137.65)		(6191.17)	
	Trade Payables - (Decrease) / Increase	(1807.54)	(3036.30)	2948.04	(6024.47)
	Cash generated from Operations		3615.97		(605.86)
	Direct Taxes paid (net of refunds)		(1065.54)		(1186.21)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES		2550.43		(1792.07)
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(653.47)		(704.55)	
	Sale of Fixed Assets (including land)	59.70		2544.87	
	Compensation received in respect of land accquired by National Highways Authority of India	279.14		-	
	Purchase of Investments - Long Term	-		(3332.53)	
	Purchase of Investments in Subsidiary Company	-		(5.00)	
	Sale of Long Term Investment	4034.74		160.00	
	Proceeds from redemption of Preference Shares	1500.00		700.00	
	Advance from Subsidiary Companies	(552.90)		(0.66)	
	Advance to Companies realised	124.90		917.10	
	Interest Received	910.02		527.08	
	Dividend received	42.40		2.04	
	NET CASH FROM INVESTING ACTIVITIES		5744.53		808.35
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term Borrowings & Hire Purchase Liabilities	2442.10		399.99	
	Net decrease in Cash Credit and other Short Term Loans	8436.44		(1735.27)	
	Proceeds from Fixed Deposits	8.92		4.10	
	Repayment of Fixed Deposits	(218.44)		(250.88)	
	Repayment of Long Term Borrowings & Hire Purchase Liabilities	(2346.47)		(2805.16)	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST 2012

Sl No.	Particulars	2011-12 ₹ Lakhs	2011-12 ₹ Lakhs	2010-2011 ₹ Lakhs	2010-2011 ₹ Lakhs
	Proceeds from issue of Capital	-		7782.80	
	Repayment of Loans to Companies	-		(625.29)	
	Interest paid	(1967.02)		(1846.01)	
	Dividend paid	(1971.20)		(1327.74)	
	Dividend tax paid	(321.68)		(222.30)	
	NET CASH FROM/(USED IN) FINANCIAL ACTIVITIES		4062.65		(625.76)
	Net increase/(decrease) in cash and cash equivalents		12357.61		(1609.48)
	Cash and Cash Equivalents as at the commencement of the year				
	- Cash and Bank Balances		6431.04		8181.69
	Less: Cash and Cash Equivalents transferred to IDL Explosives Limited (Refer Note 27)		-		141.17
			6431.04		8040.52
	Cash and Cash Equivalents as at the end of the year				
	- Cash and Bank Balances *		18788.65		6431.04
Notes:					
1	Transaction arising out of demerger as per Note 27 is a non-cash transaction and not considered in above cash flow workings				
2	Reconcilation of Cash and Cash Equivalents with the Balance Sheet:				
	Cash and Bank Balance (Refer Note 18)		18788.65		6431.04
	* Comprises:				
	(a) Cash on hand		12.36		12.64
	(b) Cheques, drafts on hand		521.25		617.92
	(c) Balance with banks				
	(i) In Current Accounts		3861.11		1439.83
	(ii) In Deposits Accounts		3131.51		2572.50
	(iii) In earmarked accounts				
	- Margin Money Deposit		11162.76		1695.38
	- Unpaid dividend accounts		97.71		86.01
	- Refund orders issued by the Company but not encashed by Rights Issue Applicants		1.95		6.76
			18788.65		6431.04

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of Board of Directors

K. Rajasekhar
Partner

Manish K Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S.G. Hinduja
Chairman

A. Satyanarayana
Dy. Company Secretary

Place: Hyderabad
Date : May 30, 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES**

The accounts have been prepared primarily on the historical cost convention and in accordance with the relevant provisions of the Companies Act, 1956 and the accounting standards notified by the Companies (Accounting Standards) Rules, 2006. The significant accounting policies followed by the company are stated below:

(a) USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financials and the reported amounts of revenue and expenses during the reported year.

Accounting estimates could change from period to period. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. The effects of changes in accounting estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements which are lower than the rates specified in Schedule VI of the Companies Act, 1956.

(b) FIXED ASSETS

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

(c) 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 certain equipments which are depreciated over their estimated useful life.

(ii) Leasehold land is being amortized in equal installments over the lease period.

(d) IMPAIRMENT OF ASSETS

To provide for impairment loss if any, to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(e) INVESTMENTS

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

(f) 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	Weighted Average method
(b)	Finished goods and Work- In-process	Weighted average cost of production, which comprises direct material costs, and appropriate overheads.
(c)	Contracts-in-progress	Represents expenses incurred on execution of contracts till balance sheet date

(g) FOREIGN CURRENCY 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 except 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.

(h) REVENUE RECOGNITION

(i) Sale of goods is recognised at the point of dispatch of finished goods to customers. Sales include amount recovered towards excise duty but exclude sales tax. Export incentive under the Duty Entitlement Pass Book scheme has been recognized on the basis of credits afforded in the passbook.

(ii) Income from services is recognized at the time of rendering the services.

(iii) Income from Property Development is recognised as soon as contract is entered with the Party and the consideration is received and excludes service tax.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iv) Contract revenue is recognised on percentage completion method as required under revised Accounting Standard -7 - Construction Contracts. The stage of completion is determined as a proportion that contract costs bear to the estimated total costs. When it is probable that any stage of the contract that the total cost will exceed the total contract revenue, the expected loss is recognised immediately.

(i) RESEARCH AND DEVELOPMENT EXPENSES

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

(j) EMPLOYEE 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 actuarial valuation as at the year end.

Payments in respect of superannuation are made to the fund administered by LIC.

Provision in respect of compensated absences is made based on actuarial valuation as at year end.

Contribution to Provident fund is based on defined contribution and expensed as incurred.

(k) PROVISIONS AND CONTINGENCIES

The company creates a provision if there is a present obligation as a result of past events, the settlement of which results in an outflow economic benefits and a reliable estimate can be made of the amount of obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligations cannot be made.

(l) 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.

(m) 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.

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 2 Share Capital		
Authorised		
12,50,00,000 Equity shares of ₹2 each	2500.00	2500.00
Issued, subscribed and fully paid-up		
9,91,44,980 Equity shares of ₹2 each	1982.90	1982.90
	1982.90	1982.90

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	Year ended 31st March 2012		Year ended 31st March 2011	
	Number of shares held	₹ Lakhs	Number of shares held	₹ Lakhs
At the beginning of the year	99144980	1982.90	74358735	1487.17
Issued during the year - Rights Issue	-	-	24786245	495.73
Outstanding at the end of the year	99144980	1982.90	99144980	1982.90

b. **Terms / rights attached to Equity Shares**

The company has one class of equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

c. **Details of shareholders holding more than 5% shares in the Company**

	As at 31st March 2012		As at 31st March 2011	
	Number of shares held	% holding in the class	Number of shares held	% holding in the class
Equity Shares of ₹ 2/- each fully paid				
Gulf Oil International (Mauritius) Inc.	49536335	49.96%	49536335	49.96%
Aasia Management Consultancy Private Limited	-	-	7189292	7.25%

		As at 31st March 2012 ₹ Lakhs		As at 31st March 2011 ₹ Lakhs
Note 3 Reserves and Surplus				
Capital Reserve		0.75		0.75
Export Allowance Reserve		10.50		10.50
Securities Premium Account				
Balance as per last financial statements	12139.52		4852.45	
Add: Premium on issue of equity shares (rights issue)	-		7435.88	
Less: Utilised for share issue expenses	-		148.81	
Closing balance		12139.52		12139.52
Revaluation Reserve				
Balance as per last financial statements	7584.69		16478.19	
Add: Addition during the year (Refer note 28)	63027.56		-	
Less: Withdrawal (Refer note 28)	3285.67		8893.50	
Closing balance		67326.58		7584.69
General Reserve				
Balance as per last financial statements	11694.01		11144.01	
Add: Transferred from Statement of Profit and Loss	650.00		550.00	
Closing balance		12344.01		11694.01
Surplus in the Statement of Profit and Loss				
Balance as per last financial statements	10868.32		8303.87	
Profit for the year	6211.23		5419.03	
	17079.55		13722.90	
Less: Dividend proposed to be distributed to equity shareholders (₹ 2.20 per share) (31st March 2011 ₹ 2 per share)	2181.19		1982.90	
Tax on dividend	353.84		321.68	
Transfer to general reserve	650.00		550.00	
	3185.03		2854.58	
Closing balance		13894.52		10868.32
		105715.88		42297.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2012		As at 31st March 2011	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 4 Long-term Borrowings				
Term Loans				
From Banks (Secured)				
State Bank of India	-	221.80	204.80	235.54
State Bank of Hyderabad	347.07	1123.04	1453.02	994.39
Oriental Bank of Commerce	-	-	-	8.37
Andhra Bank	-	-	-	6.25
Kotak Mahindra Bank Limited		-		101.76
State Bank of Mauritius Limited	253.25	608.04	861.29	608.04
Karur Vyasa Bank	1800.00	-	-	-
From others				
SREI Infrastructure Finance Limited				
- Secured	-	52.27	52.27	157.52
- Unsecured	-	-	-	51.36
Long term maturities of finance lease obligations (Unsecured)	371.51	234.44	26.89	154.29
Public Deposits (Unsecured)	18.96	91.15	50.20	334.47
	2790.79	2330.74	2648.47	2651.99

Security / terms and conditions of repayment

I) Term loans for capital expenditure are secured by a primary security on the fixed assets created out of the loan, ranking pari-passu with other term loan lenders and collateral security by i) first pari passu charge by way of equitable mortgage on land owned by the Company admeasuring acres 115.25 situated at Kukatpally, Hyderabad and ii) second pari passu charge on manufacturing buildings, plant and machinery charged to the other term lenders.

(a) Term loan from State Bank of India was taken during the financial year 2006-07 and carries floating rate of interest (15% per annum as on 31st March 2012) with an option to reset after every two years. The loan is repayable in 48 monthly installments of ₹10.40 Lakhs each.

(b) Term loan from State Bank of Hyderabad was taken during the financial year 2006-07 and carries floating rate of interest (14.50% per annum as on 31st March 2012) . The loan is repayable in 48 monthly installments of ₹ 8.33 lakhs each.

(c) Term loan from Andhra Bank was taken during the year 2006-07 and carries rate of interest at par with State Bank of India. The loan is repayable in 48 monthly installments commencing from 30th July 2007.

(d) Term loan from Oriental Bank of Commerce was taken during the year 2006-07 and carries rate of interest at par with State Bank of India. The loan is repayable in 48 monthly installments commencing from 30th July 2007.

II) Term loans for Overseas Investment are secured by collateral security i) first pari passu charge by way of equitable mortgage on land owned by the Company admeasuring acres 115.25 situated at Kukatpally, Hyderabad and ii) second pari passu charge on manufacturing buildings, plant and machinery charged to the other term lenders.

(a) From State Bank of India was taken during the financial year 2007-08 and carries floating rate of interest (15% per annum as on 31st March 2012) with an option to reset after every two years. The loan is repayable in 60 monthly installments of ₹17 Lakhs each after 21 months moratorium period.

(b) From State Bank of Hyderabad was taken during the financial year 2007-08 and carries floating rate of interest (14.50% per annum as on 31st March 2012) The loan is repayable in 60 monthly installments of ₹ 17.07 Lakhs each commencing from April 2008.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

III) Term Loan from State Bank of Hyderabad was taken during the year 2009-10 and carries floating rate of interest (14.25% per annum as on 31st March 2012) with reset after 2 years from the date of 1st disbursement. The loan is repayable in 36 monthly installments of ₹ 69.45 Lakhs after a moratorium of 12 months from the date of first disbursement. The loan is secured by a primary charge by way of hypothecation of raw material, finished goods, stocks in process, stores and spares and receivables of the Company ranking pari-passu with other working capital lenders under consortium arrangement and collateral security by way of i) first pari passu charge along with consortium working capital bankers and term lenders on land admeasuring acres 115.10 at Kukatpally, Hyderabad belonging to the Company ii) Second charge on manufacturing building, plant and machinery charged to term lenders.

IV) Term loan from State Bank of Mauritius Limited was taken during the year 2009-10 and carries floating rate of interest of 2.25% below BPLR (13.25% per annum as on 31st March 2012) and interest will be reset annually. The loan is repayable in 42 installments after a moratorium period of 6 months. Installments for first 12 months are of ₹ 40 lakhs and ₹ 50.67 lakhs for subsequent 30 months. The loan is secured by a primary charge by way of first charge along with other consortium lenders by way of Equitable Mortgage on land admeasuring acres 115.10 at Kukatpally, Hyderabad belonging to Company, except the manufacturing building, plant and machinery charged to the term lenders and first charge along with other consortium lenders on the current assets of the Company.

V) Term loan from Kotak Mahindra Bank was taken during the year 2008-09 and carries rate of interest of 10.25%. The loan is repayable in 32 monthly installments after a moratorium of 3 months from the date of first disbursement (outstanding as on 31st March 2012 is NIL). The loan is secured by way of a primary charge by way of first and exclusive charge on specific equipment procured out of the loan from the bank.

VI) Term loan from Karur Vysya Bank Limited was taken during current year and carries floating rate of interest of 1.50% over and above the base rate of the Bank (12.75% p.a. as on 31st March 2012) with an option to reset after one year from the date of disbursement. The loan tenure is for 3 years including initial holiday period of one year. Repayment of loan will be in two installments, ₹1000 lakhs to be paid at end of 24th month (i.e., 29th March 2014) from the date of first disbursement and balance outstanding of the loan availed at the end of 36th month (i.e., 29th March 2015). The loan is secured by an exclusive charge on the industrial land admeasuring 4.29 acres located at Kukatpally, Hyderabad standing in the name of the Company.

VII) Term loan from SREI infrastructure Finance Limited are secured by a first charge on the mining equipment created out of the loan. Interest for various loans varies from 8.85% to 11.55% and installments vary from 22 months to 58 months.

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 5 Deferred Tax Liability (net)		
Deferred Tax Liability		
Arising on account of timing difference in		
Depreciation	536.66	583.58
On surplus arising on transfer of Explosives Undertaking	246.00	246.00
	782.66	829.58
Deferred Tax Asset		
Arising on account of timing difference in		
Tax effect of items constituting deferred tax assets		-
Provision for doubtful trade receivable	453.36	423.89
Dis-allowance under Section 43B of Income Tax Act, 1961	306.09	287.48
	759.45	711.37
Net Deferred Tax Liability	23.21	118.21

Notes:

(a) Management has been advised ₹ 354.90 Lakhs (31st March 2011 ₹ 917.10 Lakhs) received against advances and ₹ 1,500.00 Lakhs (31st March 2011 ₹ 700.00 Lakhs) towards redemption of Preference share adjusted to Revaluation Reserve in an earlier year, is not required to be considered in computing Minimum Alternate Tax (MAT).

(b) Deferred tax asset has not been created in respect of the adjustment made in an earlier year to Revaluation Reserve.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2012		As at 31st March 2011	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 6 Other Long-term Liabilities				
Provision for Gratuity (Refer note 37)	583.12	44.61	606.32	-
Deposits from Service providers	63.37	-	66.37	-
	646.49	44.61	672.69	-
Note 7 Provisions				
Provision for Employee Benefits:				
Provision for compensated absence	219.56	37.42	206.49	51.55
	219.56	37.42	206.49	51.55
Other Provisions				
Provision for -				
- Indirect Taxes	8394.10	-	8394.10	-
- Claims	663.55	-	893.55	-
Provision for FBT		48.11		48.11
Proposed Equity Dividend	-	2181.19	-	1982.90
Provision for Tax on Proposed Equity Dividend	-	353.84	-	321.68
	9057.65	2583.14	9287.65	2352.69
	9277.21	2620.56	9494.14	2404.24

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 8 Short-term Borrowings		
From Bank :		
Cash Credit from banks (Secured)	2509.44	5297.93
Working Capital Demand Loan (Foreign Currency) (Secured)	1042.93	223.25
Working Capital Demand Loan (Yes Bank Limited) (Secured)	500.00	-
Buyers credit from banks (Unsecured)	17386.22	6907.55
	21438.59	12428.73

Security / terms and conditions of repayment

(a) Cash Credit facilities including foreign currency demand loan from Bank of Bahrain & Kuwait BSC and working capital loan from consortium banks is secured by hypothecation of all current assets of the Company including raw materials, finished goods, stock-in-process, stores and spares (not relating to plant & machinery) and present and future book debts of the Company ranking pari-passu and collateral security by (i) first pari passu charge by way of equitable mortgage on the land owned by the Company admeasuring acres 115.25 situated at Kukatpally, Hyderabad and (ii) second pari passu charge on manufacturing buildings, plant and machinery charged to other term lenders.

