Gulf Oil Corporation Limited

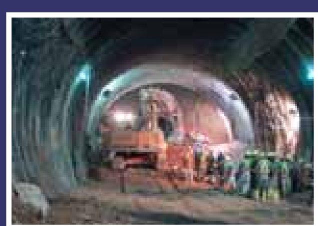
52nd

ANNUAL REPORT

2013

LUBRICANTS

INDUSTRIAL EXPLOSIVES



MINING & INFRASTRUCTURE

PROPERTY DEVELOPMENT

HINDUJA GROUP

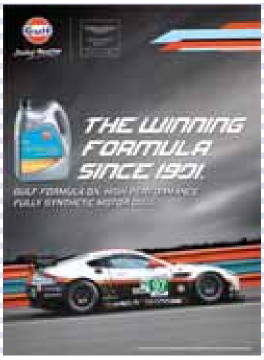
EVENTS OF THE YEAR


Gulf levered Aston Martin being exhibited in New Delhi

MS Dhoni endorsing
Gulf Pride 4T Plus


Gulf Oil at Auto Serve Exhibition, Chennai


Branding at Cricket stadium



Formula GX launch poster


Mr. Ravi Chawla handing over special pillow
signed by CSK fans to MS Dhoni



Victorious Silvassa Plant cricket team with the
prestigious Standard Grease Cricket Trophy


Mr. Sanjay G Hinduja, Chairman, opens
the Gulf International CEO Convention
at Agra along with Mr. Frank Rutten,VP,
Gulf International and Mr. Paul de Vivo, CEO,Houghton International


... and the closing ceremony




Gulf's Monsoon Scooter Rally
at the outskirts of Mumbai


Gulf Dirt Track Event at Nashik, Maharashtra

CSR INITIATIVES


Gulf - CSK Meet & Greet event with students of
Seva Sadan society


Gulf Foster a Child car drive at Mumbai


Gulf supporting the 'Nanhi Kali' Project

Gulf Oil Corporation Limited
Fifty Second Annual Report 2012-13

Board of Directors
(as on 25th May, 2013)

Chairman	Directors	
Sanjay G. Hinduja	K. N. Venkatasubramanian	Vinoo S. Hinduja
	H. C. Asher	Kanchan Chitale
Vice Chairman	M. S. Ramachandran	V. Ramesh Rao
Ramkrishan. P. Hinduja	Ashok Kini	S. Pramanik, *Managing Director*
	Prakash Shah	K. C. Samdani, *Alternate to Vinoo S. Hinduja*

Board Committees

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

Company Secretarial	A. Satyanarayana	*Joint General Manager and Deputy Company Secretary*		
Executive Team:				
Corporate	Manish Gangwal	*Chief Financial Officer*	V. Satish Kumar	*Vice President (Internal Audit)*
			P. Divakaran	*General Manager (Finance)*
Lubricants Division	Ravi Chawla	*President & CEO-Lubricants Division*	Amrish Kathane	*Sr. General Manager - Technical Services (B2B & QC)*
	Sunil S. Jambavdekar	*Vice President-Supply Chain & New Projects*	Somesh Sabhani	*Head - Industrial Sales*
	Satyabrata Das	*Sr. General Manager*	M. P. Sajeev	*General Manager-Technical Services*
	Cletus Colaco	*General Manager*	Ranjit Kumar	*General Manager*
	Anand Sathaye	*General Manager-HR & Administration*		
Explosives Division	Ch. V. Murali Krishna	*General Manager (Hyderabad Works)*		
Consult Division	T.T. Das	*Associate Vice President-Consult*		

Bankers	State Bank of India State Bank of Hyderabad ICICI Bank Limited	State Bank of Mauritus Ltd. IDBI Bank Ltd 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

(₹ Lakhs)

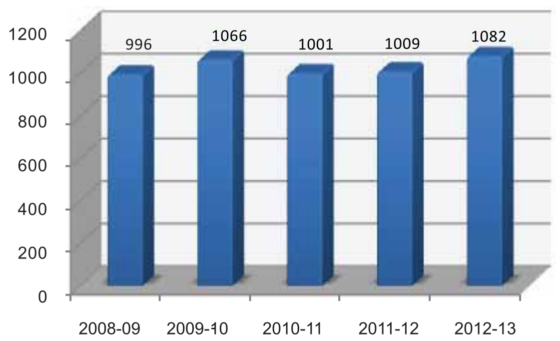
Year	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
INCOME & DIVIDENDS										
Turnover	**108195.16**	100930.40	100102.35	106565.94	99588.84	83321.52	66865.64	50724.65	47340.47	41551.04
Profit Before Tax	**7321.72**	7031.23	6702.03	5430.23	3875.41	2970.60	3183.37	2543.43	2215.07	2798.39
Profit After Tax	**5298.62**	6211.23	5419.03	4507.23	2904.38	2513.17	2300.59	2278.60	2003.07	2290.80
Profit After Tax as percentage of Sales	**4.90%**	6.15%	5.41%	4.23%	2.92%	3.02%	3.44%	4.49%	4.23%	5.51%
Earnings Per Share (₹)	**5.34#**	6.26 #	6.11 #	6.06 #	3.91 #	3.42 #	16.58	16.43	14.44	16.51
Dividend per fully paid Equity Share (₹)	**2.20#**	2.20 #	2.00 #	1.80 #	1.70 #	1.50 #	7.50	7.00	6.50	6.00
Dividend	**2181.19**	2181.19	1982.90	1338.46	1264.10	1115.38	1115.38	971.02	901.66	832.30

Year	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
CAPITAL EMPLOYED										
Net Fixed Assets	**101213.49**	101877.61	43011.36	58103.87	60676.59	200424.32	15647.14	11367.26	10560.95	8215.47
Net Working Capital	**32023.67**	26850.55	10230.27	11388.15	17835.12	22592.43	14451.81	9597.43	8130.11	9837.19
Other Assets	**5549.18**	5530.73	8768.26	3204.01	3595.94	6992.93	7980.24	5278.71	4839.49	2394.70
Total Capital Employed	**138786.34**	134258.90	62009.89	72696.03	82107.65	230009.68	38079.19	26243.40	23530.55	20447.36

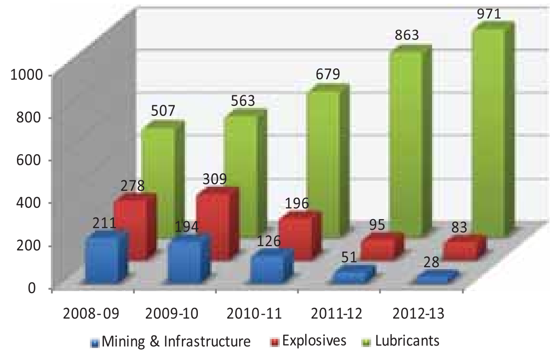
Year	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
NETWORTH & LOANS										
Shareholders' Funds:										
Capital	**1982.90**	1982.90	1982.90	1487.17	1487.17	1487.17	1387.17	1387.17	1387.17	1387.17
Reserves	**108462.62**	105715.88	42297.79	40789.77	39794.17	203901.39	14388.71	13393.06	12221.67	11246.72
Tangible Networth	**110445.52**	107698.78	44280.69	42276.94	41281.34	204717.18	15237.06	14284.78	12827.12	12045.21
Secured Loans	**9815.49**	8457.85	10204.43	17074.51	17122.63	13457.72	15547.27	8147.69	8243.71	6224.07
Unsecured Loans	**18523.33**	18102.28	7524.77	13344.58	23703.68	11163.40	6251.04	2810.48	1678.00	1589.40
Debt Equity	**0.26**	0.25	0.40	0.72	0.99	0.12	1.43	0.77	0.77	0.65
No. of Shareholders at year end	**64291**	65289	66661	61276	59476	56218	43790	43840	45893	47605

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

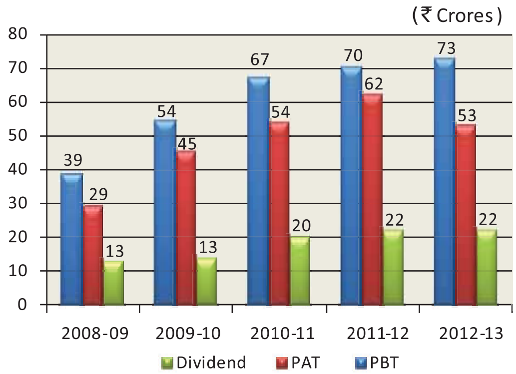
Turnover



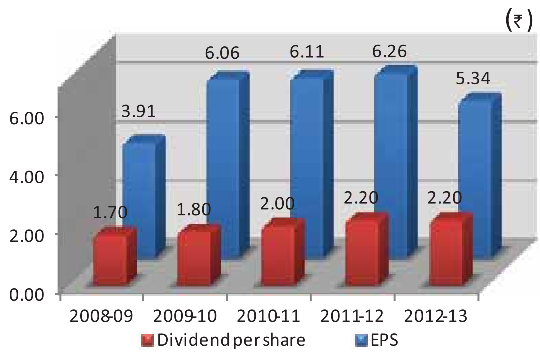
Segment-wise Turnover



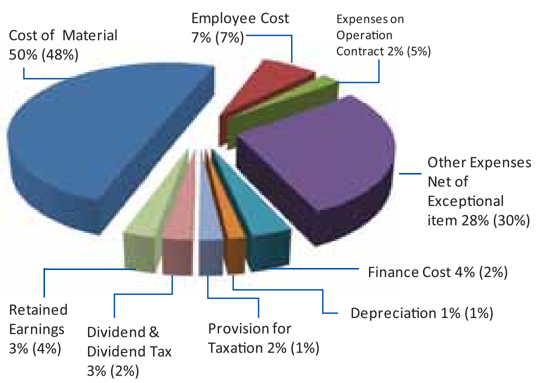
PBT, PAT and Dividend payout



Dividend per share and EPS

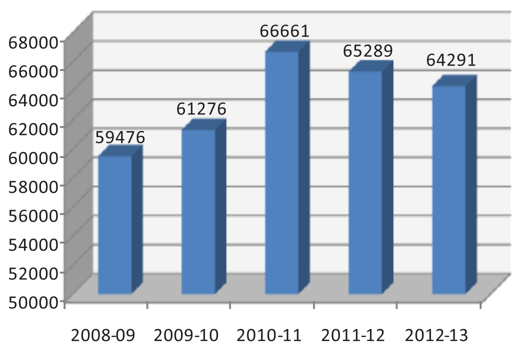


Disposal of Revenue - F 2013



( ) Indicates PreviousYear

Number of shareholders



Chairman's Letter

Dear Shareholders,

It gives me great pleasure to welcome you to the 52nd Annual General Meeting of the Company. Many of you would have travelled a long way to attend this meeting and I extend a warm welcome to all of you.

Last year when we met I mentioned that we were cautiously optimistic because of the challenges facing the Indian economy and global business environment. The global economy is still facing slow down although there is some improvement in the Euro countries. Debt crises continues and unusual currency fluctuation have become a major problem which could threaten growth prospects in India. In fact, the trend of the Rupee continues to be weak and is severely affecting our financials.

Due to policy logjams, high current account deficit, fiscal deficit and inflation during the year the growth of the economy was at a decade low of 5%. The manufacturing sector grew by just 1% whilst mining contracted by 2.5% and capital goods by 6.3%. In this backdrop, the automotive sector which is one of our main business areas grew by only 2.6% on the basis of sales and hardly 1.2% on production.

BUSINESS PERSPECTIVE

The Company's businesses have been under review at regular intervals for increasing the spread and depth of the businesses. The explosives business which was the original business of IDL Industries Limited (now renamed Gulf Oil Corporation Limited) indicated that the size of the explosives business in 1998 – 99 was hardly ₹ 900 crores. Therefore, we looked at growth possibilities and found a space in the adjoining mining services sector which could offer us growth. Initially the investments made in this Division yielded good results. However, as all of you are aware that the environment changed and this segment of the economy is showing negative growth for the last 2 years.

The efforts to grow the explosives business is still being pursued as the market for explosives has slowly expanded to around ₹ 3000 crores in a span of 15 years. But the industry remains highly fragmented and the tender driven business from the PSUs have become more advantageous to new entrants with lesser technical costs introducing me-too products. Therefore, the technical advantages of a large organisation, such as your Company, are becoming increasingly challenged.

In our foray into mining services, we have built up a large bank of equipment and technical skills as a Corporate handling mining services for large organizations in India. But due to uncertain policy directives and judicial decisions over the last 3 years, all our clients are badly affected.

Your Board is reviewing these businesses regularly and decisions would be taken based on policy announcements and client actions during the year.

In 2002, the Group's lubricants business was merged with your Company and this business has been able to grow from a modest turnover from ₹ 300 crores in 2002 to ₹ 1051 crores last year. We have been able to develop a robust business model and the management has been agile and responsive to the growing lubricants market in India. In fact, the highly competitive "Bazaar Market" has been a strong area for the GULF brand lubricants. The bazaar trade has been growing on an average at 2 – 3% but your Company was able to maintain a higher growth thereby improving its market share to around 6.5%. With the steady growth of the lubricants business and the growth vectors being positive for lubricants, we have decided to demerge the Lubricants business for increasing shareholder value.

Brand Building

In 2008 we took a decision to increase our spend in brand building for GULF Lubricants and several initiatives were taken based on market feedback and growth factors. These actions have resulted in growing the GULF brand on pan India basis. Initiatives taken for increasing brand visibility through mass media campaigns on television and outdoor, signages, dirt track championships for motorbikes, monsoon scooter rallies, etc. have been instrumental in making the brand popular.

Our major brand building effort was through the sponsorship of Kings XI Punjab for 2 years followed by our sponsorship of Chennai Super Kings for last 3 years has resulted in excellent brand awareness and recall. This image of the brand has now been further enhanced with the appointment of Mahinder Singh Dhoni – Indian Cricket Captain and India's leading youth icon, as the Gulf Brand Ambassador. In this context, I am delighted to share with you that our motorcycle range has become one of the top 3 brands in the bazaar.

We are launching initiatives to further enhance our Brand Equity in the B2B space with a tie-up with CNN-IBN for 'Leader Talk' which features corporate and sports leaders sharing the platform on the leadership mantras. The objective being to communicate our position of 'Endurance that makes Leaders' and further enhancing the positioning of our products with pioneering longer drain and high performance oil technologies.

Property Business

In our corporate planning exercises, we have been looking at the future of our Company's properties and ways and means to monetise these assets. The first step was to take up development of the Company's property at Bangalore. These 40 acres, as you are aware, is being developed into an IT SEZ and work is in progress. We expect revenue earnings support from Q2 / Q3 of the next Financial Year 2014 – 15.

The development plan for the Hyderabad properties has been held up due to uncertainty in the real estate market in Hyderabad on account of the announcement for bifurcation of the State of Andhra Pradesh. Decisions with regard to the development model will be taken up as soon as some specific understanding of the real estate market and demand pattern emerges.

We plan to increase our focus on this business segment in future.

In General

Over the last few years, we have been also trying to comply with all quality, occupational health, safety and environment issues. To this effect, I am happy to announce that all your Company Divisions besides ISO 9001 Certification are also certified under ISO 14001 and OHSAS 18001, thereby integrating management systems covering Quality, Occupational Health Safety and Environment Standards.

The financial side of the business has also been engaging regular attention of your Board and I am sure that all of you would be happy to learn that the Company received a long term rating at Stable and has been assigned [ICRA] BBB (Stable) Rating in March 2013.

Systems, procedures and Corporate Governance, as always, have been a major focus of your Board. I am glad to announce that from this year all Company Divisions have now implemented SAP as the enterprise operating system in order to achieve total accounting, management control and reporting systems which would help further growth of the Company while achieving a lean structure.

Our US Acquisition

As you are aware, with a view to grow our lubricants business further in which we have extremely good exposure to automotive products but were lacking in depth in the industrial lubricants segments, we acquired through our UK subsidiaries Houghton International Inc. in USA, a global leader in industrial lubricants, in December 2012. However, from various feedbacks and interactions with shareholders the Board came to the conclusion that the large acquisition of USD 1.045 billion would pose financial challenges for your Company as the benefits would require a few years to accrue. Therefore, it was decided by the Board to reduce the stake to 10%. Gulf Oil International has agreed to take over the full responsibility for servicing and repayment of the debt. The remaining investment in the hands of GOCL would therefore be at almost no cost.

In Conclusion

As I have mentioned in earlier meetings, the Company Management is focused on delivering enduring value for shareholders. In this direction, the various suggestions made by the shareholders at the past Annual General Meetings and in several other interactions, your Board has decided that with the Lubricants Division having clocked a turnover of ₹ 1051 crores it would be appropriate to demerge the Division into a listed Company w.e.f. 1st April 2014. It has also been announced that all shareholders of the Company on the Record Date would receive one share of face value ₹ 2 in the Lubricants company to be called Gulf Oil Lubricants India Limited and one share of face value ₹ 2 in Gulf Oil Corporation Limited in lieu of existing two shares of face value ₹ 2.