(b) Working Capital demand loan from Yes Bank Limited is secured by way of subservient charge on the movable fixed assets and current assets of the Company

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 9 Trade Payable		
Trade payables (Refer note 35 for dues to micro small and medium enterprises)	9492.91	11689.95
	9492.91	11689.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 10 Other Current Liabilities		
Current maturities of long term borrowings (Note 4)	**2330.74**	2651.99
Interest accrued but not due on borrowings	**177.45**	106.00
Unpaid dividend	**97.71**	86.01
Unpaid matured deposits including interest accrued	**241.95**	176.91
Unclaimed share application money - Rights issue	**1.95**	6.76
Others		
Provisions for employee benefits - Gratuity (Refer note 6)	**44.61**	-
Due to Subsidiary	**753.82**	1306.47
Advance from customers	**545.63**	822.56
Creditors for capital goods	**65.41**	8.94
Statutory remittances	**1687.02**	1184.01
Trade deposit received	**75.32**	66.62
Other payables	**136.80**	51.07
	6158.41	6467.34

Note 11 Fixed Assets

ASSETS	COST						DEPRECIATION					NET BOOK VALUE	
	Cost/ Revaluation 31.03.2011	Additions	Deductions	Adjustment on revaluation (Refer Note 28 of Schedule)	Transfer to IDL Explosives Ltd., (Refer Note 27 of Schedule)	Cost/ Revaluation 31.03.2012	31.03.2011	For the year	On Deductions	Transfer to IDL Explosives Ltd., (Refer Note 27 of Schedule)	31.03.2012	Cost/ Revaluation 31.03.2012	Cost/ Revaluation 31.03.2011
a) Tangible Assets													
Land-Freehold	33207.27	-	3288.88	63027.56	-	92945.95	-	-	-	-	-	92945.95	33207.27
Land - Leasehold	6.80	-	-	-	-	6.80	6.80	-	-	-	6.80	-	-
Buildings	1759.54	108.50	12.94	-	-	1855.10	754.44	50.46	0.57	-	804.33	1050.77	1005.10
Plant & Machinery	14763.35	388.87	163.05	-	-	14989.17	8024.39	1212.38	153.94	-	9082.83	5906.34	6738.96
Furniture, Fixtures	336.91	24.12	2.23	-	-	358.80	220.18	13.89	1.95	-	232.12	126.68	116.73
Office Equipment	296.57	12.90	19.93	-	-	289.54	153.76	12.85	6.62	-	159.99	129.55	142.81
Vehicles	537.90	46.34	58.89	-	-	525.35	307.40	44.15	37.80	-	313.75	211.60	230.50
Computers	554.11	22.03	29.33	-	-	546.81	336.60	60.30	28.75	-	368.15	178.66	217.51
2011-12	**51462.45**	**602.76**	**3575.25**	**63027.56**	**-**	**111517.52**	**9803.57**	**1394.03**	**229.63**	**-**	**10967.97**	**100549.55**	**-**
2010-11	68547.20	825.82	13788.21	-	4122.36	51462.45	11719.88	1553.08	1507.22	1962.17	9803.57	-	41658.88
b) Intangible Assets													
Computer software	303.55	32.00	7.25	-	-	328.30	146.06	47.58	7.25	-	186.39	141.91	157.49
2011-12	**303.55**	**32.00**	**7.25**	**-**	**-**	**328.30**	**146.06**	**47.58**	**7.25**	**-**	**186.39**	**141.91**	**-**
2010-11	142.13	166.82	5.40	-	-	303.55	99.10	52.14	5.18	-	146.06	-	157.49
2011-12	**51766.00**	**634.76**	**3582.50**	**63027.56**	**-**	**111845.82**	**9949.63**	**1441.61**	**236.88**	**-**	**11154.36**	**100691.46**	**-**
2010-11	68689.33	992.64	13793.61	-	4122.36	51766.00	11818.98	1605.22	1512.40	1962.17	9949.63	-	41816.37

Notes:-

1) Assets costing ₹ 454.01 Lakhs (31st March 2011 ₹450.28 Lakhs) have been acquired on hire purchase, the legal ownership of which will be transferred to the Company after the final payment.

2) Deductions in previous year includes land ₹ 3294.41 Lakhs transferred to Stock in trade (Refer note 28)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2012 ₹ Lakhs		As at 31st March 2011 ₹ Lakhs	
Note 12 Non-Current Investments				
I Trade investments (valued at cost unless stated otherwise)				
(a) In Equity Shares (Unquoted)				
(i) of Subsidiaries				
19,70,000 Equity shares of ₹ 10 each fully paid-up in IDL Buildware Limited	203.41		203.41	
Less: Diminution in value	203.41	-	203.41	-
50,000 Equity shares of ₹10/- each fully paid up in IDL Explosives Limited		5.00		5.00
50,000 Equity shares of ₹ 10 each fully paid up in Hinduja Infrastructure Limited		5.00		5.00
3,80,001 Equity shares of ₹ 10 each fully paid up in Gulf Carosserie India Limited	38.00		38.00	
Less: Diminution in value	38.00	-	38.00	-
1,77,939 Equity Shares of Bangladesh Taka 50 each fully paid up in Gulf Oil Bangladesh Limited		71.91		71.91
15,000 shares of Indonesia Rp.8,61,900 each fully paid up in PT Gulf Oil Lubricants Indonesia		680.70		680.70
41,32,540 Equity shares of US $ 1 each fully paid up in Gulf Oil (Yantai) Co., Limited		2157.86		2157.86
(ii) of Others				
500 Shares of ₹10 each fully paid-up in IDL Chemicals Employees' Co-operative Credit Society Limited, Hyderabad		0.05		0.05
27,978 units of ₹10 each fully paid-up in UTI Bond Fund of Unit Trust of India		2.97		2.97
1,14,000 Equity Shares of ₹100 each fully paid-up in Gulf Ashley Motors Limited		114.00		114.00
12490 Equity shares of ₹ 10 each fully paid Mangalam Retail Services Limited		1.25		1.25
2 equity shares of ₹ 100 each fully paid Pachora Peoples Co-operative Bank Limited		-		-
		3038.74		3038.74
(b) Preference Shares (Unquoted)				
(i) of Subsidiaries				
2,00,000 8% Redeemable Cumulative Preference Shares of ₹ 100 each fully paid-up in IDL Buildware Limited	200.00		200.00	
Less: Diminution in value	200.00	-	200.00	-
(ii) of Others				
16,62,000 (31st March 2011: 23,62,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each fully paid-up in APDL Estate Limited	1662.00		2362.00	
Less: 15,00,000 (31st March 2011: 7,00,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each) redeemed during the year	1500.00		700.00	
	162.00		1662.00	
Less: Diminution in value	162.00	-	1662.00	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
II Non-trade investments (valued at cost unless stated otherwise)		
Equity Shares (Quoted)		
2,00,000 Equity Shares of ₹ 1 each fully paid-up in Ashok Leyland Limited	24.23	24.23
48 Equity shares of ₹ 10 each fully paid-up in Hinduja Global Solutions Limited	0.03	0.03
48 Equity shares of ₹ 10 each fully paid-up in Hinduja Ventures Limited	0.03	0.03
2,400 Equity shares of ₹ 10 each fully paid-up Jammu & Kashmir Bank Ltd.	0.91	0.91
13,00,000 Equity Shares of ₹ 10 each fully paid-up in Indusind Bank Limited (sold during the year)	-	3332.53
	25.20	3357.73
	3063.94	6396.47
Note:		
1 Aggregate cost of quoted investments	25.20	3357.73
2 Aggregate Market Value of quoted investments	89.41	3512.05
3 Aggregate cost of unquoted investments	3038.74	3038.74

	As at 31st March 2012		As at 31st March 2011	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 13 Loans and advances (considered good unless otherwise specified)				
Capital advances	46.88	-	27.56	-
Security deposit	346.23	27.68	385.89	51.34
Loans and advances to related parties				
Gulf Carosserie Indian Limited	-	6.29	-	6.02
Less: Provision made	-	5.29	-	5.29
	-	1.00	-	0.73
IDL Buildware Limited	-	430.89	-	440.89
Less: Provision made	-	430.89	-	440.89
	-	-	-	-
Hinduja Infrastructure Limited	-	-	-	0.02
Loans and advances to Other Companies				
IDL Specialty Chemicals Limited	-	146.09	-	219.99
Less: Provision made	-	146.09	-	219.99
	-	-	-	-
Advance to suppliers and service providers				
Unsecured, considered good	-	1347.69	-	1939.90
considered doubtful	-	95.62	-	95.62
Less: Provision for doubtful loans and advances	-	95.62	-	95.62
	-	1347.69	-	1939.90
Loans and advances to employees	-	54.63	-	44.65
Prepaid expenses	20.66	334.45	39.51	213.09
Advance income tax (net of provisions)	-	357.92	-	877.38
MAT credit entitlement	-	670.00	-	-
Balance with Government authorities	-	565.00	-	492.60
Deposits with Government authorities	869.59	-	683.51	-
	1283.36	3358.37	1136.47	3619.71

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2012		As at 31st March 2011	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 14 Other assets				
Interest receivable	-	879.99	-	75.97
Fixed deposits with banks (Refer note below)	54.45	-	54.45	-
Margin Money deposit	61.76	-	1092.93	-
	116.21	879.99	1147.38	75.97

Note : Deposit made under Rule 3A of Companies (Acceptance of Deposits) Rules, 1975

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 15 Current Investments		
Preference Shares (Unquoted)		
2,49,000 10% Series-A Redeemable Cumulative Preference shares of ₹ 100/- each fully paid-up in IDL Explosives Limited (Refer note 27)	2490.00	2490.00
	2490.00	2490.00
Note 16 Inventories (valued at lower of cost and net realisable value)		
Contract work-in-progress	36.50	393.39
Raw Materials	7040.68	5849.44
Work-in-Progress (Refer note below)	582.42	661.36
Finished Goods (Other than those acquired for trading) (includes stock in transit of ₹ 89.74 lakhs (31st March 2011 ₹ 27.66 Lakhs))	4808.53	4250.28
Stock in trade	518.90	564.30
Stores, spare and Fuel	364.88	418.04
Packing Materials	288.46	365.90
Land / Buildings for Property Development, at cost	3610.66	3652.53
	17251.03	16155.24
Note : Details of work-in-progress in respect of		
Detonators & Detonating Fuse	442.31	541.18
Lubricants	140.11	120.18
	582.42	661.36
Note 17 Trade Receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	1390.89	1365.21
Considered Doubtful	2960.89	2811.89
	4351.78	4177.10
Less: Provision for doubtful receivables	2960.89	2811.89
	1390.89	1365.21
Other Receivables	9646.90	8403.17
	11037.79	9768.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 18 Cash and Cash Equivalents		
Cash on hand	12.36	12.64
Cheques, drafts on hand	521.25	617.92
Balances with banks:		
In Current Accounts	3861.11	1439.83
In Deposit accounts	3131.51	2572.50
In earmarked accounts		
- Margin Money Deposit	11162.76	1695.38
- Unpaid dividend accounts	97.71	86.01
- Refund orders issued by the Company but not encashed by Rights Issue Applicants	1.95	6.76
	18788.65	6431.04

Note : Balance with bank includes margin money amounting to ₹ 5727.61 lakhs (31st March 2011 ₹ 648.28 lakhs) and deposit accounts ₹ 31.51 lakhs (31st March 2011 ₹ 29.08 lakhs) which have an original maturity of more than 12 months.

	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Note 19 Revenue from Operations		
Sale of products (Refer note (i) below)	102310.80	87310.56
Service Income (Income from Operation Contracts)	5083.35	12644.11
Other operating income (Refer note (ii) below)	182.01	313.58
	107576.16	100268.25
Less: Excise duty	11627.30	9975.22
	95948.86	90293.03
Note		
(i) Sale of products		
Manufactured goods		
Detonators	6046.01	6068.21
Detonating Fuse	1606.42	1460.06
Cartridged ANFO & NCN (High Explosives)	137.37	10771.34
Boosters	37.47	65.08
Single or double or Multilayer clad plates	198.39	183.52
Lubricating Oils	92362.59	67474.16
Others	531.74	364.42
	100919.99	86386.79
Traded goods		
Safety Fuse - Purchased	82.61	144.56
Filters	428.76	443.57
Car care lube equipment and battery	137.81	-
Cartridged ANFO & NCN (High Explosives)	729.30	-
Others	12.33	335.64
	1390.81	923.77
	102310.80	87310.56
(ii) Other operating Income		
Export Incentives (DEPB)	33.28	70.62
Miscellaneous	148.73	242.96
	182.01	313.58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Note 20 Other Income		
Interest income (Refer note below)	1714.04	529.29
Dividend income on long term investment	42.40	2.04
Insurance claims	46.65	30.00
Profit on fixed asset sold/scrapped/written off	-	2451.57
Net gain on sale of investments	702.21	-
Miscellaneous	87.96	120.09
	2593.26	3132.99
Note : Interest income comprises :		
Interest on deposits with bank	1208.56	529.29
Interest on Income tax refund	125.48	-
Interest from customer (Refer Note 36)	380.00	-
	1714.04	529.29
Note 21(a) Cost of Material Consumed		
Opening stock	5849.43	6456.45
Add: Purchases	43981.68	41634.50
	49831.11	48090.95
Less: Stock transferred to IDL Explosives Limited in terms of Scheme of Arrangement (Refer note 27)	-	4012.58
Less: Closing stock	7040.68	5849.43
Cost of material consumed	42790.43	38228.94
Less: Scrap realization	244.97	233.61
	42545.46	37995.33
Details of raw material consumed		
Coating Materials	421.99	527.03
Chemicals	764.00	6539.55
Metals	711.17	1226.50
Yarn & Paper	106.83	99.83
Base Oil	32928.01	22721.34
Additives	7789.94	6101.07
Miscellaneous	68.49	1013.62
Cost of raw material consumed	42790.43	38228.94
Note 21(b) Purchase of Stock in Trade		
Safety Fuse	53.25	92.52
Cartridge ANFO & NCN (High Explosives)	377.48	-
Grease/Unprocessed Oils	3476.00	2945.27
Filters	262.00	344.98
D Cord	-	63.26
Battery	97.00	-
Others	444.69	39.97
	4710.42	3486.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Note 22 (Increase) / Decrease in Inventories		
Inventories at the end of the year		
Stock in trade	518.90	564.30
Contracts-in-Progress	36.50	393.39
Work-in-progress	582.42	661.36
Finished goods	4808.53	4250.28
	5946.35	5869.33
Inventories at the beginning of the year		
Stock in trade	564.30	50.51
Contracts-in-Progress	393.39	-
Work-in-progress	661.36	914.75
Finished goods	4250.28	3679.26
Less: Stocks transferred to IDL Explosives Ltd in terms of Scheme of Arrangement (Refer note 27)	-	1369.90
	5869.33	3274.62
	(77.02)	(2594.71)
Excise duties etc. on Increase/(Decrease) of Finished Goods	(23.82)	4.45
Net Increase	(100.84)	(2590.26)
Note 23 Employee Benefit Expenses		
Salaries, Wages and Bonus	5385.76	6251.70
Contribution to Provident and other funds	629.58	662.42
Staff Welfare Expenses	569.41	576.33
	6584.75	7490.45
Note 24 Finance Costs		
Interest expenses on		
Borrowings	1883.55	1756.69
Others	154.92	94.25
Bank charges	159.92	341.00
	2198.39	2191.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Year ended 31st March 2012 ₹ Lakhs		Year ended 31st March 2011 ₹ Lakhs
Note 25 Other Expense				
Consumption of stores and spares		**211.90**		232.42
Processing Charges		**725.81**		949.06
Packing material consumption		**4622.18**		4037.05
Power and Fuel		**494.25**		650.93
Expenses on Operation Contracts		**4530.99**		12112.56
Rent		**1435.93**		1530.21
Rates and taxes		**226.32**		185.08
Insurance		**268.34**		267.12
Repairs and maintenance				
- Plant and machinery		**229.83**		438.84
- Buildings		**47.40**		51.18
Advertising and sales promotion		**4073.26**		3439.29
Discounts on Sales		**11647.30**		7993.05
Selling commission		**272.48**		262.12
Travelling and conveyance		**621.13**		790.52
Distribution Expenses		**3890.99**		2997.16
Postage, Telephone and Telex		**164.02**		163.46
Legal and professional fees		**370.70**		392.71
Directors' sitting fees		**15.82**		15.62
Doubtful trade receivables, loans and advances written off	**-**		1186.51	
- Less: Provision for doubtful trade receivables, loans and advances written-back	**-**	**-**	1186.51	-
Loss on fixed asset sold/scrapped/written off		**0.24**		-
Provision for doubtful trade receivables, loans and advances		**190.00**		422.70
Royalty		**986.26**		810.97
Net loss on foreign currency transactions and translation		**438.14**		92.93
Miscellaneous expenses *		**759.98**		722.07
		36223.27		38557.05
* Miscellaneous includes ₹ Nil (31st March 2011 ₹ 25.63 lakhs)				
Miscellaneous expenses includes				
Auditors Remuneration				
As statutory auditors:				
Audit fee		**17.50**		17.50
Limited review fees		**5.00**		5.00
Tax audit fee		**3.00**		3.00
Other services (certification fees)		**4.75**		5.25
Reimbursement of expenses		**0.34**		0.52
		30.59		31.27
Branch Auditors Remuneration				
As statutory auditors:				
Audit fee		**10.00**		7.50
Tax audit fee		**4.00**		2.50
Other services (certification fees)		**4.50**		4.00
Reimbursement of expenses		**2.08**		1.41
		20.58		15.41

	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Note 26 Exceptional Items		
Amounts represents recoveries against claims made and advance made in earlier year and which was adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Honorable High Court of Andhra Pradesh, Hyderabad in 2008-09	354.90	917.10
Amount received towards redemption of 1500000 (31st March 2011 700000) 10% Redeemable Cumulative Preference Shares of ₹100 each of APDL Estates Limited. Carrying cost of which was adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Honorable High Court of Andhra Pradesh	1500.00	700.00
Excess of compensation over cost of land acquired by National Highways Authority of India	237.27	-
Additional consideration received in respect of sale of Investment	-	160.00
Surplus on transfer of Explosives business (Refer Note 27)	-	234.64
	2092.17	2011.74

Additional information to the financial statements

27. Scheme of Arrangement - Demerger of Explosives Undertaking of the Company:

(i) Pursuant to the Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between the Company and IDL Explosives Limited (a wholly owned subsidiary) and their respective shareholders, which was sanctioned by the Honorable High Court of Andhra Pradesh by its Order dated 5th May 2011, the assets and liabilities of the Explosives Undertaking excluding those relating to manufacturing operations at Kukatpally, Hyderabad and certain assets located at Maharashtra and assets and liabilities pertaining to litigations on taxes and duties in favour or against Explosives Undertaking of the Company were transferred to and vested with IDL Explosives Ltd., with effect from 1st October 2010, the appointed date. The Scheme was given effect in the Financial Statements for the year ended 31st March 2011 in accordance with the Sanctioned High Court Order.

(ii) In terms of the Scheme, 249,000 Series A 10% Cumulative Redeemable Preference Shares of ₹ 100 each at a premium of ₹ 900 per share of IDL Explosives Limited aggregating to ₹ 2,490 Lakhs, were issued to the Company as per Scheme of Arrangement during the previous year (alloted on 25th May 2011), towards ₹ 2,255.36 Lakhs representing the excess of assets over liabilities of the Explosives Undertaking transferred to IDL Explosives Limited. The resultant surplus on transfer of the aforesaid Explosives undertaking amounting to ₹ 234.64 Lakhs was shown under “Exceptional item” in the Statement of Profit and Loss of the previous year. The Preference Share were originally to be redeemed the day before 12 months from the date of allotment or within 45 days of infusion of fresh capital in IDL Explosives Limited whichever is earlier, or at its option redeem all or any number of the Preference Shares earlier. The date of redemption has been mutually agreed to be deferred by one year or 45 days from the date of infusion of fresh capital in IDL Explosives Limited.

(iii) Consequent to the vesting of the Explosives undertaking of the Company in terms of the Scheme, the Financial Statements of the Company for the year ended 31st March 2011, include the operations of Explosives undertaking for the period of six months i.e., from 1st April 2010 to 30th September 2010, and are therefore strictly not comparable with figures of current year ended 31st March 2012.

28. Property Development:

(i) Land meant for property development situated at Bengaluru and Hyderabad had been revalued as at 31st March 2008, based on a valuation by an approved valuer. The resultant surplus on such revaluation amounting to ₹ 183,896.69 Lakhs had been credited to Revaluation Reserve in the earlier years. In view of steep recession in the realty sector, management reassessed the valuation of the aforesaid properties as on 31st March 2009 and based on the guidelines issued by the Registration and Stamps Department of Karnataka & Andhra Pradesh, the value of the subject lands has been reassessed and, the resultant surplus on revaluation amounted to ₹ 43,799.82 Lakhs. The resultant write down aggregating to ₹ 140,096.87 Lakhs has, in accordance with the requirement of Accounting Standard-10 “Accounting for Fixed assets” was debited to Revaluation Reserve.

(ii) During the year, the Company surrendered certain portion of the land for road widening purposes to Greater Hyderabad Municipal Corporation. Consequently ₹ 3,285.67 Lakhs has been withdrawn from revaluation reserve.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) In the previous year, land at Bengaluru (cost of ₹ 3,294.41 Lakhs) meant for Property Development has been transferred to Inventory as approvals necessary for development of land has been obtained. Accordingly, Revaluation Surplus amounting ₹ 8,893.50 Lakhs on the aforesaid parcel of land was withdrawn from Revaluation Reserve.

(iv) As at 31st March 2012, land meant for property development situated at Hyderabad, has been revalued based on valuation by an approved valuer. The resultant surplus on such revaluation amounting to ₹ 63,027.56 Lakhs has been credited to Revaluation Reserve

29. Contingent liabilities:

	As at 31st March 2012 ₹Lakhs	As at 31st March 2011 ₹Lakhs
(i) Claims against the Company not acknowledged as debts		
(a) Income Tax Demands	1756.90	1758.36
(b) Wealth Tax	196.66	196.66
(c) Sales Tax Demands	1942.24	2279.11
(d) Excise Demands	793.03	763.62
(e) Service Tax	-	4.49
(f) Additional Demands towards cost of land	54.93	3.81
(g) Claims of workmen/ex-employees	85.40	76.04
(h) Other Matters	93.26	93.26
(i) Performance and Other Guarantees	542.01	178.62
(ii) Corporate Guarantees*	10559.80	644.70

*(a) The Company has given a Corporate Guarantee of 100 Million Taka to South East Bank Ltd., on behalf of Gulf Oil Bangladesh Ltd., a subsidiary of Gulf Oil Corporation Ltd. The amount outstanding as on 31st March 2012 is 10.40 Million Taka - ₹ 67.30 lakhs (31st March 2011 4.67 Million Taka – ₹29.71 Lakhs).

*(b) During the year, the Company has given a Corporate Guarantee of ₹ 9,913.00 Lakhs to Banks on behalf of its wholly owned Subsidiary IDL Explosives Limited till such time charge on the security is created by IDL Explosives Limited . The amount outstanding as on 31st March 2012 is ₹ 541.58 lakhs (31st March 2011 ₹ 999.96 lakhs).

(iii) The Competition Commission of India has passed an order in a case filed by a customer imposing a penalty of ₹ 2,894.76 lakhs. The Company is in the process of initiating an appeal with the Competition Appellate Tribunal against the said order.

30.1 Expenditure in Foreign Currency

	2011-12	2010-11
Interest	350.87	195.95
Commission on exports	141.48	14.76
Export freight, expenses etc.	404.42	264.54
Other- travelling expenses, books and periodicals etc.	16.26	31.47
Royalty (inclusive of tax deducted at source)	986.26	810.97

30.2 Earnings in Foreign Exchange

Export on F O B Basis	3755.76	4161.27

30.3 Value of Imports of C I F Basis

Raw Materials	18772.87	16052.35
Capital Goods	131.29	36.67
Stores and Spares	12.48	22.30
Traded Goods	127.42	117.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30.4 Capital Commitments

	2011-12	2010-11
Estimated amount of contracts remaining to be executed on capital account net of advance of ₹ 46.88 Lakhs (31st March 2011 ₹ 27.56 Lakhs)	356.18	140.96

30.5 Amount remitted during the year in foreign currency on account of dividend

Number of non-resident Shareholders	1	1
Number of Shares held	49536335	49536335
Dividend remitted (Rupees Lakhs)	990.73	656.29
Dividend on account of year	2010-11	2009-10

30.6 Consumption of raw materials

Raw material	2011-12		2010-11	
	₹ Lakhs	Percentage	₹ Lakhs	Percentage
Imported	19438.22	45.42	16084.39	42.07
Indigenous	23352.21	54.58	22144.55	57.93
	42790.43	100.00	38228.94	100.00

31. Fixed Assets: Buildings include:

(i) ₹ 7.09 Lakhs, which represents the cost of ownership flats ₹ 7.08 Lakhs and ₹ 0.01 Lakhs being the value of Share money in Sett Minar Co-operative Housing Society Limited.

(ii) ₹ 4.70 Lakhs, which, represents the cost of ownership flats ₹ 4.43 Lakhs and ₹ 0.27 Lakhs being the value of 270 ordinary shares of ₹ 100 each, fully paid up in Shree Nirmal Commercial Limited.

32. Expenses in the previous year include expenditure incurred by IDL Explosives Limited on marketing staff salaries, rent, distribution etc. aggregating to ₹ 308.40 lakhs and allocated to the Company.

33. The Honorable Supreme Court vide its order dated 16th November 2007, held that the stock transfers constituted interstate sale in respect of 10 years assessment year viz. 1976-77 to 1983-84,1989-90 & 1990-91 and also directed the authorities to examine the factual aspects and assess tax on the supplies made by the Company to the subsidiaries of Coal India Limited as interstate sale.

The Company has filed writ petitions in the Honorable High Court of Orissa in August 2009 impleading other State Governments, CIL and its subsidiary Companies seeking directions for issues of C forms and pass over of local sales tax to the State of Orissa. The Honorable High Court has held it and permitted the Company to approach appropriate forum to take the matter.

The Company has been legally advised that as per the settled cases, the Company is entitled for concessional sales tax rates as per Central Sales Tax and interest should be charged from recomputation order. However, necessary provision has been made and is included in Provision – Indirect Taxes.

34. During the previous year, the Company issued on rights basis 24,786,245 shares of ₹ 2/- each at premium of ₹ 30/-. The utilization of the proceeds from the aforesaid issue is as under:

₹ Lakhs

Particulars	As per Letter of Offer	Amount utilized till 31st March 2011
Repayment of Existing Debt	736.50	736.50
Meeting of Long term incremental working capital requirement	5946.37	5946.37
General Corporate purpose *	1123.73	1123.73
Issue related expenses	125.00	125.00
Total	7931.60	7931.60

* ₹ 23.81 Lakhs utilized for Issue Related Expenses

35. Trade payables- Due to Micro Small and Medium enterprise: The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium scale Enterprises development Act 2006 and hence disclosures if any, relating to amounts unpaid as at the year end together with interest paid/payable are required under the said Act have not been given.

36. Interest income from customers ₹ 380.00 Lakhs has been accrued on the basis of favourable court order.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Disclosures under Accounting Standards

37. Disclosure in respect of Gratuity as required under Accounting Standard 15 –Employee Benefits:

₹ Lakhs

	31st March 2012	31st March 2011
Projected benefit obligation at the beginning of the year	1,031.83	1,594.57
Current service cost	94.15	137.38
Interest cost	76.22	118.75
Actuarial (Gain) / Loss	29.59	(88.79)
Benefits paid	(158.01)	(220.33)
Past service cost	-	38.22
Transferred liability (on demerger of Explosives undertaking)	-	(547.97)
Projected benefit obligation at the end of the year	1073.78	1031.83
Fair value of plan Assets Beginning of the period	425.51	194.47
Expected Return on plan assets	34.86	24.80
Contributions	142.52	412.25
Benefits Paid	(158.01)	(220.32)
Actuarial gain (Loss) Plan Assets	1.17	14.31
Fair value of plan Assets at the end of the period	446.05	425.51
Total Actuarial gain (loss) to be recognized	(28.40)	103.10
Amounts recognised in the balance sheet		
Projected benefit obligation at the end of the year	1073.78	1031.83
Fair value on plan assets at the end of the year	(446.05)	(425.51)
Liability recognised in the balance sheet	627.73	606.32
Cost of the Retirement and Other Benefits for the year		
Current service cost	94.15	137.38
Interest cost	76.22	118.75
Expected return on plan assets	(34.86)	(24.80)
Net actuarial (Gain) / Loss recognised in the year	28.40	(103.10)
Past service cost	-	38.22
Net cost recognised in the Profit and Loss Account	163.91	166.45
Assumptions		
Discount Rate (%)	8%	8%
Long term rate of compensation increase (%)	4%	4%
Mortality table	L.I.C 1994-96 Ultimate	L.I.C 1994-96 Ultimate
Attrition rate	3%	3%
The major categories of plan assets as a percentage of total plan - funded with LIC	100%	100%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. Details on derivative instruments and unhedged foreign currency exposures:

a) The Company has entered into the following derivative instruments:

The following are the outstanding Forward Exchange Contracts entered into by the company as on 31st March, 2012:

As on 31st March 2012				As on 31st March 2011			
Currency	**Amount**	**Buy /Sell**	**Cross Currency**	**Currency**	**Amount**	**Buy / Sell**	**Cross Currency**
US Dollar	**21018331**	**Buy**	**Indian Rupees**	US Dollar	14076106	Buy	Indian Rupees

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts receivable / (payable) in foreign currency on account of the following:

	Amt. in ₹ Lakhs		Currency	Amount in foreign currency	
	31st March 2012	31st March 2011		**31st March 2012**	31st March 2011
Export of Goods	**1422.40**	1689.04	USD	**986225**	3773884
Export of Goods	**-**	3.70	Euro	**-**	5005
Import of Goods	**6768.79**	40.68	USD	**13306065**	91117
FCNRB Loan	**966.62**	223.25	USD	**1900000**	500000

39. Details of contract revenue and costs:

₹ Lakhs

	2011-12	2010-11
Contract revenue recognized as revenue during the year	**905.76**	601.54
Aggregate amount of contract costs incurred in respect of ongoing contracts net of recognized profits (less recognized losses) up to 31st March 2012	**2378.13**	1865.79
Advance payments received (net of recoveries from progressive bills)	**185.08**	454.78
Retention Amount	**372.24**	215.61
Gross amount due from customers for contract work	**234.39**	85.13
For the Method used to determine the contract revenue and the stage of completion of contract in progress, Refer Note: 1 (h) (iv) above	**-**	-

40. Earnings per share:

		Year ended 31st March 2012	Year ended 31st March 2011
i)	Profit after Tax (₹ Lakhs)	**6211.23**	5419.03
ii)	Weighted average number of Equity Shares outstanding during the year	**99144980**	88687134
iii)	Weighted Average number of equity shares in computing diluted earnings per share	**99144980**	88687134
iv)	Face value of each Equity Share (₹)	**2**	2
v)	Earnings per Share		
	- Basic (₹)	**6.26**	6.11
	- Diluted (₹)	**6.26**	6.11

41. Related party disclosure:

(i) Information relating to Related Party transactions as per "Accounting Standard 18" notified by the Companies (Accounting Standards) Rules, 2006.

Name of the Related Party	Relationship
IDL Buildware Limited	Subsidiary
Gulf Carosserie India Limited	
Gulf Oil Bangladesh Limited	
PT Gulf Oil Lubricants Indonesia	
Gulf Oil (Yantai) Limited, China	
Hinduja Infrastructure Limited	
IDL Explosives Limited (Subsidiary from 22nd, September, 2010)	
Gulf Oil International (Mauritius) Inc	Entity holding more than 20% of the shareholding in the Company
Mr. S.Pramanik, Managing Director	Key Management Personnel

(ii) Details of transactions between the Company and Related Parties and the status of Outstanding balances at the year end:

₹ Lakhs

Particulars	Subsidiaries		Entity holding more than 20% of the shareholding in the Company		Key Management Personnel	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Sales						
PT Gulf Oil Lubricants Indonesia	**11.01**	0.21	**-**	-	**-**	-
Gulf Oil Bangladesh Limited	**53.64**	74.58	**-**	-	**-**	-
IDL Explosives Limited	**1839.23**	-	**-**	-	**-**	-
Royalty						
Gulf Oil International (Mauritius) Inc.	**-**	-	**986.26**	810.97	**-**	-
Purchase & Other Services						
IDL Explosives Limited	**434.73**	-	**-**	-	**-**	-
IDL Buildware Limited	**0.95**	3.15	**-**	-	**-**	-
Expenses Reimbursed						
IDL Explosives Limited	**48.00**	308.40	**-**	-	**-**	-
Marketing Services fee						
IDL Explosives Limited	**800.00**	-	**-**	-	**-**	-
Advances given /(Received)						
IDL Specialty Chemicals Limited	**-**	-	**-**	-	**-**	-
IDL Buildware Ltd.,	**-**	-	**-**	-	**-**	-
Gulf Carosserie India Limited	**0.27**	0.64	**-**	-	**-**	-
IDL Explosives Limited	**552.65**	-	**-**	-	**-**	-
Investment in Equity Shares						
IDL Explosives Limited	**5.00**	5.00	**-**	-	**-**	-
Investment in Preference shares						
IDL Explosives Limited	**2,490.00**	-	**-**	-	**-**	-

Particulars	Subsidiaries		Entity holding more than 20% of the shareholding in the Company		Key Management Personnel	
Interest reimbursements to IDL Explosives Limited	34.87	-	-	-	-	-
Interest received on inter corporate Deposits						
IDL Explosives Limited	122.46	-	-	-	-	-
Dividend paid						
Gulf Oil International (Mauritius) Inc.	-	-	990.73	656.29	-	-
S.Pramanik	-	-	-	-	0.09	0.06
Dividend Received						
Gulf Oil Bangladesh Limited	13.76	-	-	-	-	-
Provisions made for Advances						
Gulf Oil Carosserie India Limited						
Directors' Remuneration - S. Pramanik	-	-	-	-	85.39	92.19
Inter Corporate Deposits Given						
IDL Explosives Limited	1830.00	-	-	-	-	-
Inter Corporate Deposits Repaid						
IDL Explosives Limited	1830.00	-	-	-	-	-
Outstanding balances:						
(a) Receivables						
Hinduja Infrastructure Limited	-	0.02	-	-	-	-
PT Gulf Oil Lubricants Indonesia	11.23	0.22	-	-	-	-
Gulf Carosserie India Limited	1.00	0.73	-	-	-	-
Gulf Oil Bangladesh Limited	-	12.58	-	-	-	-
IDL Explosives Limited	535.83	-	-	-	-	-
(b) Payables						
Gulf Oil International (Mauritius) Inc.	-	-	887.63	729.87	-	-
IDL Explosives Limited	1.49	1306.47	-	-	-	-
(c) Advances Payables						
IDL Explosives Limited	753.82	-	-	-	-	-
(d) Corporate Guarantee (given)						
Gulf Oil Bangladesh Limited	646.80	644.70	-	-	-	-
IDL Explosives Limited	9913.00	-	-	-	-	-

42. Leases

(a) Operating Lease: Where the Company is a Lessee:

- The Company's significant leasing arrangements are in respect of operating leases for premises (residences, office, storage godowns for finished goods etc.).The leasing arrangements, which are not non-cancellable range generally between 11 months to 5 years and are usually renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Profit and Loss Account.