I am sure that these decisions and regular review by your Board would be welcomed by all shareholders and you would continue to give your full support to all our endeavours as in the past.

S. G. Hinduja
CHAIRMAN

August 19, 2013

NOTICE OF THE FIFTY SECOND ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Company will be held at 2.30 p.m. on Monday, the 30th day of September 2013 at Emerald, Hotel Taj Krishna, Banjara Hills, Hyderabad – 500034 to transact the following:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013 the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To declare a dividend for the financial year ended 31st March, 2013.

3. To appoint a Director in place of Mr. M. S. Ramachandran, 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 Ms. Vinoo S Hinduja, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.

5. To appoint a Director in place of Mr. V. Ramesh Rao, who retires by rotation under Article 122 of the Articles of Association of the Company and is eligible for re-appointment.

6. 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."

7. 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.109430W) be and are hereby appointed as Branch Auditors of the Company for its Lubricants Division at Mumbai from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be negotiated and fixed by the Audit Committee/Board of Directors of the Company in addition to actual out-of-pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

8. 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 21st September, 2012 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 sanction(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 ₹600 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 30, 2013 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 sanction(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 purpose including without limitation to the utilization of issue proceeds, finalizing the pricing, terms and conditions relating to the issue of aforesaid Securities including amendments or modifications thereto as may be deemed fit by them, to sign, execute and issue consolidated receipt/s for the Securities, listing application, various agreements such as Subscription Agreement, Depository Agreement, Trustee Agreement, undertakings, deeds, declarations, Letters and all other documents or papers and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid offering of Securities or anything in relation thereto, including but not limited to the post issue formalities and with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such creation, issuance, offer or allotment of the Securities as it may in its absolute discretion deem fit.

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

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

RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force, the Articles of Association of the Company be amended as follows:

RESOLVED FURTHER THAT the following sentence be added at the end of the existing **Article No.135**:

"Participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means in the prescribed manner, as permitted by the applicable laws from time to time."

Notice

RESOLVED FURTHER THAT the following sentence be added at the end of the existing **Article No.136:**

"Participation of Directors by video conferencing or other audio visual means shall also be counted for the purposes of quorum as permitted by the applicable laws from time to time."

By Order of the Board

A. Satyanarayana
Dy Company Secretary

Hyderabad,
May 25, 2013

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 24th September, 2013 to 30th September, 2013 (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, would be paid to those shareholders whose names will be on the Company's Register of Members after giving effect to valid Transfers in respect of transfer requests lodged with the Company/ Registrar and Transfer Agents on or before 23rd September, 2013. 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 2013-14, the Company would be transferring the unclaimed dividend for the year 2005-06 to the Investor Education and Protection Fund. Members who have not encashed their dividend warrant for the year ended March 31, 2006 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:

	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, 2012	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, 2013	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.8

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 ₹600 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.9

In view of the changes proposed in the Companies Bill, 2012 and the available advanced technological facilities, certain enabling provisions are sought to be introduced in the Articles of Association of the Company, providing for the Directors to participate in the meetings of the Board by means of video conferencing or other audio visual means.

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

The Board recommends this Resolution for your approval.

By Order of the Board

Hyderabad,
May 25, 2013

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 Second Annual Report and Audited Accounts for the year ended 31st March 2013.

1. FINANCIAL RESULTS:

	2012-13 Rupees Lakhs	2011-12 Rupees Lakhs
Profit after providing for Depreciation of ₹ 1448.13 lakhs (₹ 1441.61 lakhs) and before extraordinary items and taxation	6890.84	4939.06
Exceptional Income:	430.88	2092.17
Profit Before Taxation	7321.72	7031.23
Taxation:		
Current - Current Year	2149.33	1585.00
- Previous Year	8.67	Nil
Deferred	69.10	(95.00)
MAT Credit	(204.00)	(670.00)
Profit After Taxation	5298.62	6211.23
Balance brought forward from previous year	13894.52	10868.32
Balance available for appropriation	19193.14	17079.55
Appropriations:		
Proposed Dividend	2181.19	2181.19
Provision for tax on proposed dividend	370.69	353.84
Transfer to General Reserve	550.00	650.00
Balance carried to Balance Sheet	16091.26	13894.52
EPS	5.34	6.26

2. DIVIDEND

The Directors recommend the payment of Dividend of ₹ 2.20 per share (₹2.20 per share) on the Paid Up Capital of the Company. The dividend of ₹ 21.81 crores (₹ 21.81 crores), if approved by the Shareholders at the Fifty Second 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 ₹ 1081.95 crores (previous year - ₹ 1009.30 crores). The profit before exceptional items and taxation was ₹68.91 crores (₹ 49.39 crores). The profit before tax was ₹73.22 crores (₹70.31 crores). The profit after provision for current tax of ₹ 21.58 crores and write back of deferred tax of ₹ 0.69 crores and adjustment of MAT credit of ₹2.04 crores, was ₹ 52.99 crores (₹ 62.11 crores) resulting in an EPS of ₹ 5.34 for the year (₹6.26).

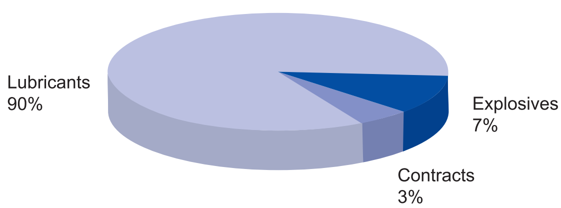
The business operations were satisfactory in the background of the Indian economy in which industrial performance in the financial year was one of the worst in the past 20 years.

Industrial output has grown at only 1.2%. All activities in mining, manufacturing, electricity outputs across sectors have either contracted or halved compared to the previous fiscal. Capital goods and consumer goods have been growing at a worryingly low pace through FY 13. In fact, capital goods contracted to 6.3% in FY 13, more than in FY 12. With consumption collapsing over the last couple of quarters, manufacturing has been severely hit along with mining and electricity.

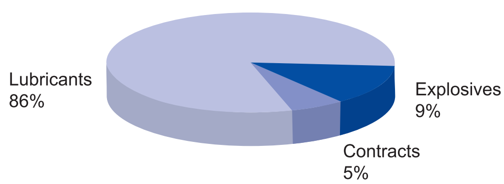
Mining production index dipped to -2.5% as against -1.9% in the previous year and electricity generation dropped from 8.2% in the previous year to 4.0% in the current year. Vehicle sales along with the consumer durables saw around 4.5% contraction in output. Overall, slowdown in economic activities during 2012-13 along with consumer demand constrained manufacturing growth. Higher interest rates also moderated the industrial activity.

4. DIVISIONAL PERFORMANCE

4.1 Business Operations



2012-13 Total Revenue : ₹ 1081.95 crores

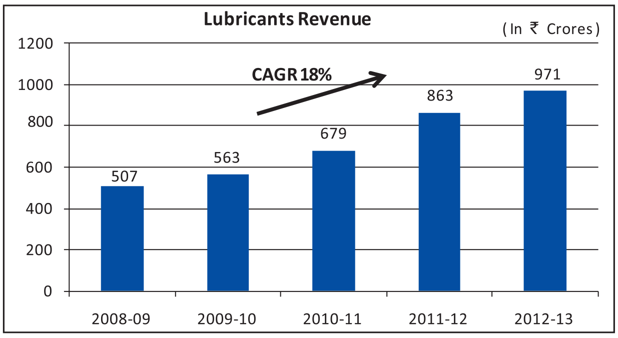


2011-12 Total Revenue : ₹ 1009.30 crores

4.2 Lubricants

Twin achievements by crossing the coveted ₹ 1000 crores Gross Revenue & ₹ 100 crores segment profit mark.........

The Lubricants Division for the first time crossed ₹ 1000 crores by achieving ₹ 1051 crores Gross Revenue during the Financial Year 2012-13, a growth of 12% over 2011-12. At the same time, the Lubricants Division has also delivered segment profits of ₹ 106 crores, a growth of 13% over previous year. With this, the Division is continuing its journey of consistent growth even in the backdrop of the challenging economic scenario during 2012-13.



Outperforming Industry and Competition.......

Overall the Lubricant Industry witnessed marginally negative to flat volume growth in 2012-13. The bazaar market segment growth also slowed down considerably in line with our forecast of 2-3% vs 5-6% growth last year. The Automobile Industry is passing through a very lean phase with Commercial Vehicles segment posting a negative growth of 2%, Passenger Vehicles and Two Wheelers sales grew at much slower pace than earlier years at 2.2% and 2.9% respectively. The overall growth of the automobile industry was modest at 2.6%. Accordingly, demand conditions in the lube industry mainly the OEM and related sales remained quite subdued for Automotive Lubricants. With industrial growth also severely affected due to delayed policy decisions mainly in mining and infrastructure segments, all through the year, the demand for industrial lubricants in particular was also lower.

In spite of these constraints, in the Lubricants industry, your Division has been able to register positive growth in volumes and revenues, which is well ahead of most of the top industry players. This higher growth is resulting in increased market share for the Division across segments.

The industry witnessed major volatility in input costs throughout the year with significant upward bias in Base Oil prices in first quarter, sharp drop in Q2 and sideways movements thereafter. In addition, fluctuations in the exchange rates of the Rupee against US Dollar continued during the year resulting in significant uncertainty in input costs putting pressures on margins. The Division's procurement strategies, market growth and pricing initiatives resulted in the Division attaining better margins coupled with volume and revenue growth, which is reflected in the improved financial results of the Division.

Brand and Distribution initiatives......

The Division continued its Brand building initiatives and launched a campaign with its Brand Ambassador, Mr. Mahendra Singh Dhoni and introduced special edition packs to communicate and highlight the longer drain interval "value proposition". Innovative below the line initiatives like Gulf Cricket League targeted at our consumers, trade and influencers in major trucking centres around the country were successfully executed. Focussed consumers and retailers loyalty programs like - King of the Road 3 and Winners Circle targeted at Passenger Car Motor Oil (PCMO) retail outlets were successfully launched and executed. Specialised distribution initiatives like 'Non-Stop Express' were launched to increase our distribution width & depth. Pilots to tap the rural market were also intitiated by the division to enhance the rural penetration levels in terms of distribution.

Fortifying our position as Pioneers of Longer Drain, Higher performance Lubricants in India....

The division continued to increase its customer base for our Co-Branded ranges of Gulf Super Fleet LE Max (40,000 kms long drain interval engine oils), Gulf Super Fleet LE Duramax(80,000 kms long drain interval engine oils) for Ashok Leyland commercial vehicles. Gulf Super Fleet Turbo range of products was launched to meet the requirements of latest generation of commercial vehicles like TATA Motors, Eicher, etc. The product range has received very positive response from consumers, trade & influencers.

Gulf in Motorsports.....

Gulf Speed Bolt 2012

Gulf Speed Bolt is an initiative to showcase global motorsport events for the Indian audience by leveraging on Gulf's international associations. In its 2012 edition, Gulf debuted the Aston Martin GTE, one of the most powerful cars in its class, at the Buddh International Circuit in Greater Noida on 19-November 2012. The car, with a top speed of 300 km/h and capable of reaching 100 km/h in just 3 seconds, set the track on fire as it covered the 5.14 km track in just under a minute. Putting the pedal to the metal was Mr. Stefan Mücke, an experienced endurance motorsport specialist. In fact, this very driver-car combo had scored a podium finish at the 24 Hours of Le Mans in June this year.

Gulf Dirt Track National Championship & Monsoon Scooter Rally:

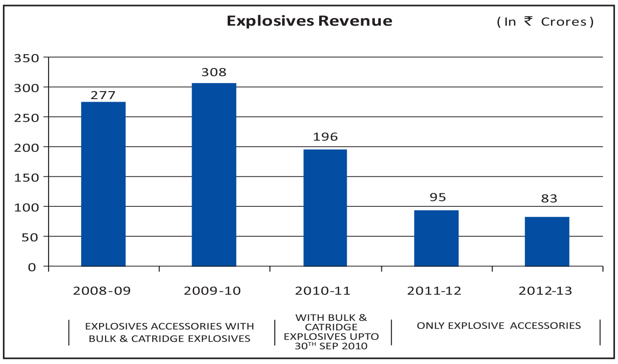
Gulf sponsored Dirt Track National Championship carries Gulf's international motorsports legacy in India. Last year four rounds of races were held – one each in Mangalore, Aurangabad and Jodhpur. The 4th and the final round was held successfully in Nasik. Also, for more than a decade now Gulf has been sponsoring the one of its kind rally for scooters – Gulf Monsoon Scooter Rally. The rally took place in the month of July 2012.

Gulf Foster A Child Car Drive:

As a part of Gulf's CSR initiative Gulf Foster A Child Car Drive was held in the month of January' 2013. This event is born out of desire to bring smile on the face of under privileged children. The car drive saw more than 50 cars participating. The participating cars are usually driven & navigated by a husband and wife team along with their children and one or more under –privileged children. The under privileged child becomes the one day foster child for the parents driving and navigating the car. The final aim of the drive is to reach the destination within the shortest possible time (and with as much fun along the way !).

4.3 Detonators and Accessories (Explosives)

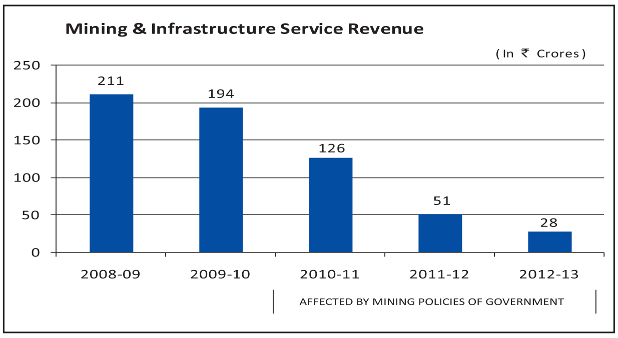
The gross turnover of the Division was at ₹83 crores as against ₹95 crores in the previous year. The decreased turnover was on account of reduced export shipments and power shortages faced by the converters in Hyderabad and low demand from the mining and infra sectors. The Division has manufactured 96.692 million Detonators (109.434 million) and 17.584 million meters (24.239 million meters) of Detonating Cord during the year. Growth in production of Electronic detonators was significant.



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 certain customers preferred to place combined orders for industrial explosives and accessories.

4.4 Mining and Infrastructure (IDLconsult)

Concerns over the Mining activities across the country continued. 2012-13 was even worse than the previous year for the Mining Industry in India and for the IDLconsult Division. Mine owners are still struggling to clear their various regulatory and governmental issues. Iron ore mining in Orissa was one of the major contributors to the Division in the previous year, but the clients continue to remain badly affected by the statutory restrictions imposed by the State & Central Governments on account of forest, environmental and land issues. As a result, the Division ended the year with a revenue of ₹ 28 crores as against ₹ 51 crores for the previous year.



4.5 Other Business Groups

The 4 Wind Mills (1 MW) located at Ramagiri in Andhra Pradesh generated 2,38,100 units (2,61,000 units). The Hyderabad factory received the benefit of the generation through the APTransco grid.

4.6 Exports

Export Sales of Explosive Accessories were ₹ 21 crores during the current year as against ₹ 18 crores in previous year.

Economic depression worsened in Europe and the Middle-East and spread to S.E. Asia (except Indonesia & Thailand) and also to Africa. Political uncertainty not only delayed several major projects in Sri Lanka and Nepal but also lead to stopping of on-going projects.

In Europe the EU authority issued new guidelines on packing and marking of products that require significant changes in our plant processes.

The down-turn in world trade hit the shipping industry resulting in reduced availability of ships and increase in freight on explosives cargoes due to reduced spread on general cargo. Margins were maintained by judicious price increases, rationalizing the volume/value ratio by redesign of packing, clubbing different ports in the same voyage and by focusing on securing orders with more profitable product-mix.

Export turnover of lubricant products was marginally higher at ₹10 crores during 2012-13 against ₹ 9 crores in 2011-12. The Division is exporting its products mainly to Asian markets and highly competitive Middle East markets.

4.7 Property Development

Bangalore:

Work on the ₹1800 crores project at Yelahanka, Bengaluru, consisting of a 30 acre IT / ITES SEZ park and a 10 acre Hotel / Hospitality / Retail areas being developed in association with Hinduja Realty Ventures Limited, is processing. Foundation work on the first building in SEZ sector is under construction. Bulk materials such as aggregates, cement, steel, etc. have been procured after receiving tax and duty exemption. Erection and testing of the batching plant was completed.