- The Company has taken certain Plant and Machinery under non-cancellable leases

₹ Lakhs

	As at 31st March 2012			As at 31st March 2011		
	Total	Payments not later than one year	Payments later than one year but not later than five years	Total	Payments not later than one year	Payments later than one year but not later than five years
a) Total of future minimum payments at the balance sheet date- Plant & machinery	**561.26**	**561.26**	**-**	1801.47	1109.24	692.22
b) Total of future minimum payments at the balance sheet date- Vehicles	**4.96**	**1.98**	**2.98**	-	-	-

Lease Rent on the aforesaid plant and machinery amounting to ₹ 1107.11 Lakhs. (Previous year ₹1214.11 Lakhs) has been charged to Statement of Profit and Loss under rent.

(b) Where the Company is Lessor:

Details in respect of assets given on operating lease:

₹ Lakhs

	Gross Block As at		Accumulated Depreciation As at		Depreciation for the year	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011	2011-12	2010-11
Building	**71.09**	71.09	**9.70**	8.42	**1.28**	1.28
Plant & Machinery	**80.32**	80.32	**62.10**	58.28	**3.82**	3.82

The assets given on lease are not non-cancellable and range generally between 11 months to 5 years and are usually renewable by mutual consent, on agreeable terms. The aggregate lease rentals are recognised as income from property in the Profit & Loss account.

Initial direct costs are recognised as an expense in the year in which these are incurred.

(c) Hire Purchase:

(i) The Company has taken plant and machinery, motor vehicles under hire purchase arrangements for which the ownership will be transferred to the Company at the end of the hire purchase term.

(ii) Reconciliation between the total of minimum hire purchase payments at the balance sheet date and the present value:

₹ Lakhs

	As at 31st March 2012			As at 31st March 2011		
	Total	Payments not later than one year	Payments later than one year but not later than five years	Total	Payments not later than one year	Payments later than one year but not later than five years
Total of minimum hire purchase payments at the balance sheet date	**710.59**	**297.43**	**413.16**	193.52	166.27	27.25
Less: Future Finance Charges	**104.64**	**62.99**	**41.65**	12.34	11.98	0.36
Present value of minimum hire purchase payments at the balance sheet date	**605.95**	**234.44**	**371.51**	181.18	154.29	26.89

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43. Segment information for the year ended 31st March 2012

(i) Primary Business Segments

₹ Lakhs

	Explosives		Mining & Infrastructure		Property Development		Lubricating Oils		Others		Unallocated		Eliminations		Total	
REVENUE	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
External	8763.47	17838.58	5091.49	12889.74	-	-	82084.42	59631.43	-	-	2602.74	3066.27	-	-	98542.12	93426.02
Inter-segment	-	-	-	-	-	-	73.76	150.41	-	-	-	-	(73.76)	(150.41)	-	-
Total Revenue	8763.47	17838.58	5091.49	12889.74	-	-	82158.18	59781.84	-	-	2602.74	3066.27	(73.76)	(150.41)	98542.12	93426.02
RESULT																
Segment result	865.27	1494.39	(4168.68)	(3893.61)	-	-	8769.14	6855.56	-	-	-	-	-	-	5465.73	4456.34
Unallocated Corporate Income net of unallocated Expenses															(244.64)	1553.56
Interest Expense															(2038.47)	(1850.94)
Interest Income															1714.04	529.29
Dividend Income															42.40	2.04
Profit before Taxation & Exceptional Expenditure															4939.06	4690.29
Exceptional Item															(2092.17)	(2011.74)
Net Profit															7031.23	6702.03
OTHER INFORMATION																
Segment Assets	5971.84	6150.74	7570.29	10086.76	97617.30@	37919.62	39887.66	24768.00	8.32	8.40	9091.54	11270.94			160146.95	90204.46
Segment Liabilities	3041.66	2790.91	2178.32	3145.62	-	-	24664.45	15464.62	6.01	6.01	22557.73	24516.61			52448.17	45923.77
Capital Expenditure	175.54	313.57	3.82	15.26	-	-	380.85	344.23	-	-	93.26	31.49			653.47	704.55
Depreciation	110.15	193.54	1072.11	1154.56	-	-	215.31	200.65	-	-	44.04	56.47			1441.61	1605.22
Non- cash expenses other than Depreciation															-	-

@ includes Rs.92697.34 Lakhs(March 31st 20111 Rs.32955.45 Lakhs) arising on revaluation of fixed assets (Refer Note 28)

(ii) Information about Secondary Business Segments

₹ Lakhs

	India		Outside India		Total	
	2012	2011	2012	2011	2012	2011
Revenue by Geographical market on FOB basis	94786.36	89264.75	3755.76	4161.27	98542.12	93426.02
Inter Segment	-	-	-	-	-	-
Total	94786.36	89264.75	3755.76	4161.27	98543.12	93426.02
Carrying amount of segment assets	158724.56	88511.72	1422.40	1692.74	160146.96	90204.46
Additions to Fixed Assets	653.47	704.55	-	-	653.47	704.55

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Notes:

(a) Business Segment:

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

Segments have 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) Consult dealing in Mining & Infrastructure Contracts, (iii) Property Development (iv) Lubricating Oils, (v) Others.

(b) Geographical Segment:

The Geographical segments considered for disclosure are as follows:

- Revenue within 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

44. The Revised Schedule VI has become effective from 1st April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of Board of Directors

Place: Hyderabad	A. Satyanarayana	Manish K Gangwal	S. Pramanik	S.G. Hinduja
Date : May 30, 2012	**Dy. Company Secretary**	**Chief Financial Officer**	**Managing Director**	**Chairman**

INFORMATION OF SUBSIDIARY COMPANIES

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

Rs. in Lakhs

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) not dealt with in the Books of Accounts of the Holding Company (Except to the extent dealt with in Col.6)	Profit/(Losses) dealt with in the Books of Accounts of the Holding Company	Profits/(Losses) not dealt with in the Books of Accounts of the Holding Company (Except to the extent dealt with in Col.8)	Profit/(Losses) dealt with in the Books of Accounts of the Holding Company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
IDL EXPLOSIVES LIMITED	31.03.2012	50000	100%	(1270.44)	Nil	27.69	Nil
IDL BUILDWARE LIMITED	31.03.2012	1970000	100%	14.27	Nil	(674.07)	Nil
GULF CARROSSERIE INDIA LIMITED	31.03.2012	380001	95%	(0.12)	Nil	(109.72)	Nil
GULF OIL BANGLADESH LIMITED	31.03.2012	177939	51%	51.14	Nil	14.22	Nil
PT GULF OIL LUBRICANTS INDONESIA	31.03.2012	15000	75%	92.20	Nil	(154.89)	Nil
GULF OIL (YANTAI) COMPANY LTD.	31.03.2012	4132540	51%	115.10	Nil	155.07	Nil
HINDUJA INFRASTRUCTURE LIMITED	31.03.2012	50000	100%	0.11	Nil	(0.45)	Nil

For and on behalf of Board of Directors

Place: Hyderabad
Date : May 30, 2012

A. Satyanarayana
Dy. Company Secretary

Manish K Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S.G. Hinduja
Chairman

Statement Pursuant to Section 212 (8) of the Companies Act, 1956, related to Subsidiary Companies

(In lakhs)

Sl. No.	Details	IDL Buildware Limited	IDL Explosives Limited	PT Gulf Lubricants Indonesia	PT Gulf Lubricants Indonesia	Gulf Oil (Yantai) Co., Limited	Gulf Oil (Yantai) Co., Limited	Gulf Carosserie India Limited	Gulf Oil Bangladesh Limited	Gulf Oil Bangladesh Limited	Hinduja Infrastructure Limited
	Financial year ending on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
	Country	India	India	Indonesia	Indonesia	China	China	India	Bangladesh	Bangladesh	India
	Reporting Currency	INR	INR	INR	Rupiah	INR	RMB	INR	INR	Taka	INR
1	Share Capital (including share application money pending allotment)	397.00	254.00	982.56	172380.00	5464.22	662.27	40.00	112.83	174.45	5.00
2	Reserves	(653.81)	998.25	(73.07)	(14490.74)	(853.82)	(103.48)	(115.70)	196.28	296.84	(0.34)
3	Liabilities	483.05	15849.88	614.64	113578.78	544.48	65.99	86.27	638.16	986.63	0.25
	Total Liabilities	226.65	17102.13	1514.60	271468.03	5154.88	624.78	10.57	942.98	1457.92	4.91
4	Total Assets	226.65	17102.13	1514.60	271468.03	5154.88	624.78	10.57	942.98	1457.92	4.91
5	Investments	0.18	0.05	-	-	-	-	-	-	-	-
6	Turnover	44.97	25489.73	4558.26	835744.13	5151.12	680.70	0.21	2376.48	3699.39	0.39
7	Profit Before Taxation	14.27	(1292.28)	166.94	28620.51	319.77	42.05	(0.07)	147.66	223.18	0.16
8	Provision for Taxation	0.00	(21.84)	44.00	8000.95	94.18	12.39	0.06	47.37	73.74	0.05
9	Profit after Taxation	14.27	(1270.44)	122.94	20619.56	225.59	29.67	(0.13)	100.29	149.44	0.11
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF GULF OIL CORPORATION LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Gulf Oil Corporation Limited** ("the Company") and its subsidiaries (the Company and its Subsidiaries constitute "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs.7,869.67 lakhs as at 31st March, 2012, total revenues of Rs. 12,029.56 lakhs and net cash flows amounting to Rs. 46.15 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

K. Rajasekhar
Partner
(Membership No.23341)

Place: Hyderabad
Date : May 30, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**1982.90**	1982.90
Reserves and Surplus	3	**104555.31**	42508.70
Minority Interest		**2628.89**	2092.14
Non-current Liabilities			
Long-term Borrowings	4	**3004.54**	3328.62
Deferred Tax Liabilities (net)	5	**100.62**	108.52
Other Long-term Liabilities	6	**1036.84**	1110.41
Long-term Provisions	7	**9349.54**	9552.60
Current Liabilities			
Short-term Borrowings	8	**31956.29**	15899.56
Trade Payables	9	**13595.59**	16291.20
Other Current Liabilities	10	**7277.68**	6885.57
Short-term Provisions	7	**2621.50**	2404.88
TOTAL		**178109.70**	102165.10
ASSETS			
Goodwill on Consolidation		**54.00**	390.56
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**104905.63**	45682.73
Intangible Assets	11	**183.05**	211.47
Capital Work-in-progress		**1704.00**	1594.74
Deferred Tax Asset (net)	12	**17.29**	140.38
Non-current Investments	13	**143.70**	3476.23
Long-term Loans and Advances	14	**1468.92**	1334.70
Other non-current Assets	15	**155.39**	1191.78
		108577.98	53632.03
Current Assets			
Inventories	16	**24713.47**	21020.75
Trade Receivables	17	**17154.19**	14159.19
Cash and Cash Equivalents	18	**21724.01**	8082.59
Short-term Loans and Advances	14	**4995.75**	4804.01
Other Current Assets	15	**890.30**	75.97
		69477.72	48142.51
TOTAL		**178109.70**	102165.10

The accompanying notes form an integral part of the Consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

K. Rajasekhar
Partner

Manish K Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S.G. Hinduja
Chairman

A. Satyanarayana
Dy. Company Secretary

Place: Hyderabad
Date : May 30, 2012

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Income			
Revenue from Operations (Gross)		**144282.92**	121560.58
Less: Excise Duty		**13989.78**	11141.20
Revenue from Operations (net)	19	**130293.14**	110419.38
Other Income	20	**2546.49**	3190.47
Total Revenue (I)		**132839.63**	113609.85
Expenses			
Cost of Material Consumed	21 (a)	**62371.32**	47634.90
Purchase of Stock in trade	21 (b)	**11999.11**	7719.22
Increase in Inventories of Finished Goods, Work-in-progress and Traded Goods	22	**(440.19)**	(2469.75)
Employee Benefits Expenses	23	**9146.92**	8636.47
Finance Costs	24	**2778.14**	2671.13
Depreciation and Amortisation Expense	11	**1804.20**	1888.97
Other Expenses	25	**41031.68**	42391.02
Total Expenses (II)		**128691.18**	108471.96
Profit before Exceptional Items and Tax (I-II)		**4148.45**	5137.89
Exceptional Items	26	**(2092.17)**	(1777.10)
Profit Before Tax		**6240.62**	6914.99
Tax Expenses			
Current Tax Expenses for Current Year		**1783.82**	1033.12
Less: MAT Credit		**(670.00)**	-
Net Current Tax Expense		**1113.82**	1033.12
Deferred Tax		**116.00**	179.71
Total Tax Expense		**1229.82**	1212.83
Profit after Taxation Before Minority Interest		**5010.80**	5702.16
Share of Minority Interest		**(185.89)**	(173.13)
Profit after Taxation Before Minority Interest		**4824.91**	5529.03
Earnings per Equity Share in ₹ (Refer Note 40)			
Basic and Diluted in ₹		**4.87**	6.23

The accompanying notes form an integral part of the Consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

K. Rajasekhar
Partner

Manish K Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S.G. Hinduja
Chairman

A. Satyanarayana
Dy. Company Secretary

Place: Hyderabad
Date : May 30, 2012

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

SL No.	Particulars	2011-12 ₹ Lakhs	2011-12 ₹ Lakhs	2010-2011 ₹ Lakhs	2010-2011 ₹ Lakhs
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax and after exceptional items		6240.62		6914.99
	Adjustments for:				
	Depreciation	1804.20		1888.97	
	Dividend received	(28.78)		(2.04)	
	Profit on sale of Fixed Assets	(19.06)		(2459.84)	
	Excess of compensation over cost of land acquired by National Highways Authority of India	(237.27)		-	
	Amount received against advances made and adjusted to Revaluation Reserve in earlier year	(354.90)		(917.10)	
	Amount received towards redemption of Preference Shares	(1500.00)		(700.00)	
	Profit on sale of long term Investments	(702.21)		(160.00)	
	Interest Income	(1650.45)		(553.97)	
	Unrealised Loss /(Gain) on Exchange - Net	822.81		(312.42)	
	Interest expense	2314.14	448.48	2112.18	(1104.22)
	Operating Profit before working Capital changes		6689.10		5810.77
	Adjustments for:				
	Trade and other Receivables - (Increase)/ Decrease	(1810.26)		(2584.09)	
	Inventories - (Increase)/ Decrease	(3734.59)		(3854.96)	
	Trade Payables - Increase/(Decrease)	(1828.78)	(7373.63)	3769.04	(2670.01)
	Cash generated from Operations		(684.53)		3140.76
	Direct Taxes paid (net of refunds)		(1505.57)		(1349.97)
	NET CASH (USED IN)/FROM OPERATING ACTIVITIES		(2190.10)		1790.79
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(1148.20)		(1055.21)	
	Sale of Fixed Assets (including land)	112.42		2568.03	
	Compensation received on land acquired by National Highways Authority of India	279.14		-	
	Purchase of Investments - Long Term	-		(3332.53)	
	Sale of Long Term Investment	4034.74		160.00	
	Amount received against advances made and adjusted to Revaluation Reserve in earlier year	114.90		-	
	Proceeds from redemption of Preference Shares	1500.00		700.00	
	Advance to Companies realised	-		917.10	
	Interest Received	835.81		551.76	
	Dividend received	28.78		2.04	
	NET CASH FROM INVESTING ACTIVITIES		5757.59		511.19
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term Borrowings & Hire Purchase Liabilities	2442.10		401.29	
	Net decrease in Cash Credit and other Short Term Loans	15329.93		(4116.73)	
	Proceeds from Fixed Deposits	8.92		4.10	
	Repayment of Fixed Deposits	(218.44)		(250.88)	

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

SL No.	Particulars	2011-12 ₹ Lakhs	2011-12 ₹ Lakhs	2010-2011 ₹ Lakhs	2010-2011 ₹ Lakhs
	Repayment of Long Term Borrowings & Hire Purchase Liabilities	**(2974.63)**		(3238.41)	
	Proceeds from issue of Capital	**-**		7782.80	
	Repayment of Loans to Companies	**-**		(662.76)	
	Interest paid	**(2221.07)**		(2063.01)	
	Dividend paid	**(1971.20)**		(1327.74)	
	Dividend tax paid	**(321.68)**		(222.30)	
	NET CASH FROM/(USED IN) FINANCIAL ACTIVITIES		**10073.93**		(3693.64)
	Net increase/(decrease) in cash and cash equivalents		**13641.42**		(1391.66)
	Cash and Cash Equivalents as at the commencement of the year				
	- Cash and Bank Balances		**8082.59**		9474.25
			8082.59		9474.25
	Cash and Cash Equivalents as at the end of the year				
	- Cash and Bank Balances*		**21724.01**		8082.59
Notes:					
1	Transaction arising out of demerger as per Note 27 is a non-cash transaction and not considered in above cash flow workings				
2	Reconcilation of Cash and Cash Equivalents with the Balance Sheet:				
	Cash and Bank Balance (Refer Note 18)		**21724.01**		8082.59
	* Comprises:				
	(a) Cash on hand		**24.93**		26.13
	(b) Cheques, drafts on hand		**521.25**		617.92
	(c) Balance with banks				
	(i) In Current Accounts		**5739.37**		2428.30
	(ii) In Deposits Accounts		**3686.02**		3222.10
	(iii) In Earmarked Accounts				
	- Margin Money Deposit		**11652.79**		1695.37
	- Unpaid Dividend Accounts		**97.70**		86.01
	- Refund orders issued by the Company but not encashed by Rights Issue Applicants		**1.95**		6.76
			21724.01		8082.59

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

K. Rajasekhar
Partner

Manish K Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S.G. Hinduja
Chairman

A. Satyanarayana
Dy. Company Secretary

Place: Hyderabad
Date : May 30, 2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

(i) (a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements have been prepared under historical cost convention and in an accrual basis. The accounting policies have been consistently applied by the Company and are in consistent with those used in the previous year.

(b) The subsidiaries (which along with Gulf Oil Corporation Limited, the Parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March 2012	Percentage of ownership interest as at 31st March 2011
IDL Buildware Limited	India	100.00	100.00
Gulf Carosserie India Limited	India	95.00	95.00
Hinduja Infrastructure Limited	India	100.00	100.00
Gulf Oil Bangladesh Limited	Bangladesh	51.00	51.00
PT Gulf Oil Lubricants Indonesia	Indonesia	75.00	75.00
Gulf Oil (Yantai) Co. Limited	China	51.02	51.02
IDL Explosives Limited	India	100.00	100.00 (From 22nd September 2010)

The financial statements of all the subsidiaries considered in the Consolidated accounts are drawn upto 31st March 2012.

(ii) ACCOUNTING POLICIES

a) USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported year.

Accounting estimates could change from period to period. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. The effects of changes in accounting estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements, which are lower than the rates specified in the schedule VI of the Companies Act, 1956.

b) FIXED ASSETS

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

c) DEPRECIATION ON FIXED ASSETS

(i) The Group, except Gulf Oil Bangladesh Limited, PT Gulf Oil Lubricants, Indonesia and Gulf Oil (Yantai) Co. Limited follows the straight line method of charging depreciation on all its fixed assets. 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 certain equipment which are depreciated over their estimated useful life which is not higher than the life as derived from the specified rates in Schedule XIV to the Companies Act, 1956.

In respect of Gulf Oil Bangladesh Limited, depreciation on the assets other than leased assets has been provided using straight line method over the estimated useful lives of the assets as summarized below :

Office equipment	20%
Computer/Computer software	25%
Vehicles	20%
Furniture and Fixtures	10%
Leasehold improvements	10%
In respect of leased assets:	
Vehicles	20%

In respect of P.T. Gulf Oil Lubricants, Indonesia, depreciation on furniture and equipment have been computed on a straight-line method, based on the estimated useful life of the related assets, for 4 years or at the rate of 25% p.a.

In respect of Gulf Oil (Yantai) Co., Limited, depreciation of fixed assets is calculated to write off the cost of fixed assets less 10% residual values on a straight-line basis over their anticipated useful lives. The respective anticipated useful lives of fixed assets are as follows:

Plant and Building	20 Years
Machinery and equipment	10 Years
Office and other equipment	5 Years
Motor vehicles	5 Years

(ii) Leasehold land is being amortized in equal installments over the lease period.

d) IMPAIRMENT OF ASSETS

To provide for impairment loss if any, to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

e) INVESTMENTS

Current Investments are valued at lower of cost and fair value. Long Term Investments are valued at cost. Where applicable, provision is made if there is a permanent decline, in valuation of long term Investments.

f) 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:

(i)	Stores and Spares, Raw and Packing material	First-in-First-out method / Weighted Average method
(ii)	Finished goods and work-In-process	
	- Manufactured	Weighted average cost of production, which comprises direct material costs, direct wages and appropriate overheads.
	- Traded	First-in-First-out method / Weighted Average method
(iii)	Contracts-in-progress	Represents expenses incurred on execution of contracts till balance sheet date.

g) FOREIGN CURRENCY 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. Realized 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.

Exchange differences arising on account of the assets or liabilities and income or expenditure of non-integral foreign operations are recorded in foreign currency translation reserve.

h) REVENUE RECOGNITION

(i) Sale of goods is recognised at the point of dispatch of finished goods to customers. Sales include amount recovered towards excise duty but exclude sales tax. Export incentive under the Duty Entitlement Pass Book scheme has been recognized on the basis of credits afforded in the passbook.

(ii) Income from services is recognized at the time of rendering the services.

(iii) Dividend income from investment is recognised when the owner’s right to receive payment is established.

(iv) Income from property development is recognised as soon as the contract is entered with the party and the consideration is received and excludes service tax.

(v) Contract revenue is recognised on percentage completion method as required under revised Accounting Standard -7 - Construction Contracts. The stage of completion is determined as a proportion that contract costs bear to the estimated total costs. When it is probable that any stage of the contract that the total cost will exceed the total contract revenue, the expected loss is recognised immediately.

i) RESEARCH AND DEVELOPMENT EXPENSES

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

j) EMPLOYEE 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 actuarial valuation as at the year end.

Payments in respect of superannuation are made to the fund administered by LIC.

Provision in respect of compensated absences is made based on actuarial valuation as at year end.

Contribution to Provident fund is based on defined contribution and expensed as incurred.

k) PROVISIONS AND CONTINGENCIES

The company creates a provision if there is a present obligation as a result of past events, the settlement of which results in an outflow economic benefits and a reliable estimate can be made of the amount of obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligations cannot be made.

l) 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 more subsequent periods.

m) SEGMENT REPORTING

The accounting policy adopted for Segment Reporting is in line with the accounting policy of the Group 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.

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 2 Share Capital		
Authorised		
12,50,00,000 Equity shares of ₹ 2 each	2500.00	2500.00
Issued, subscribed and fully paid-up		
9,91,44,980 Equity shares of ₹ 2 each	1982.90	1982.90
Total	1982.90	1982.90

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Number of shares held	₹ Lakhs	Number of shares held	₹ Lakhs
At the beginning of the year	99144980	1982.90	74358735	1487.17
Issued during the year - Rights Issue	-	-	24786245	495.73
Outstanding at the end of the year	99144980	1982.90	99144980	1982.90

b. Terms/Rights attached to equity shares

The company has one class of equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company,after distribution of all preferential amounts. The distribution shall be according to the members rights and interest in the Company.

c. Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares held	% holding in the class	Number of shares held	% holding in the class
Equity shares of ₹ 2/- each fully paid				
Gulf Oil International (Mauritius) Inc	49536335	49.96%	49536335	49.96%
Aasia Management Consultancy Private Limited	-	-	7189292	7.25%

		As at 31st March 2012 ₹ Lakhs		As at 31st March 2011 ₹ Lakhs
Note 3 Reserves and surplus				
Capital Reserve on Consolidation		0.03		0.03
Reserve on consolidation		845.99		855.96
Capital reserve		0.75		0.75
Export allowance reserve		10.50		10.50
Securities premium account				
Balance as per last financial statements	12139.52		4852.45	
Add: Premium on issue of equity shares (Rights issue)	-		7435.88	
Less: Utilised for share issue expenses	-		148.81	
Closing balance		12139.52		12139.52
Revaluation reserve				
Balance as per last financial statements	7584.69		16478.19	
Add: Addition during the year (Refer Note 29)	63027.56		-	
Less: Withdrawal (Refer Note 29)	3285.67		8893.50	
Closing balance		67326.58		7584.69
General reserve				
Balance as per last financial statements	20059.50		19509.50	
Add: Transferred from Statement of Profit and Loss	650.00		550.00	
Closing balance		20709.50		20059.50
Foreign currency transaction reserve		100.91		76.10
Surplus in the Statement of Profit and Loss				
Balance as per last financial statements	1781.65		(892.80)	
Profit for the year	4824.91		5529.03	
	6606.56		4636.23	
Less: Dividend proposed to be distributed to equity shareholders (₹2.20 per share) (31st March 2011 ₹ 2 per share)	2181.19		1982.90	
Tax on dividend	353.84		321.68	
Transfer to General Reserve	650.00		550.00	
	3185.03		2854.58	
Closing Balance		3421.53		1781.65
		104555.31		42508.70

	As at 31st March 2012 Non-current ₹ Lakhs	As at 31st March 2012 Current ₹ Lakhs	As at 31st March 2011 Non-current ₹ Lakhs	As at 31st March 2011 Current ₹ Lakhs
Note 4 Long-term Borrowings				
Term Loans				
From Banks (Secured)				
State Bank of India	-	221.80	204.80	235.54
State Bank of Hyderabad	347.07	1664.62	1952.93	1494.44
Oriental Bank of Commerce	-	-	-	8.37
Andhra Bank	-	-	-	20.54
Kotak Mahindra Bank Limited		-		110.08
State Bank of Mauritius Limited	253.25	608.04	861.29	608.04
Karur Vyasa Bank	1800.00	-	-	-
From others				
SREI Infrastructure Finance Limited				
- Secured	-	52.27	52.27	157.52
- Unsecured	-	-	-	51.36
Buyers credits (unsecured)	178.06	-	-	-
Long term maturities of finance lease obligations (Unsecured)				
From Banks	3.65	13.74	17.39	25.09
From others	403.55	364.94	189.74	276.06
Public Deposits (Unsecured)	18.96	91.15	50.20	334.47
	3004.54	3016.56	3328.62	3321.51

Security/ terms and conditions of repayment

I) Term loans for capital expenditure are secured by a primary security on the fixed assets created out of the loan, ranking pari-passu with other term loan lenders and collateral security by i) first pari passu charge by way of equitable mortgage on land owned by the Company admeasuring acres 115.25 situated at Kukatpally, Hyderabad and ii) second pari passu charge on manufacturing buildings, plant and machinery charged to the other term lenders.

(a) Term loan from State Bank of India was taken during the financial year 2006-07 and carries floating rate of interest (15% per annum as on 31st March 2012) with an option to reset after every two years. The loan is repayable in 48 monthly installments of ₹ 10.40 Lakhs each.

(b) Term loan from State Bank of Hyderabad was taken during the financial year 2006-07 and carries floating rate of interest (14.50% per annum as on 31st March 2012) . The loan is repayable in 48 monthly installments of ₹ 8.33 lakhs each.

(c) Term loan from Andhra Bank was taken during the year 2006-07 and carries rate of interest at par with State Bank of India. The loan is repayable in 48 monthly installments commencing from 30th July 2007.

(d) Term loan from Oriental Bank of Commerce was taken during the year 2006-07 and carries rate of interest at par with State Bank of India. The loan is repayable in 48 monthly installments commencing from 30th July 2007.

II) Term loans for Overseas Investment are secured by collateral security i) first pari passu charge by way of equitable mortgage on land owned by the Company admeasuring acres 115.25 situated at Kukatpally, Hyderabad and ii) second pari passu charge on manufacturing buildings, plant and machinery charged to the other term lenders.

(a) From State Bank of India was taken during the financial year 2007-08 and carries floating rate of interest (15% per annum as on 31st March 2012) with an option to reset after every two years. The loan is repayable in 60 monthly installments of ₹17 Lakhs each after 21 months moratorium period.

(b) From State Bank of Hyderabad was taken during the financial year 2007-08 and carries floating rate of interest (14.50% per annum as on 31st March 2012). The loan is repayable in 60 monthly installments of ₹17.07 Lakhs each commencing from April 2008.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

III) Term Loan from State Bank of Hyderabad was taken during the year 2009-10 and carries floating rate of interest (14.25% per annum as on 31st March 2012) with reset after 2 years from the date of 1st disbursement. The loan is repayable in 36 monthly installments of ₹ 69.45 Lakhs after a moratorium of 12 months from the date of first disbursement. The loan is secured by a primary charge by way of hypothecation of raw material, finished goods, stocks in process, stores and spares and receivables of the Company ranking pari-passu with other working capital lenders under consortium arrangement and collateral security by way of i) first pari passu charge along with consortium working capital bankers and term lenders on land admeasuring acres 115.10 at Kukatpally, Hyderabad belonging to the Company ii) Second charge on manufacturing building, plant and machinery charged to term lenders.

IV) Term Loan from State Bank of Hyderabad was taken during the year 2009-10 and carries floating rate of interest (14.25% per annum as on 31st March 2012) with reset after 2 years from the date of 1st disbursement. The loan is repayable in 48 monthly installments of ₹ 41.67 Lakhs after a moratorium of 12 months from the date of first disbursement. The loan is secured by a primary charge by way of a hypothecation of raw material, finished goods, stocks in process, stores & spares and receivables of the Company ranking pari passu with other working capital lenders and collateral security by way of a 2nd pari passu charge on the fixed assets of the Company. The loan is further secured by a corporate guarantee of ₹ 100 crores given by the Company.

V) Term loan from State Bank of Mauritius Limited was taken during the year 2009-10 and carries floating rate of interest of 2.25% below BPLR (13.25% per annum as on 31st March 2012) and interest will be reset annually. The loan is repayable in 42 installments after a moratorium period of 6 months. Installments for first 12 months are of ₹ 40 lakhs and ₹ 50.67 lakhs for subsequent 30 months. The loan is secured by a primary charge by way of first charge along with other consortium lenders by way of Equitable Mortgage on land admeasuring acres 115.10 at Kukatpally, Hyderabad belonging to Company, except the manufacturing building, plant and machinery charged to the term lenders and first charge along with other consortium lenders on the current assets of the Company.

VI) Term loan from Kotak Mahindra Bank was taken during the year 2008-09 and carries rate of interest of 10.25% to 11.25%. The loan is repayable in 32 monthly installments after a moratorium of 3 months from the date of first disbursement (outstanding as on 31st March 2012 is NIL). The loan is secured by way of a primary charge by way of first and exclusive charge on specific equipment procured out of the loan from the bank.

VII) Term loan from Karur Vysya Bank Limited was taken during current year and carries floating rate of interest of 1.50% over and above the base rate of the Bank (12.75% p.a. as on 31st March 2012) with an option to reset after one year from the date of disbursement. The loan tenure is for 3 years including initial holiday period of one year. Repayment of loan will be in two installments, ₹ 1000 lakhs to be paid at end of 24th month (i.e., 29th March 2014) from the date of first disbursement and balance outstanding of the loan availed at the end of 36th month (i.e., 29th March 2015). The loan is secured by an exclusive charge on the industrial land admeasuring 4.29 acres located at Kukatpally, Hyderabad standing in the name of the Company.

VIII) Term loan from SREI Infrastructure Finance Limited are secured by a first charge on the mining equipment created out of the loan. Interest for various loans varies from 8.85% to 11.55% and installments vary from 22 months to 58 months.