Our project is situated on the expressway from Bangalore City to the Airport. Infrastructure works such as signal-free 6 lane expressways from Hebbal and Yelahanka to Bengaluru Airport, are expected to be completed by mid 2014, providing excellent and fast access to our project site. This will give a boost to the real estate developments in North Bengaluru, the emerging growth corridor.

Hyderabad:

For the Hyderabad property, where the Company has entered into a Development Agreement with Hinduja Estates Private Limited, work by GHMC on the 100 feet road passing through the Company's property, is about 70% complete. In the meantime, investments in developments outside the Company premises, abutting the new 100-feet road, are increasing rapidly. As a result of this infrastructure initiative of the Government of Andhra Pradesh and as per reports from leading property consultants, Kukatpally will witness higher demand in the near future. However, uncertainty over the restructuring of the State is delaying the finalization of plans.

5. OVERSEAS ACQUISITION

The Company through its subsidiary in the United Kingdom has acquired 100% stake in Houghton International Inc. for USD 1.045 billion, after satisfactory conclusion of regulatory approvals in the USA, for maximization of shareholder value including by divesting the stake at a future date. The acquisition through the step-down subsidiary ensured that the financials of GOCL did not get affected. A major portion of the debt will be serviced through Houghton International Inc.'s cash flows.

The acquisition has put some pressure due to the high leveraged position on account of foreign currency loan being taken by the Company.

The Company is seized of the matters and is exploring several restructuring operations to derisk the high leveraged position.

6. RESTRUCTURING OF THE COMPANY

In view of the diverse nature of the Company's businesses, the Company is actively considering restructuring of the various businesses of the Company including demerger of the Lubricants business into a separate listed company.

7. INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Internal Control System:

The Company's internal control system is driven by well defined policies and procedures across its diverse business activities. The objective of the internal control system is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and compliance with the statues. The Company has an Internal Audit Function which provides the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy, efficiency and effectiveness of the Organization's risk management, internal control and corporate governance processes. The SAP system implemented a few years ago in your Company serves well in integrating the functioning of various departments and provides enhanced system controls.

The audit function, in consultation with the Senior Management, assesses opportunities for improvement in business processes, systems and controls and also provides recommendations designed to add value to the organization. After review by the Audit Committee, follow up of corrective actions are monitored for implementation.

The Internal Audit function during the course of monitoring the effectiveness of the internal controls also reviews and reports to the management and the Audit Committee on compliance with internal controls and statutory norms related to the industry in which the businesses operate as well the efficiency and effectiveness of operations and the key process risks. The Audit Committee of the Board of Directors regularly meets to review the significant audit findings, action taken thereon, adequacy of internal controls, and also the implementation of various comprehensive policies for compliance and governance.

The annual audit plan prepared by the Internal Audit Department in consultation with the statutory auditors and duly approved by the Audit Committee does consider the scope of coverage of the company's activities including subsidiaries based on the risk profile of the business. Process reviews for critical functions are performed by the function in an efficient and timely manner for ensuring effective coverage as per the annual audit plan.

During the year, the Audit Committee met seven 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 business, adequacy of the internal control systems in the Company and their observations on the financial reports.

8. FIXED DEPOSITS

Fixed Deposits from the public and the shareholders as on 31st March 2013 amounted to ₹ 114.13 lakhs (₹346.44 lakhs). Out of the above, 16 deposits amounting to ₹71.35 lakhs (₹236.33 lakhs), which had matured, remained unclaimed. Of these, 14 deposits amounting to ₹65.35 lakhs had matured only on 31st March 2013, most of which have been renewed / repaid to the depositors in the month of April/May 2013.

9. TAXATION

Orissa Sales Tax

The matter pertains to transfer of finished goods from Rourkela factory (since transferred to IDL Explosives Limited as part of the Demerger w.e.f. 1st October 2010) situated in the State of Orissa to other States, in respect of 10 assessment years viz

1976-77 to 1983-84, 1989-90 & 1990-91. Tax Revision Petitions were filed before the Commissioner of Commercial Taxes at Bhubaneswar. Against the dismissal of the Tax Revision Petition by the Commissioner of Commercial Taxes in February 2012, Writ Petitions were filed in the High Court of Orissa in March, 2012. Fresh Writ Petitions were filed in March, 2013 along with additional documents and the Writ Petitions filed earlier were withdrawn. For the assessment year 1998-99, appeal has been filed in the March, 2013 in the Central Sales Tax Appellate Tribunal, Delhi against the order of the Sales Tax Appellate Tribunal at Cuttack and order passed in October, 2012. However, for the assessment years 2002-03, 2004-05 and 2005-06 Review Petition was filed in the High Court of Orissa against the order dated 05.03.2013 of the High Court in the stay petitions.

10. RESEARCH & DEVELOPMENT

During the year under review, improvements have been made to in-house developed electronic detonators and their large-scale field evaluation is being done. Electronic support instruments that are used in conjunction with these detonators have been also improved by including more diagnostics features and making them more user friendly. Field trials of imported Electronic Detonators are also carried out and are being continued. Electronic modules have also been designed and customised with precise delay times for specific defense and space applications.

New products have been developed for Boostering and Metal forming applications for commercial manufacture, for special applications. High Energetic materials for defense applications have been developed for DRDO applications.

Lubricants Division's R&D Centre at Silvassa developed formulations for high performance engine oils, driveline fluids and motor cycle oils to meet current and future market requirements.

High performance diesel engine oils and driveline fluids were validated across different makes of commercial vehicles. Different motorcycle oils were also developed to meet the requirements of the mass market segment and requirements of the specific makes of motorcycles. In the Industrial portfolio, metal working fluids were developed for special applications. Various alternate formulations were developed which helped in improving product performance and customer satisfaction, cost reduction and besides providing improved operational flexibility.

11. SUBSIDIARIES

HGHL Holdings Limited, UK, incorporated during the year for the purpose of overseas acquisition, reported a profit of ₹179.16 lakhs.

PT. Gulf Oil Lubricants Indonesia reported a profit of ₹ 160.46 lakhs (₹ 122.94 lakhs).

IDL Buildware Limited reported a profit of ₹16.70 lakhs (₹ 14.27 lakhs).

Hinduja Infrastructure Limited reported a profit of ₹0.13 lakhs (₹ 0.11 lakhs).

Gulf Oil (Yantai) Co. Ltd. reported a loss of ₹ 476.97 lakhs (profit of ₹ 225.59 lakhs).

IDL Explosives Limited reported a loss of ₹ 244.56 lakhs (₹1270.44 lakhs).

Gulf Oil Bangladesh Limited reported a loss of ₹ 149.41 lakhs (profit of ₹ 100.29 lakhs).

Gulf Carosserie India Limited reported a loss of ₹0.49 lakhs (₹ 0.13 lakhs).

12. HUMAN RESOURCES / INDUSTRIAL RELATIONS:

Talent Acquisition has been the key activity throughout the year with specific focus on strengthening the Channel Sales, B2B, Infrastructure, Mining and Fleet verticals with the objective of "Right Skill at Right Place at Right Time" in the Lubes Division. Competency Development has been the key strategic focus for the year. Training programs on ISO / TS 16949, FMEA, problem solving techniques, relationship building for middle management, and safety were held in the Division.

The HR function in the explosives and mining Divisions were revamped and all the process and procedures were reviewed. Training programmes on general management, quality, safety and health management and also Focus on periodical medical checkups were emphasised. In addition, other internal and external functional training programs were imparted during the year.

The Divisions have continued to maintain cordial industrial relations, with low absenteeism. Programmes were conducted to improve the competency levels. Periodical medical checkups have been conducted by tying up with corporate hospitals.

Safety

The Explosives Division completed translation of all Safe Operating Procedures (SOPs) in local language i.e. Telugu and the same are being reviewed / read out on monthly basis at each department for better understanding and to enhance safety awareness among employees at the Hyderabad factory. Audits are being done on regular basis to identify probable unsafe condition / acts to minimize risks. Awareness training programmes on recent amendments to the Explosives Rules, 2008 have been conducted by internal trainers in June 2012 and March 2013. IMS 14001 and OHSAS 18001 External Audit were successfully completed in the month of April 2012.

Pulse jet bag filters system has been installed for 3 M.T. coal boiler stack to minimize stack emissions in October 2012. For treatment of domestic effluents as per Pollution Control Board requirements at 30 KL per day is in progress.

Security

Security of Explosives Magazine and other assets tops the list of priorities at Hyderabad Works. Over the years considerable additions and surveillance equipment have been added to strengthen the Security of the factory and of the Magazines. Additional security measures taken during the year include - installation of PTZ (Pan Tilt and Zoom) Cameras, linking of watch towers through land line communication, repair and relaying of patrolling route along the inside magazine perimeter, compound wall construction and overhang barbed wire fencing, erection of watch towers at strategic locations on the factory land.

13. OUTLOOK FOR THE CURRENT YEAR, OPPORTUNITIES AND THREATS

The positive surge in the industrial activity in March 2013 as against a major slowdown in the economy observed over the last 2 years indicates a possible improvement in the Indian economy in 2013-14.

The Government has taken steps to boost economic growth from Q-3 of the last year such as reduction in energy subsidies, withholding tax on interest earned by foreign investors and FDI in aviation and retail. It is expected that the GDP would grow at approximately 5 – 6% with stimulus from the Reserve Bank of India in moderating interest rates further and increasing liquidity in the banking system. However, the growing current account deficit which has been a worrying factor last year may continue to impact dramatically in the current year and, therefore, pressures in the economy are likely to continue with marginal improvements.

13.1 Lubricants

The automotive industry growth is pegged at 6-8 % (as per SIAM). Volume growth in the lubricant industry is expected to be subdued at similar levels as in the last year at flat to very marginal growth. In the bazaar market the growth is estimated at an overall 2-3 %. Increasing input costs and adverse exchange rates are likely to put pressure on margins.

The Division will focus on maintaining its volume growths at double the rate of the industry and further 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 are planned to be launched in 2013-14.

Competition is expected to increase to make up for lost volumes with higher 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 emerging opportunities.

13.2 Detonators and Accessories

The outlook for F 2014 is marginally optimistic with signs of economic recovery and revival of infrastructure/mining activity in Africa, S. E. Asia, Oman, Qatar, Nepal & Sri Lanka.

In India, the mining sector which is dominated by coal mining accounts for 80% demand for industrial explosives and the balance 20% is for infrastructure projects like roads, hydro engineering, irrigation etc. Operations of various coal and iron ore mining projects have been affected over the past 3 years on account of regulatory and other approval / reviews and issues relating to rehabilitation of the mine-displaced people. These have adversely affected the demand for the products and growth of the Division.

In F 2014 mining activities which have grown negatively in the last 2 years is expected to perk up and show some positive growth in the coal and iron ore sectors. The Division is geared to increase business in keeping with the expected higher demand.

13.3 Mining and Infrastructure (IDLconsult)

Contract Mining business may suffer again in the coming year and our turnover may be similar to the last year. However, we will be reducing on costs by reviewing all the operations of the Division.

We are hopeful that the Government of India will act positively for the clearances of 200 coal blocks and once these blocks are cleared, a flood-gate of opportunities will open up for contract mining. Our hope lies on two facts, first, India is self-sufficient in non-coking coal reserves and second, India will reduce import of coal to conserve foreign exchange.

14. RISKS AND CONCERNS

14.1 Environmental Risks

Regular safety audits and mock drills are carried out by internal safety audit teams and at regular intervals by external teams. Standard Operating Procedures (SOPs) are strictly enforced in all 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 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.

14.2 Operational Risk

Licensing

The Explosives Division operates in a highly regulated and licensed environment 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 exports and expansion of new products could affect our future growth and expansion plans. The Division, therefore, ensures that approvals are taken up well in advance to avoid launch dates / export of products.

Location Risks

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. An analysis of business growth areas have indicated the requirement of a second plant in South India. This is under active consideration.

Raw Materials

Many of the inputs of the two major Divisions are imported. Availability of which is affected by global market situations. Also, prices of such items are volatile and subject to forex fluctuation. 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 well as hedging to minimise forex risks.

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.

14.3 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 Explosives 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).

14.4 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.

14.5 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 and Orissa Sales Tax cases as old as 25 years which are being pursued by the Company with the appropriate Court/Tribunal.

14.6 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.

14.7 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.

15. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr.M.S.Ramachandran, Ms.Vinoo S Hinduja and Mr.V.Ramesh Rao retire by rotation at the 52nd Annual General Meeting of the Company and are eligible for reappointment.

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

M.S.Ramachandran

Mr. M.S.Ramachandran is a Bachelor in Mechanical Engineering. He has vast knowledge and experience of Oil and Gas industry. He was Chairman of Indian Oil Corporation Limited, Chennai Petroleum Corporation Limited, IBP Co. Ltd., Bongaigaon Refineries & Petrochemicals Ltd., Indian Oil Tanking Ltd., Indian Oil Petronas and Director, ONGC Ltd., Petronet LNG Ltd. He has received several awards including Chemtech Pharma Bio Hall of Fame Award in 2005 and National Institute of Industrial Engineers Lakshya Business Visionary Award in 2004.

Vinoo S Hinduja

Ms. Vinoo S Hinduja is a degreeholder in Business Administration from UK and a Diploma holder in Health Policy Management from USA. She has completed her internship and training in Finance and Banking at the Credit Suisse Bank, Geneva and Chase Manhattan Bank, London and in Hospital Administration and Management from Cromwell Hospital, London. She is also a member of the National Health and Education Society, Hinduja National Hospital in Mumbai.

V Ramesh Rao

Mr.V.Ramesh Rao is a postgraduate in Mechanical Engineering with specialization in Industrial Tribology from IIT, Madras and is a President's Gold Medalist. He has been working in the lubricants industry since 1984 in various companies such as Lubrizol India Limited, Gulf Lubricants Systems and in Gulf Oil International companies in China, Korea, Taiwan and Philippines. He is a member of the Gulf Oil Core Technical Team and assisted Gulf Oil's international operations and handles the operations in the Asia Pacific Region.

Names of companies in which the Directors, seeking 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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 2012-13.

The Cost Auditor is required to forward his report to the Central Government by 27th September 2013.

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 and the members for their continued support.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2013

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 Total Quality Management, adoption of emerging technologies, innovation through research, good corporate governance, adherence to fair business practices and effective use of physical, technological, Research & Development (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, 2013 categorised as indicated below :

(i) Chairman (Non-executive)	Mr. Sanjay G Hinduja
(ii) Vice Chairman (Non-executive)	Mr. Ramkrishan P Hinduja
(iii) Non-Executive Directors:	
(a) Promoter Group:	Mr. Sanjay G Hinduja
	Mr. Ramkrishan P Hinduja
	Ms. Vinoo S Hinduja
	Mr. V Ramesh Rao
	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
(iv) Managing Director:	Mr. Subhas Pramanik

(B) Attendance of each director at the Board Meetings, last Annual General Meeting (AGM) and the details of membership/ chairmanship of Directors in other Board and Board Committees:

Name of the Director	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships of other Boards as on 31st March, 2013@	Number of Memberships of other Board Committees*	Number of Chairmanships in other Board Committees*
Mr.Sanjay G Hinduja	6	Y	10	-	-
Mr.Ramkrishan P Hinduja	5	Y	10	4	-
Mr.K N Venkatasubramanian	8	Y	7	1	-
Mr.H C Asher	9	Y	13	7	2
Mr.M.S.Ramachandran	7	Y	5	2	-
Mr.Ashok Kini	7	Y	8	3	2
Mr.Prakash Shah	7	Y	8	1	-
Mr.Vinod K Dasari *(up to 30th May, 2012)*	1	NA	NA	NA	NA
Ms.Kanchan Chitale	9	Y	3	-	1
Ms.Vinoo S Hinduja	-	N	6	-	-
Mr.V Ramesh Rao	5	Y	7	-	-
Mr.Subhas Pramanik	8	Y	4	1	-
Mr.K C Samdani	5	N	8	4	-
Mr.A. V. Dujean *(up to 27th April, 2012)*	-	NA	NA	NA	NA

@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 from three to six 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, as applicable are also tabled for the Board's periodic review / information:

- 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 2012-13**

Date of the Meeting	Board Strength	No. of Directors Present
27th April, 2012	12	10
30th May, 2012	12	10
1st August, 2012	11	8
21st September, 2012	11	10
22nd October, 2012	11	5
26th October, 2012	11	6
7th November, 2012	11	10
11th December, 2012	11	8
7th February, 2013	11	10

(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 31st March, 2013. 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, 2013 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 that there are no:

(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 ₹ 2/- each) equity shares and Mr. K.N.Venkatasubramanian held 3500 (of ₹ 2/- each) equity shares of the Company as on 31st March, 2013 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 which are given below are in full conformity with the requirements of Section 292A of the Companies Act, 1956.

Terms of reference:

The terms of reference of the Audit Committee as originally formed on December 08, 1986 were of improving the functioning and compliance with systems and procedures of our Company with respect to financial accounting policies and procedures, operating policies and procedures, inventory and credit controls and statutory requirements. The Board had on July 27, 2001 enlarged the area of operation and change the role of the Audit Committee, as under:

1. Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment and removal of external auditor and fixation of audit fees and also approval of payment for any other services.
3. Reviewing, with the management, the annual financial statements before submission to the Board focusing primarily on:
   - Any changes in accounting policies and practices.
   - Major accounting entries involving estimates based on the exercise of judgment by management.
   - Significant adjustments arising out of audit.
   - The going concern assumption.
   - Compliance with accounting standards.
   - Compliance with stock exchange and other legal requirements relating to financial statements.
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
5. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussion with internal auditors any significant findings and follow up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with external auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. To Review in Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to depositors, debenture holders.

Composition –

Chairperson:	Ms. Kanchan Chitale
Members:	Mr. H C Asher
	(Member of the Audit Committee up to 20th September, 2012)
	Mr. K. N. Venkatasubramanian
	(Member of the Committee from 20th September, 2012)
	Mr. Ashok Kini

Meetings and Attendance:

Seven Audit Committee Meetings were held during the year ended 31st March, 2013. The maximum time gap between any of the two meetings was not more than four months.

Audit Committee Meetings held during the year 2012-13 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
30th May, 2012	3	3
7th June, 2012	3	3
1st August, 2012	3	3
20th September, 2012	4	4
6th November, 2012	3	3
11th December, 2012	3	3
6th February, 2013	3	3

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

Managing Director, Chief Financial Officer and Vice President-Internal Audit were invitees for all the Audit Committee Meetings.

The Statutory Auditors of the Company were invited to join the Audit Committee in the meetings for discussing the quarterly unaudited financial results, Audited condensed financial statements 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. REMUNERATION & NOMINATION COMMITTEE

The key roles of this Committee effective 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.

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
		(Alternate Mr.K.C.Samdani)

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
22nd May, 2012	4	3
2nd August, 2012	4	2

Remuneration policy -

i) For Managing Director

The total remuneration pursuant 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.
- Further reimbursement of actual incidental expenses and stay expenses for the meeting attended, not exceeding ₹5,000/- and ₹900/-, as applicable.

(₹ in Lakhs)

	Managing Director
Salaries	67.27
Commission	10.40
Contribution to Provident Fund and Superannuation Fund	11.35
Benefits	6.31
Total	**95.33**

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 three 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.

ii) For Non– executive Directors

Sitting fees of ₹ 20,000/- for each Board Meeting, Audit Committee Meeting and Meeting of the Committee of Directors, ₹5,000/- for each Remuneration and Nomination Committee, ₹ 2,000/- for each Share Transfer and Investors' Grievance Committee Meeting and ₹12,000/- for each meeting of the Safety Review Committee and Investment Appraisal & Project Review Committee, plus reimbursement of actual travel and incidental expenditure not exceeding ₹1,500/- for Share Transfer Committee Meetings and ₹5,000/- for Meetings of the Board and other Committees. 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.

₹ in lakhs

Non-executive Directors	Sitting Fees*	Commission	Total
Mr. Sanjay G. Hinduja	1.20	1.91	3.11
Mr. Ramkrishan P. Hinduja	1.00	1.76	2.76
Mr. K N Venkatasubramanian	2.40	4.33	6.73
Ms. Kanchan Chitale	3.20	5.84	9.04
Mr. H C Asher	2.70	5.08	7.78
Mr. M.S.Ramachandran	2.01	4.86	6.87
Mr. Ashok Kini	3.46	8.26	11.72
Mr. Prakash Shah	1.50	3.72	5.22
Ms. Vinoo S Hinduja	-	1.00	1.00
Mr Vinod K Dasari	0.20	1.15	1.35
Mr. V.Ramesh Rao	1.06	2.10	3.16
Mr. K.C.Samdani	1.12	-	1.12
Mr. A.V. Dujean	-	-	-
Total	**19.85**	**40.01**	**59.86**

* excluding service tax

5. SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

Composition -

Chairman	:	Mr. Ashok Kini
Members	:	Mr. Subhas Pramanik
		Mr. Vinod K Dasari
		(Member of the Committee up to 30th May, 2012)
		Mr.V.Ramesh Rao
		(Member of the Committee from 30th May, 2012)

Meetings and Attendance

Date of the Meeting	Committee Strength	No. of Directors present
27th April, 2012	3	2
2nd August, 2012	3	2
21st September, 2012	3	3
7th November, 2012	3	3
7th February, 2013	3	3

The Share Transfer and 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 : 136

Not solved to the satisfaction of the shareholders : NIL

Number of pending Complaints : NIL

6. GENERAL BODY MEETINGS

Location, time and venue where last three Annual General Meetings held :

Financial Year	Location of AGM	Date & Time of AGM
2011-12	Grand Ball Room, Hotel Taj Krishna, Banjara Hills, Hyderabad, Andhra Pradesh -500 034, India	21st September, 2012, 2.30 p.m
2010-11	Grand Ball Room, Hotel Taj Krishna, Banjara Hills, Hyderabad, Andhra Pradesh -500 034, India	23rd September, 2011, 2.30 p.m
2009-10	Hotel Taj Krishna, Banjara Hills, Hyderabad, Andhra Pradesh -500 034, India	23rd September, 2010, 2.30 p.m

Special Resolutions

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

I) 49th AGM held on 23rd September 2010- One Special Resolution.

II) 50th AGM held on 23rd September 2011- Three Special Resolutions.

III) 51st AGM held on 21st September 2012- Three Special Resolutions.

IV) Special resolutions passed last year through postal ballot:

Special Resolutions were passed on 24th November, 2012 through postal ballot to seek approval of Members to authorise the Board to extend security for the loan availed by Hinduja Realty Ventures Limited and to seek approval to authorise the Board to make Inter Corporate Loans.

V) Voting pattern of postal ballot:

Special Resolution authorizing the Board to extend security for the loans availed / to be availed by Hinduja Realty Ventures Ltd upto ₹ 90000 lakhs.

Promoter/Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	49536335	49536335	100.00	49536335	0	100.00	0.00
Public – Institutional holders	3094241	1828779	59.10	1445858	382291	79.06	20.90
Public-Others	46514404	9109327	19.58	8949147	111523	98.24	1.22
Total	**99144980**	**60474441**	**61.00**	**59931340**	**493814**	**99.10**	**0.82**

Special Resolution authorizing the Board to make inter corporate loans / deposits upto ₹10000 lakhs.

Promoter/Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	49536335	49536335	100.00	49536335	0	100.00	0.00
Public – Institutional holders	3094241	1828779	59.10	1445858	382291	79.06	20.90
Public-Others	46514404	9109393	19.58	8948963	111811	98.24	1.23
Total	**99144980**	**60474507**	**61.00**	**59931156**	**494102**	**99.10**	**0.82**

VI) The Board had appointed Mr. A. Ravi Shankar, Practicing Company Secretary as Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

No Special resolution which requires approval through postal ballot is proposed to be conducted at the ensuing AGM.

The procedure for Postal Ballot is as per section 192A of the Companies Act, 1956 and Rules made there under Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

The scrutiniser submitted a report to the Managing Director stating that the resolution has been duly passed by the members with requisite majority.

7. 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 38 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.

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.

8. MEANS OF COMMUNICATION

The quarterly unaudited results and annual audited results are published in Business Standard and in the local newspaper – Andhra Prabha and are displayed on the Website of the Company www.gulfoilcorp.com. Official press releases and Official media releases are sent to stock exchanges and uploaded on the website of the Company. During the year, Presentation was made to institutional investors and financial analysts on the audited annual financial results and held investors' conference calls on quarterly financial results of the Company; and transcriptions of the same were uploaded on website of the Company.

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

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting :

Date - 30th September 2013

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

Time - 2.30 pm

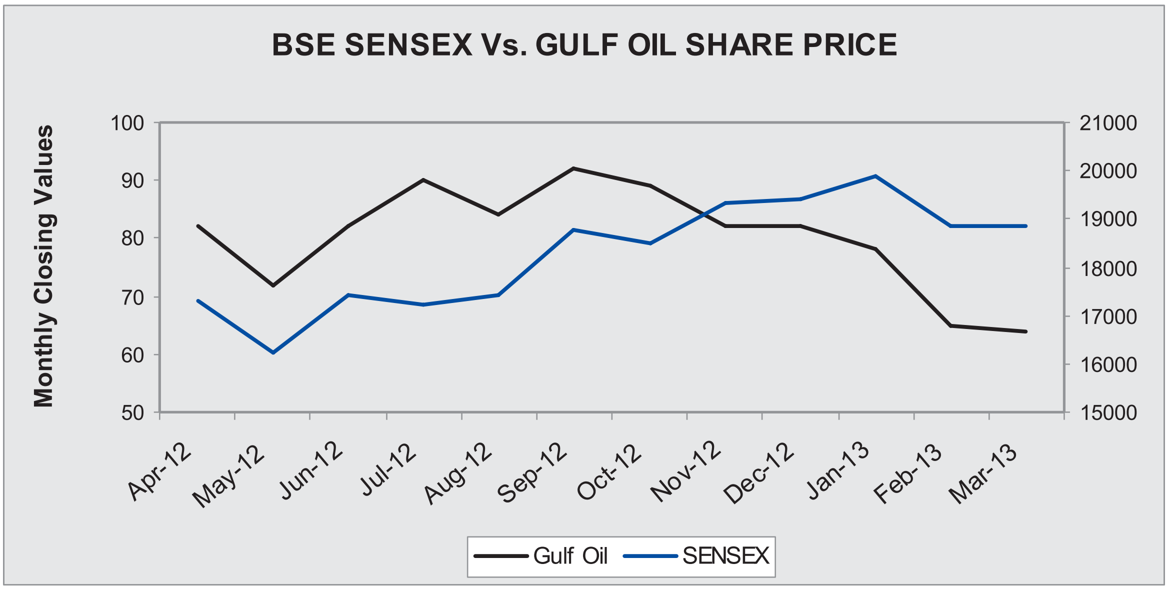
Financial Calendar (Tentative):

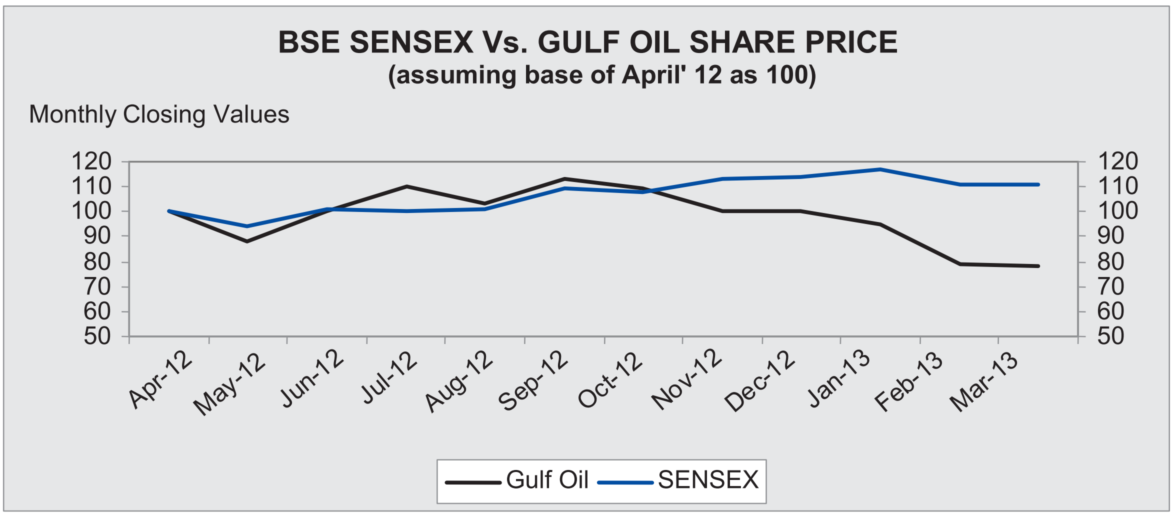
- Unaudited results for 1st quarter of next Financial Year – by 7th August, 2013
- Unaudited results for 2nd quarter of next Financial Year – by 15th November, 2013
- Unaudited results for 3rd quarter of next Financial Year – by 14th February, 2014
- Audited results for next Financial Year – by 29th May, 2014

Date of Book Closure	–	24th September, 2013 to 30th September, 2013
Date of Dividend Payment	–	5th October, 2013 to 30th October, 2013
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 Limited, monthly high and low during the last Financial Year

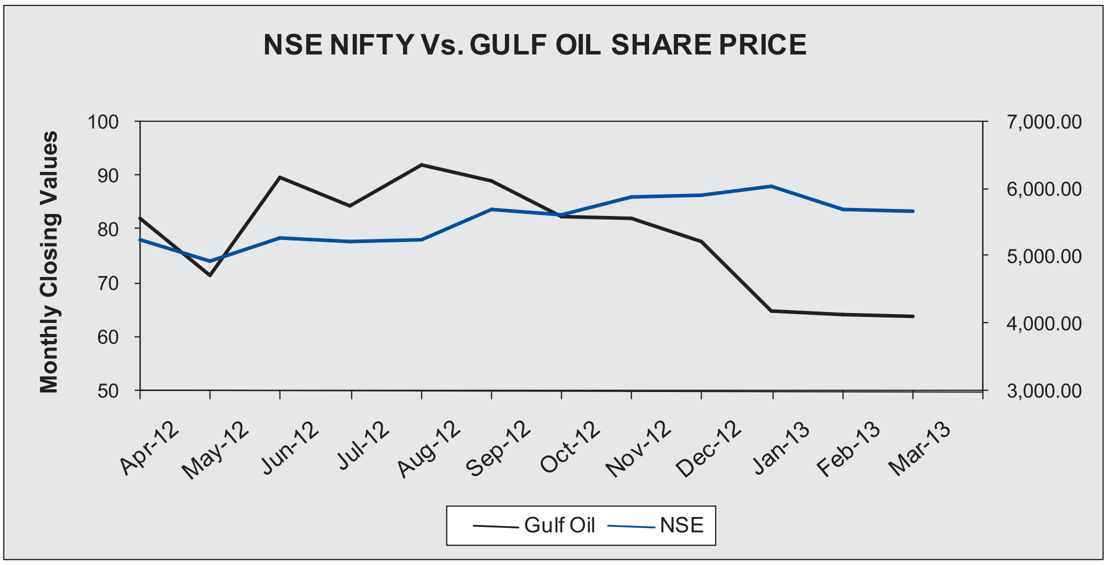
Month & Year	High (₹)	Low (₹)
April, 2012	87.70	75.25
May, 2012	84.20	71.50
June, 2012	85.40	69.90
July, 2012	100.70	79.90
August, 2012	92.25	81.60
September, 2012	95.40	75.70
October, 2012	103.50	88.75
November, 2012	94.20	80.40
December, 2012	87.85	78.85
January, 2013	92.50	77.50
February, 2013	80.80	64.20
March, 2013	72.75	56.25

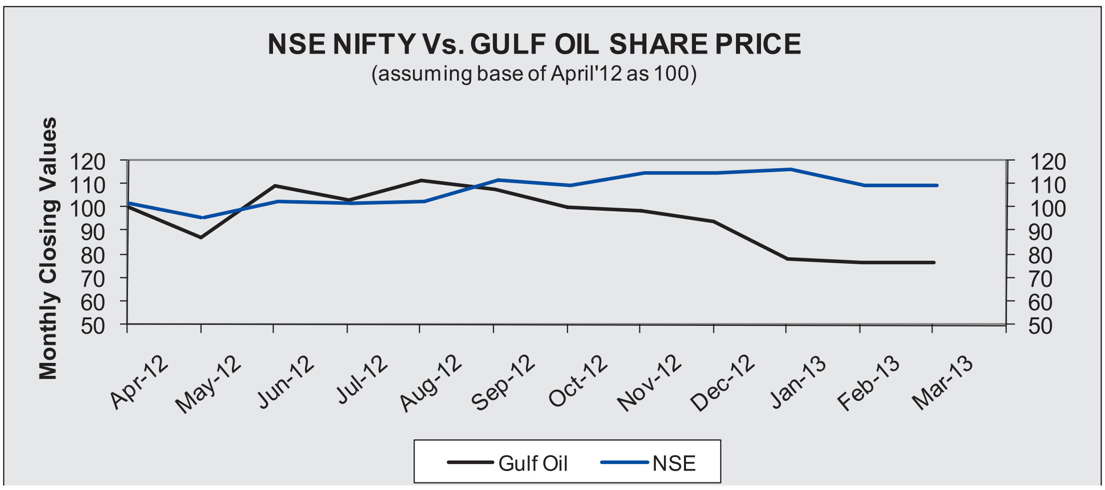




Market Price Data (in Rupees): in respect of the Company's shares on National Stock Exchange India Limited, monthly high and low during the last Financial Year

Month & Year	High (₹)	Low (₹)
April, 2012	88.20	74.75
May, 2012	84.30	71.20
June, 2012	85.90	68.65
July, 2012	100.85	77.85
August, 2012	92.50	81.00
September, 2012	95.50	82.60
October, 2012	103.90	88.10
November, 2012	94.75	80.10
December, 2012	88.00	79.00
January, 2013	92.40	77.10
February, 2013	80.90	64.20
March, 2013	76.85	56.15





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. Subhas Pramanik and Mr. V.Ramesh Rao. The Committee has met five times during the year for approving transfers, transmissions, etc. Operations with regard to dematerialization are being complied with, in conformity with the regulations prescribed.