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 5 Deferred Tax Liability (net)		
Deferred Tax Liability		
Arising on account of timing difference in		
Depreciation	908.73	341.51
On surplus arising on transfer of Explosives Undertaking	246.00	-
	1154.73	341.51
Deferred Tax Asset		
Arising on account of timing difference in		
Tax effect of items constituting deferred tax assets	68.55	-
Provision for doubtful trade receivable	470.02	232.99
Other timing differences	515.54	-
	1054.11	232.99
Net Deferred Tax Liability	100.62	108.52

Notes:

(a) Management has been advised ₹ 354.90 Lakhs (31st March 2011 ₹ 917.10 Lakhs) received against advances and ₹ 1,500.00 Lakhs (31st March 2011 ₹ 700.00 Lakhs) towards redemption of Preference share adjusted to Revaluation Reserve in an earlier year, is not required to be considered in computing Minimum Alternate Tax (MAT).

(b) Deferred tax asset has not been created in respect of the adjustment made in an earlier year to Revaluation Reserve.

	As at 31st March 2012		As at 31st March 2011	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 6 Other Long-term liabilities				
Provision for Gratuity	973.47	276.49	1,036.09	238.38
Deposits from Service providers	63.37	-	74.32	-
	1036.84	276.49	1110.41	238.38
Note 7 Provisions				
Provision for Employee Benefits				
Provision for compensated absence	291.89	38.36	264.95	52.19
	291.89	38.36	264.95	52.19
Other Provisions				
Provision for Contingencies				
Provision for Indirect Taxes	8,394.10	-	8,394.10	-
Others	663.55	-	893.55	-
Provision for FBT		48.11	-	48.11
Proposed Equity Dividend	-	2181.19	-	1982.90
"Provision for Tax on Proposed Equity Dividend"	-	353.84	-	321.68
	9057.65	2583.14	9287.65	2352.69
	9349.54	2621.50	9552.60	2404.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 8 Short-term Borrowings		
Loans payable on demand		
From Bank :		
Cash Credit from banks (Secured)	**3760.37**	4994.18
Bank overdraft	**761.22**	29.71
Working Capital Demand Loan (Foregin Currency)	**1042.93**	223.25
Working Capital Demand Loan - Yes bank	**500.00**	-
Buyers credit from banks (Unsecured)	**25891.78**	10652.42
	31956.29	15899.56

Security/terms and conditions of repayment

(a) Cash Credit facilities including foreign currency demand loan from Bank of Bahrain and Kuwait BSC and working capital loan from consortium banks is secured by hypothecation of all current assets of the Company including raw materials, finished goods, stock-in-process, stores and spares (not relating to plant & machinery) and present and future book debts of the Company ranking pari-passu and collateral security by (i) first pari-passu charge by way of equitable mortgage on the land owned by the Company admeasuring acres 115.25 situated at Kukatpally, Hyderabad and (ii) second pari-passu on manufacturing buildings, pland and machinery charged to other term lenders.

(b) Working Capital demand loan from Yes Bank is secured by way of subservient charge on the movable fixed assets and current assets of the Company. The Working Capital Demand Loan is repayble in 6 months and carries rate of interest of 12.95%.

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 9 Trade Payble		
Acceptance	**65.65**	-
Trade payables (Refer Note 35 for details of dues to micro and small enterprises)	**13,529.94**	16,291.20
	13595.59	16291.20

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 10 Other Current Liabilities		
Current maturities of long term borrowings (Refer Note 4)	**3016.56**	3321.51
Interest accrued but not due on borrowings	**243.31**	150.24
Unpaid dividend	**97.71**	86.01
Unpaid matured deposits including interest accured	**241.95**	176.91
Unclaimed share application money - Rights issue	**1.95**	6.76
Others		
Provisions for employee benefits - Gratuity (Refer Note 6)	**276.49**	238.38
Due to Subsidairy	**-**	-
Advance from customers	**1218.26**	1502.92
Creditors for capital goods	**67.50**	25.25
Statutory remittances	**1798.12**	1242.01
Trade deposit received	**103.62**	82.42
Other payables	**212.21**	53.16
	7277.68	6885.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note: 11 Fixed Assets

Particulars	Gross Block							Depreciation				Net Book Value	
	Cost/ Revaluation on 31.03.2011	Additions	Deductions	Adjustment on revaluation (Refer Note 29 of Schedule)	Currency Realignment	31.03.2012	31.03.2011	For the year	on Deduction	Currency Realignment	31.03.2012	31.03.2012	31.03.2011
Tangible Assets													
Assets on Own Use													
Land-Freehold	33258.78	-	3288.88	63027.56	-	92997.46	-	-	-	-	-	92997.46	33258.78
Land-Leasehold	492.93	-	-	-	89.59	582.52	64.87	18.73	-	11.64	95.24	487.28	428.06
Buildings	3251.93	112.23	20.77	-	156.18	3499.57	1272.14	110.42	3.76	33.82	1412.62	2086.95	1979.79
Plant & Machinery Equipments etc.	19973.77	742.81	621.35	-	162.83	20258.06	10929.53	1428.30	583.82	65.41	11839.42	8418.64	9044.24
Furniture, Fixtures	555.81	36.81	5.44	-	31.11	618.29	398.01	28.33	4.92	25.11	446.53	171.76	157.80
Office appliances	597.94	63.53	58.89	-	-	602.58	327.71	47.15	37.80	-	337.06	265.52	270.23
Vehicles	568.75	13.87	22.83	-	10.80	570.59	265.05	41.82	9.40	6.11	303.58	267.01	303.70
Computers	640.76	37.67	29.33	-	-	649.10	400.63	66.21	28.75	-	438.09	211.01	240.13
2011-12	**59340.67**	**1006.92**	**4047.49**	**63027.56**	**450.51**	**119778.17**	**13657.94**	**1740.96**	**668.45**	**142.09**	**14872.54**	**104905.63**	
2010-11	72163.36	913.43	13844.45	-	108.33	59340.67	13350.46	1827.92	1548.44	28.00	13657.94		45682.73
Intangible Assets													
Software	**407.47**	**32.00**	**7.25**	**-**	**4.50**	**436.72**	**196.00**	**63.24**	**7.25**	**1.68**	**253.67**	**183.05**	**211.47**
Technical Knowhow	140.66	-	-	-	-	140.66	140.66	-	-	-	140.66	-	-
2011-12	**548.13**	**32.00**	**7.25**	**-**	**4.50**	**577.38**	**336.66**	**63.24**	**7.25**	**1.68**	**394.33**	**183.05**	
2010-11	305.69	246.76	5.40	-	1.08	548.13	280.52	61.05	5.18	0.27	336.66		211.47
2011-12	**59888.80**	**1038.92**	**4054.74**	**63027.56**	**455.01**	**120355.55**	**13994.60**	**1804.20**	**675.70**	**143.77**	**15266.87**	**105088.68**	**-**
2010-11	72469.05	1160.19	13849.85	-	109.41	59888.80	13630.98	1888.97	1553.62	28.27	13994.60		45894.20

Notes:-
1) Assets costing Rs. 795.52 Lakhs (31st March 2011 Rs. 756.27 Lakhs) have been acquired on hire purchase, the legal ownership of which will be transferred to the Company after the final payment.
2) Deductions in previous year includes land Rs. 3294.41 Lakhs transferred to Stock in trade (Refer note 29)

	As at 31st March 2012 ₹ Lakhs	As at 31st March 2011 ₹ Lakhs
Note 12 Deferred Tax Assets (net)		
Deferred Tax Liability		
Arising on account of timing difference in Depreciation	-	538.58
	-	538.58
Deferred Tax Asset		
Arising on account of timing difference in		
Provision for doubtful trade receivable	-	423.89
Other timing differences	**17.29**	255.07
	17.29	678.96
Net Deferred Tax Asset	**17.29**	140.38

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at 31st March 2012 ₹ Lakhs		As at 31st March 2011 ₹ Lakhs
Note 13 Non-Current Investments				
I Trade investments (valued at cost unless stated otherwise)				
(a) In Equity Shares (Unquoted)				
500 Shares of ₹10 each fully paid-up in IDL Chemicals Employees' Co-operative Credit Society Limited, Hyderabad		0.05		0.05
500 Shares of ₹10 each fully paid-up in IDL Chemicals Employees' Co-operative Credit Society Limited, Rurkela		0.05		0.05
27,978 units of ₹10 each fully paid-up in UTI Bond Fund of Unit Trust of India		2.97		2.97
1,14,000 Shares of Rs 100 each fully paid-up in Gulf Ashley Motors Limited		114.00		114.00
12,490 Shares of ₹ 10 each fully paid Mangalam Retail Services Limited		1.25		1.25
2 Shares of ₹ 100 each fully paid Pachora Peoples Co-operative Bank Limited		-		-
		118.32		118.32
(b) Preference Shares (Unquoted)				
1,662,000 (31st March 2011: 2,362,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each fully paid-up in APDL Estate Limited	1,662.00		2,362.00	
Less: Redeemed during the year (1,500,000 (31st March 2011: 700,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each)	1,500.00		700.00	
	162.00		1,662.00	
Less: Diminution in value	162.00	-	1,662.00	-
II Non-trade investments (valued at cost unless stated otherwise)				
Equity Shares (Quoted)				
100,000 Equity Shares of ₹ 1 each fully paid-up in Ashok Leyland Limited		24.23		24.23
48 Equity shares of ₹ 10 each fully paid-up in Hinduja Global Solutions Limited		0.03		0.03
48 Equity shares of ₹ 10 each fully paid-up in Hinduja Ventures Limited		0.03		0.03
2,400 Equity shares of ₹ 10 each fully paid-up Jammu & Kashmir Bank Ltd.		0.91		0.91
400 (31st March 2011: 13,00,400) Equity Shares of ₹ 10 each fully paid-up in Indusind Bank Limited		0.18		3,332.71
		25.38		3,357.91
		143.70		3,476.23
Note:				
1 Aggregate cost of quoted investments		25.38		3,357.91
2 Aggregate Market Value of quoted investments		90.68		3,513.10
3 Aggregate cost of unquoted investments		118.32		118.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2012 Non-current ₹ Lakhs	As at 31st March 2012 Current ₹ Lakhs	As at 31st March 2011 Non-current ₹ Lakhs	As at 31st March 2011 Current ₹ Lakhs
Note 14 Loans and advances (considered good unless otherwise specified)				
Capital advances	111.75	-	88.83	-
Security deposit				
Unsecured, considered good	438.50	352.85	509.58	241.79
considered doubtful	90.17	-	65.17	-
Less:Provision for doubtful loans and advances	90.17	-	65.17	-
	438.50	352.85	509.58	241.79
Loans and advances to Other Companies				
IDL Buildware Limited	-	146.09	-	219.99
Less: Provision made	-	146.09	-	219.99
	-	-	-	-
Advance to suppliers and service providers				
Unsecured, considered good		1709.86		2546.04
considered doubtful	-	168.27	-	151.67
Less:Provision for doubtful loans and advances	-	168.27	-	151.67
	-	1709.86	-	2546.04
Loans and advances to employees	-	63.26	-	56.10
Prepaid expenses	49.08	392.50	52.78	304.60
Advance income tax (net of provisions)	-	598.63	-	876.88
MAT credit entitilment	-	670.00	-	-
Balance with Government authorities	-	1,208.65	-	778.60
Deposit with Government authorities	869.59	-	683.51	-
	1468.92	4995.75	1334.70	4804.01
Note 15 Other assets				
Interest receivable	0.30	890.30	-	75.97
Fixed deposite with banks	77.23	-	78.68	-
Margin Money deposit	77.86	-	1,113.10	-
	155.39	890.30	1,191.78	75.97

	As At 31st March 2012 ₹ Lakhs	As At 31st March 2011 ₹ Lakhs
Note 16 Inventories (valued at lower of cost and net realisable value)		
Contract work-in-progress	36.50	393.39
Invetories :		
Raw Materials	11851.09	8429.38
Work-in-Progress	791.53	968.51
Finished Goods (Other than those acquired for trading)	6404.20	4953.67
Stock in trade	943.03	1,384.48
Stores, spare and Fuel	523.54	527.33
Packing Materials	552.92	711.46
Land / Buildings for Property Development, at cost	3610.66	3652.53
	24713.47	21020.75

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As At 31st March 2012 ₹ Lakhs	As At 31st March 2011 ₹ Lakhs
Note 17 Trade Receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	2065.50	2004.50
Considered Doubtful	3226.82	3054.17
	5292.32	5058.67
Less: Provision for doubtful receivables	3226.82	3054.17
	2065.50	2004.50
Other Receivables		
Considered good	15088.69	12154.69
Considered Doubtful	6.74	-
	15095.43	12154.69
Less: Provision for doubtful receivables	6.74	-
	15088.69	12154.69
	17154.19	14159.19
Note 18 Cash and Cash Equivalents		
Cash on hand	24.93	26.13
Cheques, drafts on hand	521.25	617.92
Balances with banks:		
In Current Accounts	5739.37	2428.30
In Deposit accounts	3686.02	3222.10
In earmarked accounts		
- Margin Money Deposit	11652.79	1695.37
- Unpaid dividend accounts	97.70	86.01
- Share application money in respect of Rights Issue allotment due for refund	1.95	6.76
	21724.01	8082.59

Note: Balance with bank includes margin money amounting to ₹ 5,754.02 Lakhs (31st March 2011 ₹ 648.28 lakhs) and deposit accounts ₹ 31.51 Lakhs (31st March 2011 ₹ 29.08 Lakhs) which have an original maturity of more than 12 months.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Note 19 Revenue from Operations		
Sale of products (Refer note (i) below)	138934.68	108602.88
Service Income (Refer note (ii) below)	5166.23	12791.79
Other operating income (Refer note (iii) below)	182.01	165.91
	144282.92	121560.58
Less: Excise duty	13989.78	11141.20
	130293.14	110419.38
Note		
(i) Sale of products		
Manufactured goods		
Detonators	6046.01	6068.21
Detonating Fuse	1606.42	1460.06
Cartriged ANFO & NCN (High Explosives)	22075.58	22494.71
Boosters	37.47	65.08
Single or double or Multilayer clad plates	741.09	620.18
Lubricating Oils	92362.59	67474.16
Others	12677.86	9095.27
	135547.02	107277.67
Traded goods		
Safety Fuse - Purchased	82.61	144.56
Filters	428.76	443.57
Car care lube equipment and battery	137.81	-
Cartridged ANFO & NCN (High Explosives)	729.30	-
Ammonium Nitrate	1996.85	37.02
Others	12.33	700.06
	3387.66	1325.21
	138934.68	108602.88
(ii) Service Income		
Income from Operation/Construction Contracts	5083.35	12644.11
Income from Property -Rent	-	147.68
Marketing services	68.00	-
Technical services	14.88	-
	5166.23	12791.79
(iii) Other operating Income		
Export Incentives (DEPB)	-	70.62
Miscellaneous	182.01	95.29
	182.01	165.91

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Note 20 Other Income		
Interest income (Refer Note below)	1637.63	553.97
Dividend income on long term investment	28.78	2.04
Insurance claims	46.98	32.14
Profit on fixed asset sold/scrapped/written off	27.49	2459.84
Net gain/loss on sale of investments	702.21	-
Miscellaneous	103.40	142.48
	2546.49	3190.47
Note : Interest income comprises :		
Interest on deposits with bank	1,132.15	553.97
Interest on Income tax refund	125.48	-
Interest from customer (Refer Note 36)	380.00	-
	1637.63	553.97
Note 21(a) Cost of Material Consumed		
Opening stock	8429.38	7113.98
Add: Purchases	66069.54	49206.50
	74498.92	56320.48
Less: Closing stock	11851.09	8429.38
Cost of material consumed	62647.83	47891.10
Less: Scrap realization	276.51	256.20
	62371.32	47634.90
Details of raw material consumed		
Coating Materials	421.99	527.03
Chemicals	15555.29	12754.80
Metals	1,441.75	1,562.54
Yarn & Paper	106.83	99.83
Base Oil	37015.49	25063.72
Additives	7789.94	6,101.07
Others	316.54	1,782.11
Cost of raw material consumed	62647.83	47891.10
Note 21(b) Purchase of Stock in Trade		
Ammonium Nitrate	1823.67	28.93
Safety Fuse	53.25	92.52
Grease/Unprocessed Oils	9407.46	7178.49
Filters	262.00	344.98
D Cord	-	63.26
Battery	97.00	-
Others	355.73	11.04
	11999.11	7719.22