Report on Corporate Governance

Distribution of Shareholding as on 31st March, 2013:

Paid up Share Capital	Number of Shareholders		Number of Shares	
	Number	%	Number of shares	%
Up to 5000	63139	98.21	8667088	8.74
5001 – 10000	595	0.93	2145152	2.16
10001 – 20000	274	0.43	1963622	1.98
20001 – 30000	85	0.13	1065031	1.07
30001 – 40000	33	0.05	576455	0.58
40001 – 50000	40	0.06	907425	0.92
50001 – 100000	64	0.10	2194805	2.21
100001 and above	61	0.09	81625482	82.34
Total	**64291**	**100**	**99144980**	**100**

Pattern of Shareholding as on 31st March, 2013:

Category	Number of Shareholders	No. of Shares	% of Shareholding
Promoters	1	49536335	49.96
Public :			
Institutional Investors:			
- Mutual Funds & UTI, Banks, Financial Institutions & Others	95	5618670	5.67
Private Corporate Bodies	789	3993682	4.03
Indian Public	63052	24715323	24.93
NRIs/ OCBs	343	4186425	4.22
FIIs	11	11094545	11.19
GRAND TOTAL	**64291**	**99144980**	**100**

Dematerialisation of shares and liquidity – 96722165 shares were dematerialized amounting to 97.56% of the total paid up capital. However, out of the total 64,291 shareholders, 32,116 shareholders, holding small quantity of shares aggregating 24,22,815 shares, continue to hold the shares in physical form.

The name and designation of Compliance Officer : Mr. A Satyanarayana, Deputy Company Secretary

The Registrar and Share Transfer Agents are handling all the share transfers and related transactions.

As on 31st March, 2013 there were no requests pending for demats / overdue beyond the due dates.

Plant Locations:		
A. Explosives	:	Explosives Division, Hyderabad.
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; einward.ris@karvy.com
ISIN for the Equity Shares	:	IN E 077F01027
Dividend for the last three years	:	2012-13: 110% 2011-12: 110% 2010-11: 100%

10. SUBSIDIARIES

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

Board Meeting Minutes of Subsidiaries are being placed at the meetings of the Board of Directors. Annual Financial Statements of Subsidiaries are reviewed by Audit Committee and the Board of Directors.

11. NON MANDATORY REQUIREMENTS

The Board has constituted a Remuneration and Nomination Committee and the terms of reference of this Committee are given in para 5 above are adopted from non mandatory requirements.

Whistle Blower Policy

The Company supports ethical behavior in all its business activities. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the Management and no person has been denied access to the Audit Committee

By order of the Board of Directors

Mumbai
Date: 25th May, 2013

Sanjay G Hinduja
Chairman

ANNEXURE

DIRECTORSHIPS IN OTHER COMPANIES

List of outside Company Directorships:

Vinoo S. Hinduja	M. S. Ramachandran	V. Ramesh Rao
Hinduja Ventures Limited	Supreme Petrochem Limited	Gulf Ashley Motors Limited
Hinduja Group India Limited	Ester Industries Limited	Gulf Oil Middle East Limited
Hinduja Global Solutions Limited	ICICI Bank Limited	Gulf Oil Yantai Co Limited
Hinduja Healthcare Private Limited	The Andhra Pradesh Paper Mills Limited	PT Gulf Oil Lubricants Limited
Hinduja Global Solutons Europe Ltd. (Formerly HTMT Europe Ltd., UK)	Houghton International Inc. (USA)	Gulf Oil Persia
		Gulf Oil Philippines, Inc
Hinduja Global Solutions UK Ltd. (Formerly Careline Services Ltd., UK)		Gulf Oil Bangladesh Limited
Chairman of the Board of Directors of other Indian Companies		
-	-	
Chairman/Member of the Committees of Directors of other Companies in which he/she is a Director*		
	ICICI Bank Limited- Member of the Audit Committee Ester Industries Limited-Member of the Audit 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 31^{st} March, 2013 as envisaged in Clause 49 of the Listing agreement with stock exchanges.

Subhas Pramanik
Managing Director

Place: Hyderabad
Date: 22^{nd} May, 2013

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 31^{st} March, 2013, as stipulated in Clause 49 of the Listing Agreements of the Company entered into with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a reviewof the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of 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)

Secunderabad
May 25, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GULF OIL CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Gulf Oil Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns from the Lubricants Branch audited by other auditors

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2013;

(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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (a) 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.
   (b) 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.
   (c) the reports on the accounts of Lubricants Branch audited by other auditors have been forwarded to us and have been dealt with by us in preparing this report.
   (d) 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 with the audited returns received from the Lubricants Branch.
   (e) 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 Act.
   (f) on the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

K. Rajasekhar
Partner
(Membership No. 23341)

Place: Secunderabad
Date : May 25, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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 the paragraph 4 of the order 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) Some of the fixed assets were physically verified during the year by the Management in accordance with a 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) To the best of our knowledge and belief 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 the order 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 cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine 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 statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 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, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (₹ lakhs)	Forum where 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
		1976-77 to 1983-84, 1987-88, 1989-90 & 1990-91	1,328.16	High Court, Orissa

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (₹ lakhs)	Forum where dispute is Pending
		1976-77 to 1983-84	927.37	Additional Commissioner Commercial Taxes
		1976-77 to 1983-84, 1997-98 2008-09 & 2011-12	242.02	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	250.98	Joint Commissioner
		2007-08	6.57	Deputy Commissioner
Service Tax Act, 1994	Service Tax	2006-07 to 2007-08	1,449.81	Central Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income-Tax	2001-02	10.27	Income tax Appellate Tribunal
		2003-04	427.33	Commissioner of Income Tax (Appeals)
		2004-05	126.60	Commissioner of Income Tax (Appeals)
Wealth Tax, 1957	Wealth Tax	2002-03	69.23	Income Tax Appellate Tribunal
		2003-04	70.83	Income Tax Appellate Tribunal
Lubricants Branch				
Sales Tax Act	Sales Tax	1999- 2000	0.99	Dy. Commissioner – Appeal
		1999- 2000	7.13	Tribunal (Joint Bench)
		2012-13	15.60	Assistant Commissioner Tax
		2005-06	0.98	Dy Commissioner - Commercial tax
		1995-96	0.41	Tribunal department
		1998-99, 1999-2000	1.99	Assistant Commissiner Commercial Taxes
		1999-2000	1.01	Tribunal department
		1997-98	6.10	Assistant Commissioner - Commercial Tax
		2003-04, 2004-05	1,853.03	Tribunal department
		2010-11 to 2012-13	97.92	Dy Commisioner VAT , Appeal
		1999-2000	6.54	High Court
Central Excise Act,1944	Excise Duty	2005-06 to 2011-12	82.77	Additional Commissioner of Central Excise & Custom
		2008-09	0.36	Assisstant Commissioner of Central Excise & Custom
		2008-09 to 2009-10	4.49	Assistant Commissioner of Central Excise & Custom
		2008-09, 2009-10	87.53	Central Excise and Service Tax Appelate Tribunal
		2010-11, 2011-12	1.15	Commissioner Appeals
		2007-08	4.70	Commissioner of Central Excise, Customs & Service Tax
		2011-12	0.96	Deputy Commissioner of Central Excise & Custom
		2008-09 to 2009-10	1.31	Dy. Commissioner
		2012-13	6.11	Joint Commissioner
		2010-11, 2011-12	1.52	Superintendent of Central Excise & Custom
Income tax Act, 1961	Income tax	1999-2000, 2000-01	12.75	Commissioner of Income Tax

(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 by the Company during the year 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, prima facie, 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 material fraud by the Company and no material 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: Secunderabad
Date : May 25, 2013.

BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**1982.90**	1982.90
Reserves and Surplus	3	**108462.62**	105715.88
		110445.52	107698.78
Non-current Liabilities			
Long-term Borrowings	4	**1658.32**	2790.79
Deferred Tax Liabilities (net)	5	**92.31**	23.21
Other Long-term Liabilities	6	**103.47**	63.37
Long-term Provisions	7	**9529.71**	9860.33
		11383.81	12737.70
Current Liabilities			
Short-term Borrowings	8	**24659.62**	21438.59
Trade Payables	9	**10139.61**	9492.91
Other Current Liabilities	10	**4883.59**	6113.80
Short-term Provisions	7	**3001.59**	2665.17
		42684.41	39710.47
TOTAL		**164513.74**	160146.95
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**99919.15**	100549.55
Intangible Assets	11	**100.14**	141.91
Capital Work-in-progress		**1194.20**	1186.15
Non-current Investments	12	**3151.49**	3063.94
Long-term Loans and Advances	13	**1422.61**	1283.36
Other Non-current Assets	14	**3069.89**	116.21
		108857.48	106341.12
Current Assets			
Current Investments	15	**2490.00**	2490.00
Inventories	16	**17600.28**	17251.03
Trade Receivables	17	**13534.47**	11037.79
Cash and Bank Balances	18	**14573.52**	18788.65
Short-term Loans and Advances	13	**6535.81**	3358.37
Other Current Assets	14	**922.18**	879.99
		55656.26	53805.83
TOTAL		**164513.74**	160146.95
Corporate Information and Significant Accounting Policies	1		
See accompanying notes forming part of 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: Secunderabad
Date : May 25, 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

		Notes	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
I	**Income**			
	Revenue from Operations (gross)		**108195.16**	100930.40
	Less : Excise Duty		**13640.81**	11627.30
	Revenue from Operations (net)	19	**94554.35**	89303.10
	Other Income	20	**3958.51**	2770.02
	Total revenue (I)		**98512.86**	92073.12
II	**Expenses**			
	Cost of Materials Consumed	21 (a)	**48607.73**	42545.46
	Purchase of Stock in trade (Traded goods)	21 (b)	**2141.41**	4710.42
	Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	**(1336.24)**	(100.84)
	Employee Benefits Expenses	23	**6826.00**	6584.75
	Finance Costs	24	**3522.47**	2813.30
	Depreciation and Amortisation Expense	11	**1448.13**	1441.61
	Other Expenses	25	**30412.52**	29139.36
	Total Expenses (II)		**91622.02**	87134.06
III	**Profit before Exceptional Items and Tax (I-II)**		**6890.84**	4939.06
IV	Exceptional Items	26	**(430.88)**	(2092.17)
V	**Profit Before Tax**		**7321.72**	7031.23
VI	**Tax Expenses**			
	Current Tax - Current Year		**2149.33**	1585.00
	- Prior year		**8.67**	-
	Less: MAT Credit		**(204.00)**	(670.00)
	Net Current Tax Expense		**1954.00**	915.00
	Deferred Tax		**69.10**	(95.00)
	Total Tax Expense		**2023.10**	820.00
VII	**Profit for the Year**		**5298.62**	6211.23
	Earnings per Equity Share (Face Value of ₹ 2 per share)			
	Basic and Diluted	36	**5.34**	6.26
Corporate Information and Significant Accounting Policies		1		

See accompanying notes forming part of 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: Secunderabad
Date : May 25, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

SI No.	Particulars	For the year ended 31st March 2013 ₹ Lakhs	₹ Lakhs	For the year ended 31st March 2012 ₹ Lakhs	₹ Lakhs
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax and after execptional items		7321.72		7031.23
	Adjustments for:				
	Depreciation and amortisation expense	1448.13		1441.61	
	Dividend income	(2.82)		(42.40)	
	Provision for doubtful trade and other receivables,loans and advances written off	271.68		190.00	
	Loss on sale of Fixed Assets	4.76		0.24	
	Excess of compensation over cost of land acquired by National Highway Authority of India	-		(237.27)	
	Amount received against advances made and adjusted to Revaluation Reserve in earlier year	(268.88)		(354.90)	
	Amount received towards redeemption of Preference Shares	(162.00)		(1500.00)	
	Liabilities/provisions no longer required written back	(184.04)		-	
	Profit on sale of long term Investments	-		(702.21)	
	Interest Income	(2405.55)		(1714.04)	
	Unrealised (Gain)/Loss on Exchange - Net	(270.81)		501.54	
	Finance cost	3246.34	1676.81	2653.37	235.94
	Operating Profit before working Capital changes		8998.53		7267.17
	Changes in working capital:				
	Trade Receivables, Loans and Advances & Other Assets	(2577.28)		(1068.85)	
	Inventories	(349.25)		(1137.65)	
	Trade Payables and Other Liabilities including Provisions	351.87	(2574.66)	(2400.15)	(4606.65)
	Cash generated from Operations		6423.87		2660.52
	Direct Taxes paid (net of refunds)		(1984.34)		(1065.54)
	NET CASH FROM OPERATING ACTIVITIES		4439.53		1594.98
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on fixed assets including capital advances	(819.42)		(616.32)	
	Proceeds from sale of fixed assets	17.58		59.70	
	Investments in Subsidiary Companies	(87.55)		-	
	Bank balance not considered as Cash and cash equivalents				
	- Placed	(55922.00)		(19177.46)	
	- Matured	55713.66		10182.24	
	Compensation received in respect of land accquired by National Highway Authority of India	-		279.14	
	Sale of Long Term Investment	-		4034.74	
	Proceeds from redemption of Preference Shares	162.00		1500.00	
	Loan to subsidiary Company	(3683.87)		-	
	Advance to Subsidiary Companies realised	74.32		9.75	
	Advance to Companies realised	8.23		73.90	
	Interest Received	2599.31		910.02	
	Dividend received	2.82		42.40	
	NET CASH (USED IN) INVESTING ACTIVITIES		(1934.92)		(2701.89)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Sl No.	Particulars	For the year ended 31st March 2013 ₹ Lakhs	For the year ended 31st March 2013 ₹ Lakhs	For the year ended 31st March 2012 ₹ Lakhs	For the year ended 31st March 2012 ₹ Lakhs
(C)	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long Term Borrowings & Hire Purchase Liabilities	716.70		2442.10	
	Net decrease in working capital borrowings	3448.72		8436.44	
	Proceeds from Public Deposits	4.80		8.92	
	Repayment of Public Deposits	(242.73)		(218.44)	
	Repayment of Long Term Borrowings & Hire Purchase Liabilities	(2155.05)		(2346.47)	
	Share application money refunded	-		(4.81)	
	Interest paid	(3324.79)		(2581.92)	
	Dividend paid	(2181.19)		(1982.90)	
	Tax on dividend	(353.84)		(321.68)	
	NET CASH (USED IN)/FROM FINANCIAL ACTIVITIES		(4087.38)		3431.24
	Net increase/(decrease) in cash and cash equivalents		(1582.77)		2324.33
	Cash and Cash Equivalents as at the commencement of the year		4394.72		2070.39
			4394.72		2070.39
	Cash and Cash Equivalents as at the end of the year		2811.95		4394.72

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: Secunderabad
Date : May 25, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

A. CORPORATE INFORMATION

The Company is in business of Lubricants, Industrial Explosives, Mining&Infrastructure services and Property Development.

B. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets i.e. land which is carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(a) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(b) FIXED ASSETS

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

(c) DEPRECIATION AND AMORTISATION ON FIXED ASSETS

i. The Company follows the straight-line method of charging depreciation on all its tangible 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 equipmentswhich are depreciated over their estimated useful life.

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

iii. Intangibles are amortised over the period of it's useful life.

(d) IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.