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Note 22 (Increase) / Decrease in Inventories		
Inventories at the end of the year		
Stock in trade	**943.03**	1384.48
Contracts-in-Progress	**36.50**	393.39
Work-in-progress	**791.53**	968.51
Finished goods	**6404.20**	4953.67
	8175.26	7700.05
Inventories at the beginning of the year		
Stock in trade	**1384.48**	434.37
Contracts-in-Progress	**393.39**	-
Work-in-progress	**968.51**	1005.78
Finished goods	**4953.67**	3844.63
	7700.05	5284.78
	(475.21)	(2415.27)
Excise duties etc. on Increase/(Decrease) of Finished Goods	**35.02**	(54.48)
Net Increase	**(440.19)**	(2469.75)
Note 23 Employee Benefit Expenses		
Salaries, Wages and Bonus	**7476.98**	7175.30
Contribution to Provident and other funds	**866.01**	836.67
Staff Welfare Expenses	**803.93**	624.50
	9146.92	8636.47
Note 24 Finance Costs		
Interest expenses on		
Borrowings	**2146.99**	1526.69
Others	**167.15**	585.49
Bank charges	**464.00**	558.95
	2778.14	2671.13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		Year ended 31st March 2012 ₹ Lakhs		Year ended 31st March 2011 ₹ Lakhs
Note 25 Other Expenses				
Consumption of stores and spares		**331.03**		281.09
Processing Charges		**1166.89**		1219.97
Packing material consumption		**5,575.50**		5151.91
Power and Fuel		**923.54**		874.12
Expenses on Operation Contracts		**4,530.99**		12,143.27
Rent		**1588.50**		1,618.47
Rates and taxes		**366.88**		244.94
Insurance		**332.97**		317.22
Repairs and maintenance				
- Plant and machinery		**565.62**		617.12
- Buildings		**126.26**		96.48
Advertising and sales promotion		**4113.39**		3504.25
Discounts on Sales		**11687.09**		7993.05
Selling commission		**288.89**		362.02
Travelling and conveyance		**1079.11**		938.43
Distribution Expenses		**4262.21**		3814.11
Postage, Telephone and Telex		**228.52**		205.75
Legal and professional fees		**492.08**		507.94
Directors' sitting fees		**17.36**		18.96
Doubtful trade receivables, loans and advances written off	**-**		1207.37	
- Less: Provision for doubtful trade receivables, loans and advances written-back	**-**	**-**	1191.73	15.64
Provision for doubtful trade receivables, loans and advances		**319.83**		554.27
Loss on sale of fixed assets		**8.43**		
Royalty		**1030.17**		929.93
Net loss on foreign currency transactions and translation		**882.00**		11.13
Miscellaneous expenses		**1114.42**		970.95
		41031.68		42391.02
Misecllaneous expenses includes				
Auditors Remuneration				
As statutory auditors:				
Audit fee		**17.50**		17.50
Tax audit fee		**3.00**		3.00
Limited review fees		**5.00**		5.00
Other services (certification fees)		**4.25**		13.25
Reimbursement of expenses		**0.32**		0.52
		30.07		39.27
Branch Auditors Remuneration				
As statutory auditors:				
Audit fee		**10.00**		7.50
Tax audit fee		**4.00**		2.50
Other services (certification fees)		**4.50**		4.00
Reimbursement of expenses		**2.08**		1.41
		20.58		15.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2012 ₹ Lakhs	Year ended 31st March 2011 ₹ Lakhs
Note 26 Exceptional Items		
Amounts received from customers and against claims and advances made and adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Honorable High Court of Andhra Pradesh, Hyderabad in 2008-09	354.90	917.10
Amount received towards redemption of 1500000 (March 31st 2011 ₹ 700000) 10% Redeemable Cumulative Preference Shares of ₹100 each of APDL Estates Limited. Provision for diminution in value of Investment adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Honorable High Court of Andhra Pradesh	1500.00	700.00
Excess of compencation over cost of land acquired by National Highways Authority of India	237.27	-
Additional consideration received in respect of sale of Investment	-	160.00
	2092.17	1777.10

Additional information to the financial statements

27. The excess of the net asset value over carrying cost of investment in the subsidiary companies viz., IDL Buildware Ltd., and Gulf Oil Carosserie India Ltd., amounting to ₹ 840.70 Lakhs and ₹ 5.29 Lakhs respectively has been treated as Reserve on Consolidation.

28. Scheme of Arrangement:

    Pursuant to Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 and sanctioned by the Honorable High Court of Andhra Pradesh by its Order dated 5th May 2011, the assets and liabilities of the Explosives Undertaking of the Parent Company were transferred to and vested with its wholly owned Subsidiary IDL Explosives Limited with effect from 1st October 2010, the appointed date.

    As a result of this transfer, there is no material impact of the same on the Consolidated Financials of the Company.

29. Property Development:

    (i) Land meant for property development situated at Bengaluru and Hyderabad had been revalued as at 31st March 2008, based on a valuation by an approved valuer. The resultant surplus on such revaluation amounting to ₹ 183,896.69 Lakhs had been credited to Revaluation Reserve in the earlier years. In view of steep recession in the realty sector, management reassessed the valuation of the aforesaid properties as on 31st March 2009 and based on the guidelines issued by the Registration and Stamps Department of Karnataka & Andhra Pradesh, the value of the subject lands has been reassessed and, the resultant surplus on revaluation amounted to ₹ 43,799.82 Lakhs. The resultant write down aggregating to ₹ 140,096.87 Lakhs has, in accordance with the requirement of Accounting Standard-10 “Accounting for Fixed assets” was debited to Revaluation Reserve.

    (ii) During the year, the Parent Company surrendered certain portion of the land for road widening purposes to Greater Hyderabad Municipal Corporation. Consequently ₹ 3,285.67 Lakhs has been withdrawn from revaluation reserve.

    (iii) In the previous year, land at Bengaluru (cost of ₹ 3,294.41 Lakhs) meant for Property Development has been transferred to Inventory as approvals necessary for development of land has been obtained. Accordingly, Revaluation Surplus amounting to ₹ 8,893.50 Lakhs on the aforesaid parcel of land was withdrawn from Revaluation Reserve.

    (iv) As at 31st March 2012, land meant for property development situated at Hyderabad, has been revalued based on valuation by an approved valuer. The resultant surplus on such revaluation amounting to ₹ 63,027.56 Lakhs had been credited to Revaluation Reserve.

30. Contingent liabilities:

		As at 31st March 2012 Rs Lakhs	As at 31st March 2011 Rs Lakhs
(i)	Claims against the Company not acknowledged as debts		
	(a) Income Tax Demands	**1758.85**	1758.36
	(b) Wealth Tax	**196.66**	196.66
	(c) Sales Tax Demands	**1936.60**	2283.43
	(d) Excise Demands	**793.03**	763.62
	(e) Service Tax	**4.49**	4.49
	(f) Additional Demands towards cost of land	**54.93**	3.81
	(g) Claims of workmen/ex-employees	**85.40**	76.04
	(h) Other Matters	**93.26**	182.99
	(i) Performance and Other Guarantees	**1095.56**	178.62
(ii)	Corporate Guarantees*	**10559.80**	644.70

*(a) The Parent Company has given a Corporate Guarantee of 100 Million Taka to South East Bank Ltd., on behalf of Gulf Oil Bangladesh Ltd., a subsidiary of Gulf Oil Corporation Ltd. The amount outstanding as on 31st March 2012 is 10.40 Million Taka - ₹ 67.30 Lakhs (31st March 2011 4.67 Million Taka – Rs 29.71 Lakhs).

*(b) During the year, the Parent Company has given a Corporate Guarantee of ₹ 9,913 Lakhs to State Bank of Hyderabad on behalf of its wholly owned Subsidiary IDL Explosives Limited till such time the charge on the security is created by IDL Explosives Limited. The amount outstanding as on 31st March 2012 is ₹ 541.58 Lakhs (31st March 2011 ₹ 999.96 Lakhs).

(iii) The Competition Commission of India has passed an order in a case filed by a customer imposing a penalty of ₹ 2,894.76 Lakhs. The Company is in the process of initiating an appeal with the Competition Appellate Tribunal.

31. Capital Commitments

	2011-12	2010 -11
Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 111.75 Lakhs (31st March 2011 ₹ 88.83 Lakhs)	**480.23**	120.38

32. Fixed Assets:

Buildings include:

(i) ₹ 7.09 Lakhs, which represents the cost of ownership flats ₹ 7.08 Lakhs and ₹ 0.01 Lakhs being the value of Share money in Sett Minar Co-operative Housing Society Limited.

(ii) ₹ 4.70 Lakhs, which, represents the cost of ownership flats ₹ 4.43 Lakhs and ₹ 0.27 Lakhs being the value of 270 ordinary shares of ₹ 100 each, fully paid up in Shree Nirmal Commercial Limited.

33. The Honorable Supreme Court vide its order dated 16th Novmber 2007, held that the stock transfers constituted interstate sale in respect of 10 assessment years viz., 1976-77 to 1983-84,1989-90 & 1990-91 and also directed the authorities to examine the factual aspects and assess tax on the supplies made by the Company to the subsidiaries of Coal India Limited as interstate sale.

The Parent Company has filed writ petitions in the Honorable High Court of Orissa in August 2009 impleading other State Governments, CIL and its subsidiary Companies seeking directions for issues of C forms and pass over of local sales tax to the State of Orissa. The Honorable High Court has held it and permitted the Parent Company to approach appropriate forum to take the matter.

The Parent Company has been legally advised that as per the settled cases, the Parent Company is entitled for concessional sales tax rates as per Central Sales Tax and interest should be charged from recomputation order. However, necessary provision has been made and is included in Provision- Indirect Taxes.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

34. During the previous year, the Parent Company issued on rights basis 24,786,245 shares of ₹ 2/- each at premium of ₹ 30/-. The utilization of the proceeds from the aforesaid issue is as under:

₹ Lakhs

Particulars	As per Letter of Offer	Amount utilized till 31st March 2011
Repayment of Existing Debt	736.50	736.50
Meeting of Long term incremental working capital requirement	5946.37	5946.37
General Corporate purpose *	1123.73	1123.73
Issue related expenses	125.00	125.00
Total	7931.60	7931.60

* ₹ 23.81 Lakhs utilized for Issue Related Expenses

35. Trade payables- Due to Micro and Small enterprise: The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium scale Enterprises Development Act, 2006 and hence disclosures if any, relating to amounts unpaid as at the year end together with interest paid/payable are required under the said Act have not been given.

36. Interest income from customers ₹ 380.00 Lakhs has been accrued on the basis of favourable court order.

37. Disclosure in respect of Gratuity as required under Accounting Standard 15 –Employee Benefits:

	31st March 2012 ₹ Lakhs	31st March 2011 ₹ Lakhs
Projected benefit obligation at the beginning of the year	1699.99	2142.54
Current service cost	139.88	183.30
Interest cost	124.96	118.75
Actuarial (Gain) / Loss	7.31	(44.94)
Benefits paid	(276.13)	(189.92)
Past service cost	-	38.22
Transferred liability (on demerger of Explosives undertaking)	-	(547.97)
Projected benefit obligation at the end of the year	1696.01	1699.98
Fair value of plan Assets Beginning of the period	425.51	194.47
Expected Return on plan assets	34.86	24.80
Contributions	260.64	412.25
Benefits Paid	(276.13)	(220.32)
Actuarial gain (Loss) Plan Assets	1.17	14.31
Fair value of plan Assets at the end of the period	446.05	425.51
Total Actuarial gain (loss) to be recognized	(6.13)	72.68
Amounts recognised in the balance sheet		
Projected benefit obligation at the end of the year	1696.01	1699.98
Fair value on plan assets at the end of the year	(446.05)	(425.51)
Liability recognised in the balance sheet	1249.96	1274.47
Cost of the Retirement and Other Benefits for the year		
Current service cost	139.89	183.31
Interest cost	124.96	162.59
Expected return on plan assets	(34.86)	(24.80)
Net actuarial (Gain) / Loss recognised in the year	6.13	(72.68)
Past service cost	-	38.22

	31st March 2012 ₹ Lakhs	31st March 2011 ₹ Lakhs
Net cost recognised in the Profit and Loss Account	**236.12**	286.64
Assumptions		
Discount Rate (%)	**0.08**	0.08
Long term rate of compensation increase (%)	**0.04**	0.04
Mortality table	**L.I.C 1994-96 Ultimate**	L.I.C 1994-96 Ultimate
Attrition rate	**3%**	3%
The major categories of plan assets as a percentage of total plan - funded with LIC	**100%**	100%

38. MISCELLANEOUS:

(i) Loans and Advances of IDL Buildware Limited one of the subsidiaries include ₹ 4.65 Lakhs (31st March 2011 ₹ 12.09 Lakhs) due from certain parties, which are outstanding from earlier years. The aforesaid Company is hopeful of recovering the dues in full and no provision has been considered necessary for this amount.

(ii) Exchange difference in respect of forward exchange contracts to be recognised in the Profit and Loss Account in the subsequent accounting period is ₹ Nil Lakhs (31st March 2011 ₹ 26.91 Lakhs)

(iii) Gulf Carosserie India Limited one of the subsidiaries had entered into collaboration agreement with SIPAL, Arexons Spa, Italy, in terms of which it was agreed by the said collaborator to subscribe to 20% of the Capital of the Company for which a sum of ₹10,00,000 had been received as share application money pending the final approval of the Reserve Bank of India. As the final approval of the Reserve Bank of India has not been forthcoming, the Company has decided to repay/remit the said amount with required approvals and till that time to consider the said share application money as current liability.

(iv) The financial statements of IDL Buildware Ltd., and Gulf Carosserie India Limited one of the subsidiaries have been prepared on a going concern basis notwithstanding substantial erosion in the net worth of the Company.

39. Details of contract revenue and costs:

₹ Lakhs

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Contract revenue recognized as revenue during the year	**905.76**	601.54
Aggregate amount of contract costs incurred in respect of ongoing contracts net of recognized profits (less recognized losses) up to 31st March 2012	**2378.13**	1865.79
Advance payments received (net of recoveries from progressive bills)	**185.08**	454.78
Retention Amount	**372.24**	215.61
Gross amount due from customers for contract work	**234.39**	85.13
For the Method used to determine the contract revenue recognized and the stage of completion of contract in progress, Refer Note: ii (h) (v) above	**-**	-

40. Earnings per Share:

₹ Lakhs

	Particulars	Year ended 31st March 2012	Year ended 31st March 2011
i)	Profit after Tax	**4824.91**	5529.03
ii)	Weighted average number of Equity Shares outstanding during the year	**99144980**	88687134
iii)	Weighted Average number of equity shares in computing diluted earnings per share	**99144980**	88687134
iv)	Face value of each Equity Share (₹)	**2**	2
v)	Earnings per Share		
	- Basic (₹)	**4.87**	6.23
	- Diluted (₹)	**4.87**	6.23

Notes forming part of the Consolidated financial statements

41. Related party disclosure:

(i) Information relating to Related Party transactions as per " Accounting Standard 18" notified by the Companies (Accounting Standards) Rules, 2006.

Name of the Related Party	Relationship
Gulf Oil International (Mauritius) Inc.	Entity holding more than 20% of the shareholding in the Company
Mr.Subhas Pramanik, Managing Director	Key Management personal

(ii) Details of transactions between the Company and Related Parties and the status of outstanding balances at the year end:

₹ Lakhs

Particulars	Entity holding more than 20% of the shareholding in the Company		Key Management Personnel	
	2011-12	2010-11	2011-12	2010-11
Royalty				
Gulf Oil Mauritius Limited	986.26	810.97	-	-
Dividend paid				
Gulf Oil Mauritius Limited	990.73	656.29	-	-
Mr. S. Pramanik		-	0.09	0.06
Directors' Remuneration		-	125.05	92.19
Outstanding balances:			-	-
Payables				
Gulf Oil Mauritius Limited	887.63	729.87	-	-

42. Leases

Operating Lease: Where the Company is a Lessee:

- The Parent Company's significant leasing arrangements are in respect of operating leases for premises (resi dences, office, storage godowns for finished goods etc.).The leasing arrangements, which are not non-cancelable range generally between 11 months to 5 years and are usually renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Profit and Loss Account.
- The Parent Company has taken certain Plant and Machinery and other assets under non-cancelable leases

₹ Lakhs

	As at 31st March 2012			As at 31st March 2011		
	Total	Payments not later than one year	Payments later than one year but not later than five years	Total	Payments not later than one year	Payments later than one year but not later than five years
a) Total of future minimum payments at the balance sheet date- Plant & machinery	561.26	561.26	-	1,801.47	1,109.24	692.22
b) Total of future minimum payments at the balance sheet date- Vehicles	4.96	1.98	2.98	-	-	-

Lease Rent on the aforesaid plant and machinery amounting to ₹ 1107.11 Lakhs. (31st March 2011 ₹1214.11 Lakhs) has been charged to Statement of Profit and Loss under rent.

Notes forming part of the Consolidated financial statements

(a) Where the Company is Lessor:

Details in respect of assets given on operating lease:

₹ Lakhs

	Gross Block As at		Accumulated Depreciation As at		Depreciation for the year	
	31st March, 2012	**31st March, 2011**	**31st March, 2012**	**31st March, 2011**	**2011-12**	**2010-11**
Building	**71.09**	71.09	**9.70**	8.42	**1.28**	1.28
Plant & Machinery	**80.32**	80.32	**62.10**	58.28	**3.82**	3.82

The assets given on lease are not non-cancelable and range generally between 11 months to 5 years and are usually renewable by mutual consent, on agreeable terms. The aggregate lease rentals are recognised as income from property in the Profit & Loss account.