(e) INVESTMENTS

Current Investments are carried individually at lower of cost and fair value. Long Term Investments are carried individually 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 the net realisable value. The method of arriving at cost of various categories of inventories is as below:

(i)	Stores and Spares, Raw and Packing materials	Weighted Average method
(ii)	Finished goods and Work- in-Progress	Weighted average cost of production, which comprises direct material costs, and appropriate overheads.
(iii)	Contracts Work-in-Progress	Represents expenses incurred on execution of contracts till balance sheet date

(g) FOREIGN CURRENCY TRANSACTIONS

i. Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Monetary assets and liabilities denominated in foreign currency transactions are stated at the prevailing year end rates. The resultant gain / loss upon such reinstatement along with gain / loss on foreign currency transaction are accounted in the Statement of Profit and Loss.

ii. In respect of forward exchange contracts, the premium or discount at the inception of such a forward exchange contract is amortised as expense over life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised in the Statement of Profit and Loss.

iii. Gain or loss on transaction of long term monetary liabilities intended to acquire fixed assets is capitalised as part of the depreciable fixed assets to which the monetary items relates and depreciated over the remaining useful life of such 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 and value added 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. 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 at any stage of the contract, the total cost will exceed the total contract revenue, the expected loss is recognised immediately.

iv. Unbilled revenue represents value of work executed, to be billed subsequent to the Balance Sheet date and is valued at contract price.

(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 BENEFITS

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined Contribution Plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

(k) PROVISIONS AND CONTINGENCIES

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(l) TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(m) SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on a reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

(n) EARNINGS PER SHARE:

Basic earnings per share are computed by dividing the Profit after Tax by the weighted average number of equity shares outstanding during the year.

(o) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, where by profit / (loss) before extraordinary items and tax is adjusted for the effects of transaction of non-cash nature. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(p) LEASES

Lease arrangements where the risks and rewards incidental of ownership of an asset substantially rests with the lessor are recongised as operating losses. Lease rental under operating leases are recognised in the Statement of Profit and Loss on a straight line basis.

(q) OPERATING CYCLE

Based on the nature of products / activities of the Group and normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Equity Shares	Year ended 31st March 2013 Number of shares held	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 Number of shares held	Year ended 31st March 2012 ₹ Lakhs
At the beginning of the year	99144980	1982.90	99144980	1982.90
Issued during the year	-	-	-	-
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 2013 Number of shares held	As at 31st March 2013 % holding in the class	As at 31st March 2012 Number of shares held	As at 31st March 2012 % holding in the class
Equity Shares:				
Gulf Oil International (Mauritius) Inc.	49536335	49.96%	49536335	49.96%
Credo India Thematic Fund Limited	9809157	9.89%	-	-

Note 3 Reserves and Surplus

	As at 31st March 2013	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012	As at 31st March 2012 ₹ Lakhs
Capital Reserve		0.75		0.75
Export Allowance Reserve		10.50		10.50
Securities Premium Account		12139.52		12139.52
Revaluation Reserve				
Opening Balance	67326.58		7584.69	
Add: Addition during the year (Refer note 27)	-		63027.56	
Less: Withdrawal (Refer note 27)	-		3285.67	
Closing balance		67326.58		67326.58
General Reserve				
Opening Balance	12344.01		11694.01	
Add: Transferred from Statement of Profit and Loss	550.00		650.00	
Closing balance		12894.01		12344.01
Surplus in the Statement of Profit and Loss				
Opening Balance	13894.52		10868.32	
Profit for the year	5298.62		6211.23	
	19193.14		17079.55	
Less: Dividend proposed to be distributed to equity shareholders (₹ 2.20 per share) (31st March 2012 ₹ 2.20 per share)	2181.19		2181.19	
Tax on dividend	370.69		353.84	
Transfer to General Reserve	550.00		650.00	
	3101.88		3185.03	
Closing balance		16091.26		13894.52
		108462.62		105715.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2013		As at 31st March 2012	
	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
State Bank of Hyderabad	-	431.87	347.07	1123.04
State Bank of Mauritius Limited	-	253.25	253.25	608.04
Karur Vyasa Bank	1500.00	1000.00	1800.00	-
From others (Secured)				
SREI Infrastructure Finance Limited	-	-	-	52.27
Long term maturities of hire purchase obligations (Unsecured)	152.72	235.23	371.51	234.44
Public Deposits (Unsecured)	5.60	102.53	18.96	91.15
	1658.32	2022.88	2790.79	2330.74

Security/ terms and conditions of repayment

I) 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) Term loan from State Bank of India was taken during the financial year 2007-08 and carries floating rate of interest (13.85% p.a. as on 31st March 2013) 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. As at 31st March 2013 ₹ Nil (31st March 2012:12 instalments amounting to ₹ 221.80 lakhs) is outstanding.

(b) Term Loan from State Bank of Hyderabad was taken during year financial year 2007-08 and carries floating rate of interest 14.50% p.a. as at 31st March 2013. The loan is repayable in 60 monthly installments of ₹ 17.07 Lakhs each commencing from April 2008.

II) Term Loan from State Bank of Hyderabad was taken during the year 2009-10 and carries floating rate of interest (14.25% pa as on 31st March, 2013) 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 115.25 at Kukatpally, Hyderabad belonging to the Company (ii) Second charge on manufacturing building, plant and machinery charged to term lenders.The outstanding amount as at 31st March 2013, is payable in 6 installments of ₹ 69.45 lakhs each(31st March 2012 , 18 installments of ₹ 69.45 lakhs each)

III) Term loan from State Bank of Mauritius Limited was taken during the year 2009-10 and carries floating rate of interest of 2.50% above Base Rate BPLR (13.25% p.a. as on 31st March 2013) 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 115.25 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. The outstanding amount as at 31st March 2013, 5 installments of ₹ 50.67 lakhs each (31st March 2012 , 17 installments of ₹ 50.67 lakhs each)

IV) 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 (12.25% p.a. as on 31st March 2013) with an option to reset after one year from the date of disbursement. The loan tenor is for 3 years including initial holiday period of one year. Repayment of loan will be in two installments, ₹ 1,000 lakhs to be paid at end of 24th month (i.e., 29th March, 2014) and balance at the end of 36th month (i.e., 29.03.2015) from the date of disbursement of Loan. 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. The amount outstanding as at 31st March 2013 is ₹ 2,500 Lakhs to be paid in two installments of ₹ 1,000 Lakhs in March 2014 & ₹ 1,500 Lakhs in March 2015.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

V) Term loan from SREI Infrastructure Finance Limited is 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. The outstanding amount as at 31st March 2013 is ₹ Nil (31st March 2012 10 monthly instalments amounting to ₹ 52.27 lakhs)

VI) Public deposits are repayable within 2 years. The rate of interest on deposit for one year 9.75% (up to 31st August 2012: 9.50%) and more than one year and below two years 10% (upto 31st August 2012: 9.75 %) above two years 10.50% (upto 31st August 2012: 10.25%).

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
Note 5 Deferred Tax Liability (net)		
Tax effects of Items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed asset	480.53	536.66
On surplus arising on transfer of Explosives Undertaking	257.71	246.00
	738.24	782.66
Tax effects of Items constituting Deferred Tax Asset		
Provision for doubtful debts / advances	327.55	453.36
Provision for Compensated absences, gratuity and other employees benefits	318.38	306.09
	645.93	759.45
Net Deferred Tax Liability	92.31	23.21

	As at 31st March 2013		As at 31st March 2012	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 6 Other Long-term Liabilities				
Trade payables	9.44	-	-	-
Deposits from Service providers	94.03	-	63.37	-
	103.47	-	63.37	-
Note 7 Provisions				
Provision for Employee Benefits:				
Gratuity (Refer Note 33)	466.55	111.00	583.12	44.61
Compensated absences	293.45	65.81	219.56	37.42
	760.00	176.81	802.68	82.03
Other Provisions				
Provision for -				
- Indirect Taxes (Refer Note 31)	8394.10	-	8394.10	-
- Claims	375.61	224.79	663.55	-
Provision for Fringe benefit tax	-	48.11	-	48.11
Proposed Equity Dividend	-	2181.19	-	2181.19
Provision for Tax on Proposed Equity dividend	-	370.69	-	353.84
	8769.71	2824.78	9057.65	2583.14
	9529.71	3001.59	9860.33	2665.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
Note 8 Short-term Borrowings		
From Bank (Secured):		
Cash Credit	**5130.37**	2509.44
Working Capital Demand Loan (Foreign Currency)	**-**	1042.93
Working Capital Demand Loan (Yes Bank Limited)	**1000.00**	500.00
Working Capital Demand Loan (IDBI Bank Limited)	**500.00**	-
Buyers credit (Unsecured)	**18029.25**	17386.22
	24659.62	21438.59

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

Note 9 Trade Payable		
Trade payables (Refer note 32 for dues to micro and small enterprises)		
Acceptances	**100.93**	-
Other than Acceptances	**10038.68**	9492.91
	10139.61	9492.91

Note 10 Other Current Liabilities		
Current maturities of long term borrowings (Refer Note 4)	**2022.88**	2330.74
Interest accrued but not due on borrowings	**98.99**	177.45
Unpaid dividend	**111.39**	97.71
Unpaid matured deposits including interest accrued	**6.00**	241.95
Unclaimed share application money - Rights issue	**1.95**	1.95
Others		
Due to Subsidiary	**39.45**	753.82
Advance from customers	**489.46**	545.63
Creditors for capital goods	**28.53**	65.41
Statutory remittances	**2031.03**	1687.02
Trade deposit received	**3.86**	75.32
Other payables	**50.05**	136.80
	4883.59	6113.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11 Fixed Assets ₹ Lakhs

ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost / Revaluation 31st March 2012	Additions	Deductions	Adjustment on revaluation (Refer Note 27)	Cost / Revaluation 31st March 2013	Balance as at 31st March 2012	For the year	On Deductions	Balance as at 31st March 2013	Balance as at 31st March 2013	Balance as at 31st March 2012
A) Tangible Assets											
Land-Freehold	92945.95	-	-	-	92945.95	-	-	-	-	92945.95	-
(Previous year)	(33207.27)	-	(3288.88)	(63027.56)	(92945.95)	-	-	-	-	-	(92945.95)
Land-Leasehold	6.80	-	-	-	6.80	6.80	-	-	6.80	-	-
(Previous year)	(6.80)	-	-	-	(6.80)	(6.80)	-	-	(6.80)	-	-
Buildings											
- Owned	1784.01	164.14	-	-	1948.15	794.63	49.29	-	843.92	1104.23	-
- Given under operating lease	71.09		-	-	71.09	9.70	1.28		10.98	60.11	-
Total	1855.10	164.14	-	-	2019.24	804.33	50.57	-	854.90	1164.34	-
(Previous year)	(1759.54)	(108.50)	(12.94)	-	(1855.10)	(754.44)	(50.46)	(0.57)	(804.33)	-	(1050.77)
Plant & Machinery											
- Owned	14908.85	319.02	30.80	-	15197.07	9020.73	1200.46	29.34	10191.85	5005.22	-
- Given under operating lease	80.32	-	-	-	80.32	62.10	3.82		65.92	14.40	-
Total	14989.17	319.02	30.80	-	15277.39	9082.83	1204.28	29.34	10257.77	5019.62	-
(Previous year)	(14763.35)	(388.87)	(163.05)	-	(14989.17)	(8024.39)	(1212.38)	(153.94)	(9082.83)	-	(5906.34)
Furniture, Fixtures	358.80	21.54	3.41	-	376.93	232.12	13.04	2.37	242.79	134.14	-
(Previous year)	(336.91)	(24.12)	(2.23)	-	(358.80)	(220.18)	(13.89)	(1.95)	(232.12)	-	(126.68)
Office Equipment	289.54	21.29	1.88	-	308.95	159.99	14.14	0.87	173.26	135.69	-
(Previous year)	(296.57)	(12.90)	(19.93)	-	(289.54)	(153.76)	(12.85)	(6.62)	(159.99)	-	(129.55)
Vehicles	525.35	165.64	40.06	-	650.93	313.75	40.35	21.68	332.42	318.51	-
(Previous year)	(537.90)	(46.34)	(58.89)	-	(525.35)	(307.40)	(44.15)	(37.80)	(313.75)	-	(211.60)
Computers	546.81	90.09	33.76	-	603.14	368.15	67.40	33.31	402.24	200.90	-
(Previous year)	(554.11)	(22.03)	(29.33)	-	(546.81)	(336.60)	(60.30)	(28.75)	(368.15)	-	(178.66)
Total - Tangible	**111517.52**	**781.72**	**109.91**	**-**	**112189.33**	**10967.97**	**1389.78**	**87.57**	**12270.18**	**99919.15**	**-**
(Previous year)	**(51462.45)**	**(602.76)**	**(3575.25)**	**(63027.56)**	**(111517.52)**	**(9803.57)**	**(1394.03)**	**(229.63)**	**(10967.97)**	**-**	**(100549.55)**
B) Intangible Assets											
Computer software	328.30	16.58	-	-	344.88	186.39	58.35	-	244.74	100.14	-
(Previous year)	(303.55)	(32.00)	(7.25)	-	(328.30)	(146.06)	(47.58)	(7.25)	(186.39)	-	(141.91)
Total - Intangible	328.30	16.58	-	-	344.88	186.39	58.35	-	244.74	100.14	-
(Previous year)	(303.55)	(32.00)	(7.25)	-	(328.30)	(146.06)	(47.58)	(7.25)	(186.39)	-	(141.91)
Total	**111845.82**	**798.30**	**109.91**	**-**	**112534.21**	**11154.36**	**1448.13**	**87.57**	**12514.92**	**100019.29**	**-**
(Previous year)	**(51766.00)**	**(634.76)**	**(3582.50)**	**(63027.56)**	**(111845.82)**	**(9949.63)**	**(1441.61)**	**(236.88)**	**(11154.36)**	**-**	**(100691.46)**

C Details of assets acquired under hire purchase agreements:

Particulars	Gross block		Net block	
	31st March 2013	31st March 2012	**31st March 2013**	31st March 2012
Plant and Machinery	438.16	438.16	254.66	304.22
Vehicles	15.85	15.85	13.97	15.48
Total	**454.01**	**454.01**	**268.63**	**319.70**

D Depreciation and amortisation expense relating to continuing operations:

Particulars	31st March 2013	31st March 2012
Depreciation and amortisation for the year on tangible assets as per Note 11 A	1389.78	1394.03
Amortisation for the year on intangible assets as per Note 11 B	58.35	47.58
Depreciation and amortisation relating to continuing operations	**1448.13**	**1441.61**

E Details of assets given under lease (Refer Note 30)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31st March 2013 ₹ Lakhs		As at 31st March 2012 ₹ 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: Provision for 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: Provision for 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 Equity 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
1,00,000 (31st March, 2012: Nil) Equity Shares of GBP 1 each fully paid up in HGHL Holdings Ltd.		87.46		-
(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
12,490 Equity shares of ₹ 10 each fully paid Mangalam Retail Services Limited		1.25		1.25
100 (31st March, 2012: Nil) Equity Shares of GBP 1 each fully paid up in GHG Lubricants Holdings Limited		0.09		-
2 equity shares of ₹ 100 each fully paid Pachora Peoples Co-operative Bank Limited (* ₹ 300)		- *		- *
		3126.29		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				
1,62,000 (31st March, 2012: 16,62,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each fully paid-up in APDL Estate Limited	162.00		1662.00	
Less: 1,62,000 (31st March, 2012: 15,00,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each) redeemed during the year	162.00		1500.00	
	-		162.00	
Less: Diminution in value	-	-	162.00	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ 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
		25.20	25.20
		3151.49	3063.94
Note:			
1	Aggregate cost of quoted investments	25.20	25.20
2	Aggregate Market Value of quoted investments	72.80	89.41
3	Aggregate cost of unquoted investments	3,126.29	3,038.74

	As at 31st March 2013 Non-current ₹ Lakhs	As at 31st March 2013 Current ₹ Lakhs	As at 31st March 2012 Non-current ₹ Lakhs	As at 31st March 2012 Current ₹ Lakhs
Note 13 Loans and advances (considered good unless otherwise specified)				
Capital advances	23.08	-	46.88	-
Security deposit				
Considered good	302.15	705.17	346.23	27.68
Considered doubtful	20.00	-	-	-
Less: Provision for doubtful advances	(20.00)	-	-	-
	302.15	705.17	346.23	27.68
Loans and advances to related parties				
Gulf Carosserie Indian Limited	-	6.97	-	6.29
Less: Provision for doubtful advances	-	6.97	-	5.29
	-	-	-	1.00
IDL Buildware Limited	-	355.89	-	430.89
Less: Provision for doubtful advances	-	355.89	-	430.89
	-	-	-	-
IDL Explosives Limited	-	3683.87	-	-
Loans and advances to Other Companies:				
IDL Specialty Chemicals Limited	-	137.84	-	146.09
Less: Provision for doubtful advances	-	137.84	-	146.09
	-	-	-	-
Advance to suppliers and service providers				
Considered good	-	291.93	-	1347.69
Considered doubtful	-	-	-	95.62
Less: Provision for doubtful advances	-	-	-	95.62
	-	291.93	-	1347.69
Loans and advances to employees	-	48.95	-	54.63
Prepaid expenses	35.01	219.44	20.66	334.45
Advance income tax (net of provisions)	-	583.60	-	357.92
MAT credit entitlement	-	474.65	-	670.00
Deposits with Government authorities	1062.37	-	869.59	-
Balance with Government authorities	-	528.20	-	565.00
	1422.61	6535.81	1283.36	3358.37

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2013 Non-current ₹ Lakhs	As at 31st March 2013 Current ₹ Lakhs	As at 31st March 2012 Non-current ₹ Lakhs	As at 31st March 2012 Current ₹ Lakhs
Note 14 Other assets				
Unbilled Revenue	-	335.24	-	-
Interest receivable				
- Deposits	99.29	586.94	-	499.99
- Trade receivables	-	-	-	380.00
Fixed deposits with banks (Refer note below)	54.45	-	54.45	-
Margin Money deposit	2916.15	-	61.76	-
	3069.89	922.18	116.21	879.99

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

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ 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	2490.00	2490.00
	2490.00	2490.00
Aggregate cost of unquoted investments	2490.00	2490.00

The Preference shares were allotted to Company in terms of scheme of arrangement and were due for redemption on 25th May 2011 or 45 days from the date of infusion of fresh capital in IDL Explosives Limited. The redemption had been mutually agreed to be deferred by one year i.e., 25th May 2012 or 45 days from the date of infusion of fresh capital in IDL Explosives Limited. During the current year the date of redemption has been deferred upto 25th May 2014 or 45 days infusion of fresh capital in IDL Explosives Limited.

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
Note 16 Inventories (valued at lower of cost and net realisable value)		
Contract work-in-progress	-	36.50
Raw Materials	5997.05	7040.68
Work-in-Progress (Refer note below)	589.53	582.42
Finished Goods (Other than those acquired for trading) (includes stock in transit of ₹ Nil (31st March 2012 ₹ 89.74 Lakhs))	6157.92	4808.53
Stock in trade	540.43	518.90
Stores, spares and Fuel	325.78	364.88
Packing Materials	378.91	288.46
Land / Buildings for Property Development, at cost (refer note 27)	3610.66	3610.66
	17600.28	17251.03
Note : Details of Work-in-Progress		
Detonators & Detonating Fuse	415.77	442.31
Lubricants	173.76	140.11
	589.53	582.42
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	1434.06	1390.89
Considered Doubtful	2274.87	2960.89
	3708.93	4351.78
Less: Provision for doubtful trade receivables	2274.87	2960.89
	1434.06	1390.89
Other Receivables	12100.41	9646.90
	13534.47	11037.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
Note 18 Cash and Bank balances		
A) Cash & Cash equivalents		
Cash on hand	11.32	12.36
Cheques, drafts on hand	-	521.25
Balances with banks:		
In Current Accounts	2800.63	3861.11
Total Cash & Cash equivalents (A)	2811.95	4394.72
B) Other bank balances		
In Deposit accounts	35.00	3131.51
In earmarked accounts		
- Margin Money Deposit	11613.23	11162.76
- Unpaid dividend accounts	111.39	97.71
- Refund orders issued by the Company but not encashed by Rights Issue Applicants	1.95	1.95
Total of Other bank balances (B)	11761.57	14393.93
Cash and Bank Balances (A + B)	14573.52	18788.65

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Note 19 Revenue from Operations		
Sale of products (Refer note (i) below)	105343.84	95665.04
Service Income (Income from Operation Contracts)	2774.79	5083.35
Other operating income (Refer note (ii) below)	76.53	182.01
	108195.16	100930.40
Less: Excise duty	13640.81	11627.30
	94554.35	89303.10
Note		
(i) Sale of products		
Manufactured goods		
Detonators	6449.62	6046.01
Detonating Fuse	1562.83	1606.42
Cartridged ANFO & NCN (High Explosives)	124.83	137.37
Boosters	1.10	37.47
Single or double or Multilayer clad plates	-	198.39
Lubricating Oils	94030.19	81798.71
Others	92.26	531.74
	102260.83	90356.11
Traded goods		
Safety Fuse - Purchased	39.58	82.61
Grease/Lubes	2330.43	3918.12
Filters	256.52	428.76
Car care lube equipment and battery	456.48	137.81
Cartridged ANFO & NCN (High Explosives)	-	729.30
Others	-	12.33
	3083.01	5308.93
	105343.84	95665.04
(ii) Other operating Income		
Export Incentives (DEPB)	-	33.28
Miscellaneous	76.53	148.73
	76.53	182.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Note 20 Other Income		
Interest income (Refer note below)	**2405.55**	1714.04
Dividend income on long term investment	**2.82**	42.40
Insurance claims	**2.50**	46.65
Provision no longer required written back	**184.04**	-
Gain/(Loss) on Exchange rate	**117.02**	176.76
Commission on Corporate Guarantees given to Subsidiaries	**1121.21**	-
Net gain on sale of investments	**-**	702.21
Miscellaneous	**125.37**	87.96
	3958.51	2770.02
Note : Interest income comprises :		
Interest on deposits with bank	**2278.04**	1208.56
Interest on Income tax refund	**-**	125.48
Interest from customer	**127.51**	380.00
	2405.55	1714.04
Note 21(a) Cost of Material Consumed		
Opening stock	**7040.68**	5849.43
Add: Purchases	**47818.70**	43981.68
	54859.38	49831.11
Less: Closing stock	**5997.05**	7040.68
Cost of materials consumed	**48862.33**	42790.43
Less: Scrap realisation	**254.60**	244.97
	48607.73	42545.46
Details of material consumed		
Coating Materials	**499.76**	421.99
Chemicals	**745.18**	764.00
Metals	**652.94**	711.17
Yarn & Paper	**85.77**	106.83
Base Oil	**36595.97**	32928.01
Additives	**10131.29**	7789.94
Miscellaneous	**151.42**	68.49
Cost of material consumed	**48862.33**	42790.43
Note 21(b) Purchase of Stock in Trade		
Safety Fuse	**18.00**	53.25
Cartridge ANFO & NCN (High Explosives)	**-**	377.48
Grease/Unprocessed Oils	**1664.17**	3476.00
Filters	**-**	262.00
Battery	**-**	97.00
Others	**459.24**	444.69
	2141.41	4710.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Note 22 Changes in Inventories of Finished Goods, Work- in-progress and stock-in-trade		
Inventories at the end of the year		
Stock in trade	540.43	518.90
Contracts-in-Progress	-	36.50
Work-in-progress	589.53	582.42
Finished goods	6157.92	4808.53
	7287.88	5946.35
Inventories at the beginning 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
	(1341.53)	(77.02)
Excise duties etc. on Increase/(Decrease) of Finished Goods	5.29	(23.82)
Net Increase	(1336.24)	(100.84)
Note 23 Employee Benefit Expenses		
Salaries, Wages and Bonus	5617.10	5385.76
Contribution to Provident and other funds	605.38	629.58
Staff Welfare Expenses	603.52	569.41
	6826.00	6584.75
Note 24 Finance Costs		
Interest expenses on		
Borrowings	1922.60	1883.55
Others	191.30	154.92
Net Loss on Foreign currency transactions and translations	1132.44	614.91
Other borrowing cost	276.13	159.92
	3522.47	2813.30

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Year ended 31st March 2013 ₹ Lakhs		Year ended 31st March 2012 ₹ Lakhs
Note 25 Other Expense				
Consumption of stores and spares		207.28		211.90
Processing Charges		1008.00		725.81
Packing material consumption		4726.51		4622.18
Power and Fuel		663.87		494.25
Expenses on Operation Contracts		2323.99		4530.99
Rent		1096.11		1435.93
Rates and taxes		216.87		226.32
Insurance		301.16		268.34
Repairs and maintenance				
Plant and machinery		156.88		229.83
Buildings		47.27		47.40
Advertising and sales promotion		5499.16		4073.26
Discounts on Sales		6232.39		5001.54
Selling commission		381.87		272.48
Travelling and conveyance		705.16		621.13
Distribution expenses		3988.07		3890.99
Postage, Telephone and Telex		167.41		164.02
Legal and professional fees (Refer note below)		543.66		423.37
Doubtful trade receivables, Loans and advances writtenoff	559.35		-	
Provision for doubtful trade receivables, loans and advances	271.68		190.00	
	831.03		190.00	
Less: Provision for doubtful trade receivables, Loans and advances written back	909.08	(78.05)	-	190.00
Bad trade and other receivables, advances etc, writen off		445.29		-
Directors' sitting fees		19.85		15.82
Loss on fixed asset sold / scrapped / written off		4.76		0.24
Royalty		1134.87		986.26
Miscellaneous expenses		620.14		707.30
		30412.52		29139.36
Note: Legal and professional expenses inculdes:				
Auditor's Remuneration (net of service tax input credit)				
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)		15.80		4.75
Reimbursement of expenses		2.28		0.34
		43.58		30.59
Branch Auditors Remuneration				
As statutory auditors:				
Audit fee		10.00		10.00
Tax audit fee		4.00		4.00
Other services (certification fees)		9.66		4.50
Reimbursement of expenses		1.61		2.08
		25.27		20.58
Cost auditor's remuneration				
Cost audit		1.50		1.50
		1.50		1.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Note 26 Exceptional Items		
Recovery 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 Hon'ble High Court of Andhra Pradesh, Hyderabad in 2008-09	**(268.88)**	(354.90)
Amount received towards redemption of 162000 (31.03.2012 1500000) 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 Hon'ble High Court of Andhra Pradesh	**(162.00)**	(1500.00)
Excess of compensation over cost of land acquired by National Highway Authority of India	**-**	(237.27)
	(430.88)	(2092.17)

27. 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 previous year, the Company surrendered certain portion of the land for road widening purposes to Greater Hyderabad Municipal Corporation. Consequently ₹ 3,285.67 Lakhs had been withdrawn from revaluation reserve in the previous year.

iii. As at 31st March 2012, land meant for property development situated at Hyderabad, had 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

iv. During the year ended 31st March, 2011, 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. The Company has created equitable mortgage by way of deposit of title deeds in respect of the aforesaid Land towards loan of ₹85,000 Lakhs availed by Hinduja Reality Venture Limited from various lenders.

28. Contingent liabilities and Commitments:

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
A. Contingent liabilities:		
(i) Claims against the Company not acknowledged as debts		
(a) Income Tax Demands	**2119.41**	1756.90
(b) Wealth Tax	**197.93**	196.66
(c) Sales Tax Demands	**2159.67**	1942.24
(d) Excise Demands	**849.16**	793.03
(e) Additional Demands towards cost of land	**3.81**	54.93
(f) Claims of workmen/ex-employees	**96.41**	85.40
(g) Other Matters @	**66.88**	93.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
B.	**Commitments:**		
	(i) Corporate Guarantees*	**10626.60**	10559.80
	(ii) Letters of Comfort **	**165855.00**	-
	(iii) Estimated amount of contracts remaining to be executed on capital account (net of advance of ₹5.25Lakhs (As at 31st March, 2012 ₹ 46.88 Lakhs))	**4139.83**	356.18

*(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 Company.The amount outstanding as on 31st March 2013 is 16.09 Million Taka - ₹114.82 lakhs (31st March 2012 10.40 Million Taka – ₹67.30 Lakhs)

(b) The Company has given a Corporate Guarantee of ₹ 9,913.00 lakhs to the banks on behalf of its wholly owned subsidiary IDL Explosives Limited till such time charge on security has been created by IDL Explosives Limited. The amount outstanding as on 31st March, 2013 is ₹ 655.15 Lakhs (31st March, 2012 is ₹541.48 Lakhs)

**(a) The Company, during the year, has given a Letter of Comfort of ₹3000.00 Lakhs to a bank on behalf of its wholly owned subsidiary IDL Explosives Limited. The amount outstanding as on 31st March 2013 is ₹ 2,424.60 Lakhs.

(b) The Company through its subsidiary HGHL Holdings Limited (HGHL) UK, acquired Houghton International Inc. in USA. HGHL has taken a loan of USD 300 million from Lenders to part finance the acquisition. The amount outstanding as on 31st March 2013 is ₹162,855 Lakhs.

The said loan was extended on the basis of Letter of Comfort/Stand-By Letter of Credit Facility Agreement between the Company, HGHL (both being Co-Obligors to the said Facility) and lenders on the strength of guarantee of Gulf Oil International Limited, Cayman and Cash Deficit Undertaking from its specified subsidiaries and also from the Company, wherein they are obligated to make contributions to HGHL in case of deficiencies in resources for servicing the said facilities.

In terms of the aforesaid agreement the loan is also secured by: (i) first paripassu charge by way of equitable mortgage on land of the Company admeasuring 112.26 acres at Kukatpally, Hyderabad and (ii) first paripassu charge along with existing lenders by way of equitable mortgage on land admeasuring 115.25 acres at Hyderabad and buildings, and plant & machinery belonging to explosives division.

(@) The Competition Commission of India has passed an order in a case filed by a customer imposing a penalty of ₹ 2,894.76 lakhs. Against the said order, the Company filed an appeal in Competition Appellate Tribunal (“COMPAT”). The appeal was disposed off by reducing the penalty amount to ₹289.00 Lakhs. The Company has filed an appeal in the Supreme Court. An amount of ₹150.09 Lakhs has been deposited with Competition Commission of India in terms of order of COMPAT.

C. The Company has investment of ₹ 2,490.00 lakhs in 10% Redeemable Cumulative Preference shares and an inter corporate loan of ₹3,683.87 lakhs in IDL Explosives Limited (IDL), a wholly owned subsidiary of the Company. IDL has incurred losses during the current financial year and as at the Balance Sheet date, its accumulated losses of ₹1,487.31 lakhs are in excess of 50% of its net worth. In view of Company’s commitment to continue financial support to IDL, no provision has been considered necessary towards the investment and loan outstanding as at 31st March 2013.

29.1 Expenditure in Foreign Currency

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Interest	**453.92**	350.87
Commission on exports	**180.80**	141.48
Export freight, expenses etc.,	**69.04**	404.42
Other-travelling expenses, books and periodicals etc.	**21.65**	16.26
Royalty (inclusive of tax deducted at source)	**1021.38**	986.26

29.2 Earnings in Foreign Exchange

Export on F O B Basis	**2791.44**	3755.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29.3 Value of Imports of CIF Basis

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
Raw Materials	20302.17	18772.87
Capital Goods	89.73	131.29
Stores and Spares	-	12.48
Traded Goods	449.25	127.42

29.4 Amount remitted during the period in foreign currency on account of dividend

Number of non-resident Shareholders	1	1
Number of Shares held	49536335	49536335
Dividend remitted (₹ Lakhs)	1,089.80	990.73
Dividend on account of year	2011-12	2010-11

29.5 Consumption of raw materials

Raw material	Year ended 31st March 2013		Year ended 31st March 2012	
	₹ Lakhs	Percentage	₹ Lakhs	Percentage
Imported	20379.19	41.71	19438.22	45.42
Indigenous	28483.14	58.29	23352.21	54.58
	48862.33	100.00	42790.43	100.00

30. Fixed Assets: Buildings include:

(i) ₹ 7.09 Lakhs, which represents the cost of ownership of the 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 five 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.

31. The Honorable Supreme Court vide its order dated 16th November 2007, held that the stock transfers constituted interstate sale in respect of 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 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.

32. Trade payables- Dues to Micro and Small enterprise:

The Company has received intimation from“Suppliers” regarding their status under the Micro, Small and Medium Scale Enterprises Development Act, 2006.