Initial direct costs are recognised as an expense in the year in which these are incurred.

(b) Hire Purchase:

(i) The Company has taken plant and machinery, motor vehicles under hire purchase arrangements for which the ownership will be transferred to the Company at the end of the hire purchase term.

(ii) Reconciliation between the total of minimum hire purchase payments at the balance sheet date and the present value:

₹ Lakhs

	As at 31st March 2012			As at 31st March 2011		
	Total	**Payments not later than one year**	**Payments later than one year but not later than five years**	Total	Payments not later than one year	Payments later than one year but not later than five years
Total of minimum hire purchase payments at the balance sheet date	**902.64**	**451.91**	**450.73**	559.24	343.89	215.35
Less: Future Finance Charges	**116.76**	**73.89**	**42.87**	50.96	37.72	13.24
Present value of minimum hire purchase payments at the balance sheet date	**785.88**	**378.02**	**407.86**	508.28	306.17	202.11

Notes forming part of the Consolidated financial statements

Note 43 SEGMENT INFORMATION FOR THE YEAR ENDED 31st March 2012
(i) Primary Business Segments

REVENUE	Explosives		Mining & Infrastructure		Building Products		Property Development		Lubricating Oils		Others		Unallocated		Eliminations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
External	31165.42	29603.41	5091.49	12889.74	40.97	37.00	-	0.00	94063.23	67988.26	-	0.48	2478.52	2536.98	-	-	132839.63	113055.87
Inter-segment	-	-	-	-	0.95	3.15	-	-	73.76	225.20	-	-	-	-	(74.71)	(228.35)	-	-
Total Revenue	31165.42	29603.41	5091.49	12889.74	41.92	40.15	-	0.00	94136.99	68213.46	-	0.48	2478.52	2536.98	(74.71)	(228.35)	132839.63	113055.87
RESULT																		
Segment result	(192.59)	1,785.35	(4168.68)	(3893.61)	11.63	(145.62)	-	0.00	9353.72	7394.51	(0.51)	(0.11)	-	-	-	-	5003.57	5140.52
Unallocated Corporate Income net of unallocated Expenses																	(207.25)	1553.54
Interest Expense																	(2314.14)	(2112.18)
Interest Income																	1637.63	553.97
Dividend Income																	28.64	2.04
Profit before Taxation & Exceptional Expenditure																	4148.45	5137.89
Exceptional Item																	(2092.17)	(1777.10)
Net Profit																	6240.62	6914.99
OTHER INFORMATION																		
Segment Assets	21639.37	15733.29	7570.29	10086.76	226.66	240.03	97617.30@	37919.62	47488.89	31789.27	22.79	26.27	3544.41	6261.37			178109.70	102056.61
Segment Liabilities	18354.23	11575.38	2178.32	3145.62	52.13	70.23	-	-	26467.79	17,899.31	86.24	33.65	21803.90	22748.67			68942.60	55472.87
Capital Expenditure	645.87	636.76	3.81	15.26	-	-	-	-	405.30	371.71	-	-	93.22	31.48			1148.20	1055.21
Depreciation	312.83	291.61	1072.11	1154.56	18.65	58.15	-	-	356.57	328.17	-	-	44.04	56.47			1804.20	1888.97
Non- cash expenses other than Depreciation																	-	-

@ includes ₹92697.34 Lakhs(31.03.2011 ₹32955.45 Lakhs) arising on revaluation of fixed assets (Refer Note 29)

Notes forming part of the Consolidated financial statements

(ii) Information about Secondary Business Segments

₹ Lakhs

	India		Outside India		Total	
	2012	2011	**2012**	2011	**2012**	2011
Revenue by Geographical market on FOB basis	**116605.90**	99902.19	**16233.73**	13153.68	**132839.63**	113055.87
Inter Segment	**-**	-	**-**	-	**-**	-
Total	**116605.90**	99902.19	**16233.73**	13153.68	**132839.63**	113055.87
Carrying amount of segment assets	**168854.04**	93143.95	**9255.66**	9021.16	**178109.70**	102165.11
Additions to Fixed Assets	**1123.75**	1026.03	**24.45**	29.18	**1148.20**	1055.21

(iii) Notes:

(a) Business Segment:

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

Segments have identified and reported taking into account the Organization 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) Consult dealing in Mining & Infrastructure Contracts, (iii) Property Development (iv) Lubricating Oils, (v) Others.

(b) Geographical Segment:

The Geographical segments considered for disclosure are as follows:

- Revenue within 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

44. The Revised Schedule VI has become effective from 1st April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of Board of Directors

Manish K Gangwal
Chief Financial Officer

S. Pramanik
Managing Director

S.G. Hinduja
Chairman

A. Satyanarayana
Dy. Company Secretary

Place: Hyderabad
Date : May 30, 2012

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NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORM

(For Shares held in physical form)

From : Date :

To:

Karvy Computershare Pvt. Ltd.
(Unit : Gulf Oil Corporation Limited)
Plot No. 17 to 24 Vithal Rao Nagar
Madhapur, Hyderabad – 500 081

Dear Sir,

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY. Please TICK wherever is appliable.

Folio No.										

I/we ____do hereby authorise you/ Gulf Oil Corporation Limited to

* Print the following details on my/our Dividend Warrant
*Credit my dividend amount directly to my Bank Account by NECS
(*strike out whichever is not applicable)

Name of First Holder

Bank Name

Branch Name

(Address with pincode)

Bank & Branch Code : (9 Digits Code Number appearing on the MICR Band of the Cheque supplied by the Bank. Please attach a Xerox copy of a cheque of your bank duly cancelled for ensuring accuracy of the Bank name, branch name and code number)

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, the Company/Registrar will not be held responsible.

I agree to avail NECS facility provided by Reserve Bank of India as and when implemented by the Company.

I further undertake to inform the Company / Registrar any changes in Bank/Branch and Account number.

Signature of the first holder

In case your are holding Shares in demat form, please advise your DP to take note of your Bank Account particulars / NECS mandate

IMPORTANT NOTICE

As you are aware, the Ministry of Corporate Affairs (MCA), Government of India, vide Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011 has introduced a 'Green Initiative in the Corporate Governance" by allowing paperless compliances by companies for service of documents to its Members through electronic mode, which will be in compliance with Section 53 of the Companies Act 1956.

Your Company, encourages this Green Initiative of the MCA and proposes to send all documents and communication as required to be sent to its Members, e.g., notices, postal ballots, annual reports, abstracts under Section 302 of the Companies Act, 1956 etc. in electronic mode to your registered email address. Accordingly, we would request you to register your email ID as under:

If you are holding equity shares in the Company in physical form:

Register your email address with the Company at its Registered Office or with its Registrar and Share Transfer Agents, **Karvy Computershare Pvt. Ltd.** by either of the following means:

- Returning the attached registration form duly filled in and signed, to the RTA by hand delivery/by post/through courier, or
- Returning a scanned copy of the said form duly filled and signed through email to the Company at secretarial@gulfoilcorp.com or to the RTA at gulfoil@karvy.com

If you are holding equity shares in the Company in electronic form:

Register your email address with your Depository Participant, with a request to intimate the same to the Company and /or the RTA.

We would also request you to intimate change(s), if any, in your email address in future, to enable us to communicate to your new email ID.

We would like to inform you that the document(s) and/or communication(s) to be sent to the Members of the Company in electronic mode, would also be available on the Company's website, www.gulfoilcorp.com, as and when issued. We will also provide a hard copy of the said document(s) and/or communication(s) free of cost, upon receipt of requisition from you for the same.

We look forward to your cooperation in the endeavour of the Company to support the 'Green Initiative in Corporate Governance' undertaken by MCA

(Please fill in, sign, tear the following intimation and forward to the RTA of the Company)

Karvy Computershare Pvt. Ltd.
(Unit : Gulf Oil Corporation Limited)
Plot No. 17 to 24 Vithal Rao Nagar
Madhapur, Hydrabad – 500 081

In view of the **"Green Initiatives in the Corporate Governance"**, introduced by the Ministry of Corporate Affairs (MCA) vide Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011:

I/We..son/daughter/wife of Mr..holding..........................equity shares of Gulf Oil Corporation Limited under Folio No./Client ID & DP ID..do hereby agree to receive the documents/communication required to be sent to me/us, in electronic mode at my/our following email address:

My/our Email address is ....
and my contact telephone number:...

Thanking you,
Yours faithfully

Signature (1st/sole holder)	Signature (2nd holder)	Signature (3rd holder)
Name (in block letters)	Name (in block letters)	Name (in block letters)

Place:
Date:

In India

Corporate office

Lubricants Office

Mining Locations

Lubricants Regional Office

Lubricants Manufaturing Plant

Accessories Manufacturing Plant

Accessories Magazine

Under IDL Explosives Limited

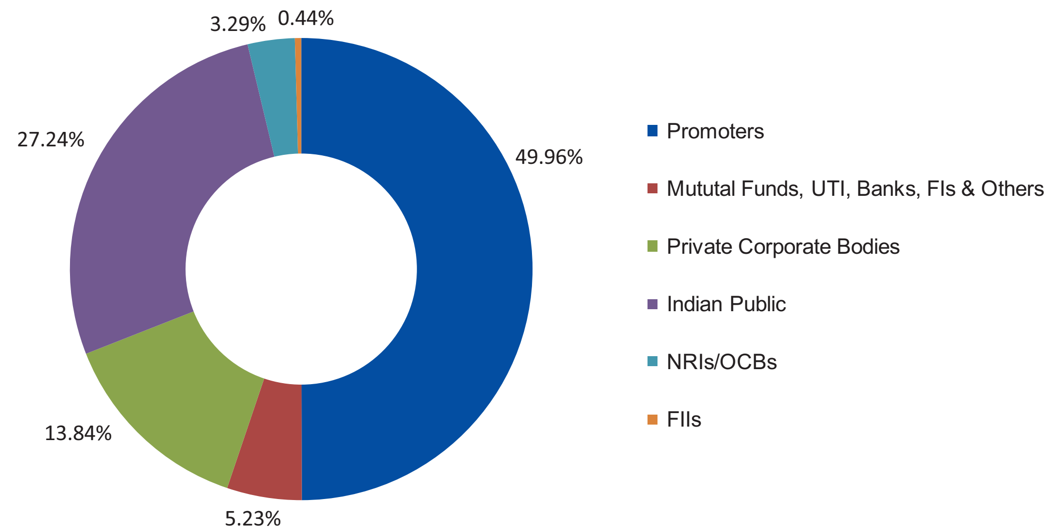
Explosives Sales Office

Explosives Manufacturing Plant

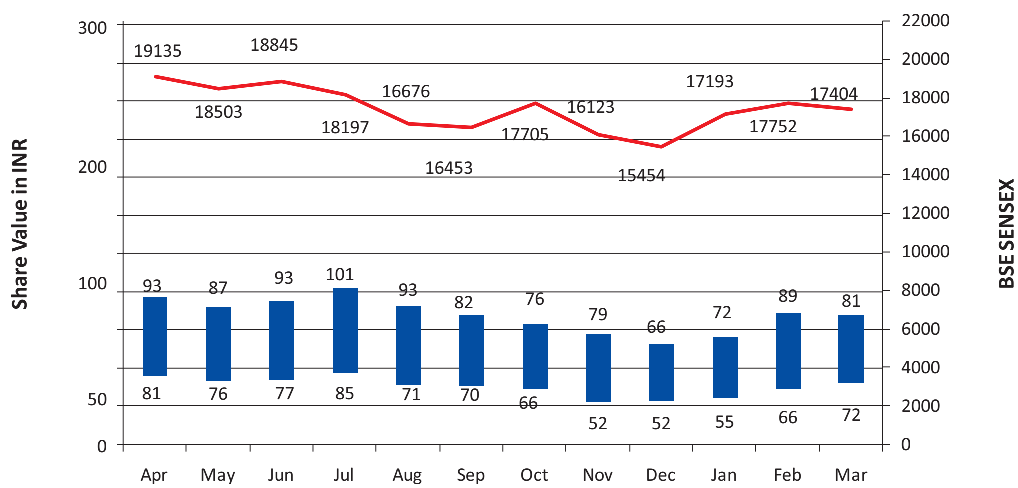
Explosives Magazine

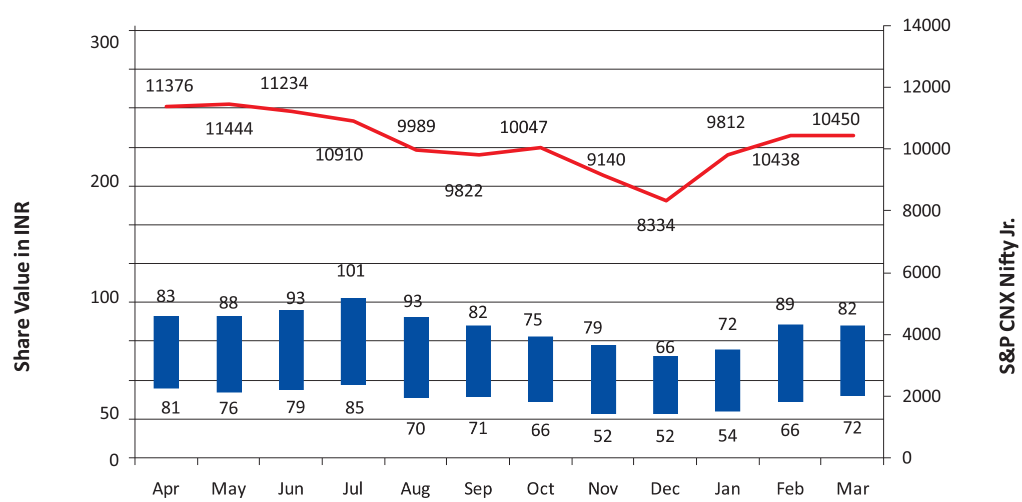
Notes:
1. Not to Scale
2. Boundary representation is not necessarily authoritative
3. Excludes Andaman & Nicobar Islands and Lakshdweep Islands

Shareholding Pattern



Share Price Movement





GULF OIL CORPORATION LIMITED

REGD. OFFICE : KUKATPALLY, SANATHNAGAR (IE), PO, HYDERABAD - 500 018.

ATTENDANCE SLIP

Folio No. : .... DP ID : .... Client ID : ....

Shareholders Names : Mr./Mrs./ Miss ....

(in Block Letters)

E-mail *: ....

IN CASE OF PROXY

Name of the Proxy: Mr./Mrs./Miss ....

(in Block Letters)

No. of Shares held ....

I Certify that I am a registered Shareholder/proxy for the registered Shareholder of the Company.

I hereby record my presence at the 51st Annual General Meeting of the Company held at 2.30 P.M. on Friday, the 21st day of September, 2012

Signature of the Shareholder/Proxy

Notes:
1. Please bring this Attendance slip when coming to the Meeting
2. Please do not bring with you any person who is not a member of the Company.

*For the purpose of updates by the Company, if any,

GULF OIL CORPORATION LIMITED

REGD. OFFICE : KUKATPALLY, SANATHNAGAR (IE), PO, HYDERABAD - 500 018.

PROXY

I/We...
of..in the district of ....being a member(s) of Gulf Oil Corporation Limited here by appoint ....of ....in the district of ....or failing him ....of...in the district of .... as my/our Proxy to vote for me/us on my/our behalf at the Fifty First Annual General Meeting of the Company to be held at 2.30 P.M. on Friday, the 21st day of September 2012 at Grand Ball Room, Hotel Taj Krishna, Hyderabad - 500034 and at any adjournment thereof.

As witness my/our hand(s), this ....day of 2012

Affix Revenue Stamp

Signature of the Shareholder(s)

Folio No. ....

DP ID .... Client ID : ....

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

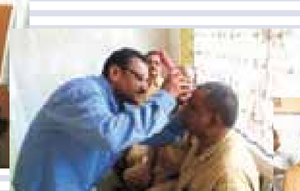
EVENTS OF THE YEAR



IDL Consult Annual Meet at Kolkata

Safety Month celebrations at Hyderabad Works, Explosives Division





Medical Camps during the year at Hyderabad Works, Explosives Division



Mining in progress by Consult Division at Uranium Corporation India Limited, Banduhurang in Jharkhand



Mining activity by Consult Division at Kasia, Barbil, Orissa

Architect 3D View of Yelahanka, Bangalore Project

MS DHONI
BRAND AMBASSADOR FOR GULF

Gulf Oil Corporation Limited

Registered & Corporate Office
Kukatpally, Post Bag No. 1
Sanathnagar (IE) P.O.
Hyderabad 500018

www.gulfoilcorp.com

Manufacturing Facilities
Hyderabad | Silvassa | Rourkela | Singrauli | Korba
Rajrappa | Ramagundam | Dhanbad | Udaipur

Regional Offices
Asansol | Bangalore | Bilaspur | Chandigarh | Delhi
Dhanbad | Hyderabad | Kolkata | Mumbai | Nagpur
Ranchi | Udaipur

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