Disclosure required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

₹ Lakhs

Particulars	As at 31st March, 2013	As at 31st March, 2012
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	22.06	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.15	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

₹ Lakhs

	31st March 2013	31st March 2012
Projected defined benefit obligation at the beginning of the year	1073.78	1031.83
Current service cost	94.06	94.15
Interest cost	77.84	76.22
Actuarial (Gain) / Loss	15.53	29.59
Benefits paid	(201.40)	(158.01)
Projected defined benefit obligation at the end of the year	1059.81	1073.78
Fair value of plan assets beginning of the year	446.05	425.51
Expected return on plan assets	37.14	34.86
Contributions	189.03	142.52
Benefits paid	(201.40)	(158.01)
Actuarial gain (Loss) Plan Assets	11.45	1.17
Fair value of plan assets at the end of the year	482.26	446.05
Total Actuarial gain (loss) to be recognized	(4.09)	(28.40)
Amounts recognised in the balance sheet		
Projected benefit obligation at the end of the year	1059.81	1073.78
Fair value on plan assets at the end of the year	(482.25)	(446.05)
Liability recognised in the balance sheet	577.55	627.73
Cost of the Retirement and Other Benefits for the year		
Current service cost	94.06	94.15
Interest cost	77.84	76.22
Expected return on plan assets	(37.14)	(34.86)
Net actuarial (Gain) / Loss recognised in the year	4.09	28.40
Net cost recognised in the Statement of Profit and Loss	138.85	163.91
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%

The Details of Experience adjustments arising on accounts of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on “Employee Benefits” have not been furnished, since there is no change in the assumptions from last five years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34. Details on derivatives instruments and unhedged foreign currency exposures:

(i) 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, 2013:

As at 31st March 2013				As on 31st March 2012			
Currency	**Amount**	**Buy /Sell**	**Cross Currency**	**Currency**	**Amount**	**Buy / Sell**	**Cross Currency**
USD	**18019165**	**Buy**	**Indian Rupees**	USD	21018331	Buy	Indian Rupees

(ii) 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 2013	31st March 2012		**31st March 2013**	31st March 2012
Export of Goods	**1085.76**	1422.4	USD	**1985389**	2795943
Export of Service	**1046.84**	-	USD	**1928424**	-
Export of Service	**3.43**	-	BDT	**500000**	-
Export of Goods	**92.18**	-	EURO	**132648**	-
Import of Goods	**8214.98**	6768.79	USD	**15133063**	13306065
FCNRB Loan	**-**	966.62	USD	**-**	1900000

35. Details of contract revenue and costs:

₹ Lakhs

	2012-13	2011-12
Contract revenue recognized as revenue during the year	**19.56**	905.76
Aggregate amount of contract costs incurred in respect of contracts net of recognized profits (less recognized losses) up to 31st March, 2013	**2397.69**	2378.13
Advance payments received (net of recoveries from progressive bills)	**-**	185.08
Retention amount as at 31st March, 2013	**259.29**	372.24
Gross amount due from customers	**103.62**	234.39

36. Earnings per share:

	Year ended 31st March 2013	Year ended 31st March 2012
Profit after Tax (₹ Lakhs)	**5,298.62**	6,211.23
Weighted average number of equity Shares outstanding during the period/year	**99144980**	99144980
Weighted Average number of equity shares in computing diluted earnings per share	**99144980**	99144980
Face value of each equity share (₹)	**2**	2
Earnings per Share		
-Basic (₹)	**5.34**	6.26
-Diluted (₹)	**5.34**	6.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

37. 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	Subsidiary
Gulf Oil Bangladesh Limited	Subsidiary
PT Gulf Oil Lubricants Indonesia	Subsidiary
Gulf Oil (Yantai) Limited, China	Subsidiary
Hinduja Infrastructure Limited	Subsidiary
IDL Explosives Limited	Subsidiary
HGHL Holdings Limited (Subsidiary from 21stNovember, 2012)	Subsidiary
Gulf Oil International (Mauritius) Inc.	Entity holding more than 20% of the shareholding in the Company
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 ended 31st March, 2013:

₹ Lakhs

Particulars	Subsidiaries		Entity holding more than 20% of the shareholding in the Company		Key Management Personnel	
	2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
Sales						
PT Gulf Oil Lubricants Indonesia	**-**	11.01	**-**	-	**-**	-
Gulf Oil Bangladesh Limited	**167.76**	53.64	**-**	-	**-**	-
IDL Explosives Limited	**1963.58**	1839.23	**-**	-	**-**	-
Other Income						
HGHL Holdings Limited	**1050.67**	-	**-**	-	**-**	-
Gulf Oil Bangladesh Limited	**3.43**	-	**-**	-	**-**	-
IDL Explosives Limited	**115.11**	48.00	**-**	-	**-**	-
Royalty						
Gulf Oil International (Mauritius) Inc.	**-**	-	**1134.87**	986.26	**-**	-
Purchase & Other Services						
IDL Explosives Limited	**40.60**	434.73	**-**	-	**-**	-
IDL Buildware Limited	**-**	0.95	**-**	-	**-**	-
Expenses Reimbursed						
IDL Explosives Limited	**17.21**	-	**-**	-	**-**	-
Marketing Services fee						
IDL Explosives Limited	**675.29**	800.00	**-**	-	**-**	-
Advances given / (Received)						
IDL Buildware Ltd.,	**(75.00)**	-	**-**	-	**-**	-
Gulf Carosserie India Limited	**0.68**	0.27	**-**	-	**-**	-
IDL Explosives Limited	**714.37**	552.63	**-**	-	**-**	-
Investment in Equity Shares						
HGHL Holdings Limited	**87.46**	-	**-**	-	**-**	-
GHG Lubricants Holdings Ltd	**0.09**	-	**-**	-	**-**	-

Particulars	Subsidiaries		Entity holding more than 20% of the shareholding in the Company		Key Management Personnel	
Investment in Preference shares						
IDL Explosives Limited	-	2490.00	-	-	-	-
Interest & Other reimbursements to						
IDL Explosives Limited	76.98	34.87	-	-	-	-
Interest received on inter corporate Deposits						
IDL Explosives Limited	336.79	122.46	-	-	-	-
Dividend paid						
Gulf Oil International (Mauritius) Inc.	-	-	1089.79	990.73	-	-
S.Pramanik	-	-	-	-	0.10	0.09
Dividend Received						
Gulf Oil Bangladesh Limited	-	13.76	-	-	-	-
Directors' Remuneration	-	-	-	-	95.33	85.39
ICD Given						
IDL Explosives Limited	3683.87	1830.00	-	-	-	-
ICD Repaid						
IDL Explosives Limited	-	1830.00	-	-	-	-
Outstanding balances:						
(a) Receivables						
PT Gulf Oil Lubricants Indonesia	12.88	11.23	-	-	-	-
Gulf Carosserie India limited	-	1.00	-	-	-	-
Gulf Oil Bangladesh Limited	31.67	-	-	-	-	-
IDL Explosives Limited (Inculding Interest)	466.99	553.83				
Gulf Oil (Yantai) Limited, China	0.65	-	-	-	-	-
HGHL Holdings Limited	1046.85	-	-	-	-	-
(b) Payables						
Gulf Oil International (Mauritius) Inc.	-	-	1021.38	887.63	-	-
IDL Explosives Limited	-	1.49	-	-	-	-
(c) Advances Payables						
IDL Explosives Limited	39.45	753.82	-	-	-	-
(d) Inter Corporate Deposits						
IDL Explosives Limited	3683.87	-	-	-	-	-
(e) Preferance Shares						
IDL Explosives Limited	2490.00	2490.00	-	-	-	-
(f) Corporate Guarantee - (given)						
Gulf Oil Bangladesh Limited	713.60	646.80	-	-	-	-
IDL Explosives Limited	9913.00	9913.00	-	-	-	-
HGHL Holdings Limited	162855.00	-	-	-	-	-
(g) Letter of Comfort (given)						
IDL Explosives Limited	3000.00	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. Loans and advances in the nature of loans given to subsidiaries, associates, firms / companies in which directors are interested:

₹ Lakhs

Name of the Company	Relationship	As at 31st March 2013	Maximum balance during the year
IDL Explosives Limited	Subsidiary	**3683.87 (Nil)**	3683.87 (Nil)

39. Leases

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

(a) The Company's significant leasing arrangements are in respect of operating leases for premises (residences, office, storage godowns for finished goods etc.).The leasing ar-rangements, 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 Statement of Profit and Loss.

(b) The Company has taken certain Plant and Machinery under non-cancellable leases :

₹ Lakhs

	As at 31st March 2013			As at 31st March 2012		
	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	-
b) Total of future minimum payments at the balance sheet date- Vehicles	**2.98**	**1.98**	**1.00**	4.96	1.98	2.98

Lease Rent on the aforesaid plant and machinery amounting to ₹ 697.57 Lakhs (31st March, 2012- ₹ 1107.11 Lakhs) has been charged to Statement of Profit and Loss under rent.

(ii) 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 2013	31st March 2012	31st March 2013	31st March 2012	2012-13	2011-12
Building	**71.09**	71.09	**10.98**	9.70	**1.28**	1.28
Plant & Machinery	**80.32**	80.32	**65.92**	62.10	**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 Statement of Profit & Loss.

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

(iii) Hire Purchase:

(a) 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.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ Lakhs

	As at 31st March 2013			As at 31st March 2012		
	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	429.61	270.42	159.19	710.59	297.43	413.16
Less: Future Finance Charges	41.66	35.19	6.47	104.64	62.99	41.65
Present value of minimum hire purchase payments at the balance sheet date	387.95	235.23	152.72	605.95	234.44	371.51

40. Segment information for the year ended 31st March 2013

(i) Primary Business Segments

₹ Lakhs

	Explosives		Mining & Infrastructure		Property Development		Lubricating Oils		Others		Unallocated		Eliminations		Total	
REVENUE	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
External	7825.38	8939.85	2794.63	5091.87	-	-	84096.30	75558.21	-	-	3796.55	2483.19	-	-	98512.86	92073.12
Inter-segment	-	-	-	-	-	-	250.78	73.76	-	-	-	-	(250.78)	(73.76)	-	-
Total Revenue	7825.38	8939.85	2794.63	5091.87	-	-	84347.08	75631.97	-	-	3796.55	2483.19	(250.78)	(73.76)	98512.86	92073.12
RESULT																
Segment result	635.79	865.27	(3251.23)	(4168.68)	-	-	10568.43	9381.70	-	-	-	-	-	-	7952.99	6078.29
Unallocated Corporate Income net of unallocated Expenses															51.95	(82.37)
Interest Expense															(3522.47)	(2813.30)
Interest Income															2405.55	1714.04
Dividend Income															2.82	42.40
Profit before Taxation & Exceptional Expenditure															6890.84	4939.06
Exceptional Item															(430.88)	(2092.17)
Net Profit															7321.72	7031.23
OTHER INFORMATION																
Segment Assets	5238.39	5971.84	5726.00	7570.29	97617.30@	97617.30	43181.50	39887.66	8.32	8.32	12742.23	9091.54			164513.74	160146.95
Segment Liabilities	3166.41	3041.66	1983.64	2178.32	-	-	26381.09	24664.45	6.01	6.01	22531.07	22557.73			54068.22	52448.17
Capital Expenditure	227.74	175.54	-	3.82	-	-	549.34	380.85	-	-	29.27	93.26			806.35	653.47
Depreciation	111.32	110.15	1046.37	1072.11	-	-	249.58	215.31	-	-	40.86	44.04			1448.13	1441.61
Non- cash expenses other than Depreciation															-	-

@ includes ₹92697.34 Lakhs (March 31st 2012 ₹ 92697.34 Lakhs) arising on revaluation of fixed assets (Refer Note 27)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Information about Secondary Business Segments

₹ Lakhs

	India		Outside India		Total	
	Year ended 31st March 2013	Year ended 31st March 2012	**Year ended 31st March 2013**	Year ended 31st March 2012	**Year ended 31st March 2013**	Year ended 31st March 2012
Revenue by Geo-graphical market	**95721.42**	88317.36	**2791.44**	3755.76	**98512.86**	92073.12
Inter Segment	**-**	-	**-**	-	**-**	-
Total	**95721.42**	88317.36	**2791.44**	3755.76	**98512.86**	92073.12
Carrying amount of segment assets	**162285.53**	158724.55	**2228.21**	1422.40	**164513.74**	160146.95
Additions to Fixed Assets	**806.35**	653.47	**-**	-	**806.35**	653.47

(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.

41. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure

For and on behalf of Board of Directors

Place: Mumbai	A. Satyanarayana	Manish K Gangwal	S. Pramanik	S.G. Hinduja
Date : May 25, 2013	**Dy. Company Secretary**	**Chief Financial Officer**	**Managing Director**	**Chairman**

INFORMATION OF SUBSIDIARY COMPANIES

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

₹ 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	31.03.2013	50000	100%	(244.56)	Nil	(1242.75)	Nil
IDL BUILDWARE LIMITED	31.03.2013	1970000	100%	16.70	Nil	(659.80)	Nil
GULF CARROSSERIE INDIA LIMITED	31.03.2013	380001	95%	(0.47)	Nil	(109.84)	Nil
GULF OIL BANGLADESH LIMITED	31.03.2013	177939	51%	(76.20)	Nil	65.36	Nil
PT GULF OIL LUBRICANTS INDONESIA	31.03.2013	15000	75%	120.35	Nil	(62.69)	Nil
GULF OIL (YANTAI) COMPANY LTD.	31.03.2013	4132540	51%	(243.25)	Nil	270.17	Nil
HINDUJA INFRASTRUCTURE LIMITED	31.03.2013	50000	100%	0.13	Nil	(0.34)	Nil
HGHL HOLDINGS LIMITED@	31.03.2013	100000	100%	179.16	Nil	Nil	Nil

@ Effective from 21.11.2012

For and on behalf of the Board of Directors

Place: Mumbai
Date : 25th May, 2013

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)

		Domestic Subsidiaries				Foreign Subsidiaries							
Sl. No.	Details	IDL Buildware Limited	IDL Explosives Limited	Hinduja Infrastructure Limited	Gulf Carosserie India Limited	PT Gulf Oil Lubricants Indonesia		Gulf Oil (Yantai) Co., Limited		Gulf Oil Bangladesh Limited		HGHL Holdings Limited	
	Financial year ending on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013		31.03.2013		31.03.2013		31.03.2013	
	Country	India	India	India	India	Indonesia		China		Bangladesh		UK	
	Reporting Currency	INR	INR	INR	INR	Rupiah	INR	RMB	INR	Taka	INR	USD	INR
	Exchange rate on the last day of financial year												
1	Share Capital (including share application money pending allotment)	397.00	254.00	5.00	40.00	172380.00	965.33	662.27	5776.09	174.45	124.49	1.60	87.10
	(a) Extent of Holding	100%	100%	100%	95%	75%	75%	51%	51%	51%	51%	100%	100%
2	Reserves	(636.70)	753.69	(0.21)	(116.20)	14351.68	80.37	(168.22)	(1467.16)	(3.79)	(2.71)	3.28	178.29
3	Liabilities	398.85	11033.69	0.52	86.94	167667.44	938.94	68.85	600.51	1370.84	920.84	3218.32	174678
	Total Liabilities	159.15	12041.38	5.31	10.74	354399.12	1984.64	562.90	4909.44	1541.50	1042.62	3223.21	174943.39
4	Total Assets	159.15	12041.38	5.31	10.74	354399.12	1984.64	562.90	4909.44	1541.50	1042.62	3223.21	174943.39
5	Investments	0.18	0.05	-	-	-	-	-	-	-	-	1.60	87.10
6	Turnover	5.04	22116.62	0.44	0.25	917705.78	5336.319	616.59	5202.78	3254.95	2246.095	64.79	3534.53
7	Profit Before Taxation	16.70	(331.50)	0.16	(0.43)	40179.75	226.22	8.04	(522.60)	(205.63)	(94.67)	3.81	207.88
8	Provision for Taxation	0.00	(86.94)	0.03	0.06	11337.33	65.76	3.00	(45.63)	79.96	54.74	0.52	28.72
9	Profit after Taxation	16.70	(244.56)	0.13	(0.49)	28842.42	160.46	5.04	(476.97)	(285.60)	(149.41)	3.28	179.16
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF GULF OIL CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Gulf Oil Corporation Limited** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Lubricants Branch of the Company.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

(b) 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

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

INDEPENDENT AUDITORS' REPORT

Other Matter

We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets (net) of ₹ 1,83,055.28 lakhs as at 31st March, 2013, total revenues of ₹ 12,710.64 lakhs and net cash flows amounting to ₹ 74.76 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 by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)

K. Rajasekhar
Partner
(Membership No. 23341)

Place: Secunderabad
Date : May 25, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**1982.90**	1982.90
Reserves and Surplus	3	**107012.88**	104555.31
Minority Interests		**2431.61**	2628.89
Non-current Liabilities			
Long-term Borrowings	4	**175100.87**	3004.54
Deferred Tax Liabilities (net)	5	**92.31**	100.62
Other Long-term Liabilities	6	**103.47**	63.37
Long-term Provisions	7	**9875.76**	10323.01
Current Liabilities			
Short-term Borrowings	8	**27869.38**	31956.29
Trade Payables	9	**12876.96**	13595.59
Other Current Liabilities	10	**7743.53**	7001.19
Short-term Provisions	7	**3363.74**	2897.99
TOTAL		**348453.41**	178109.70
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**104360.45**	104905.63
Intangible Assets	11	**192.14**	183.05
Capital Work-in-progress		**1575.95**	1704.00
Goodwill on Consolidation		**-**	54.00
Deferred Tax Asset (net)	5 A	**147.96**	17.29
Non-current Investments	12	**143.79**	143.70
Long-term Loans and Advances	14	**169645.25**	1468.92
Other non-current Assets	15	**8018.72**	155.39
		284084.26	108631.98
Current Assets			
Current Investments	13	**87.10**	-
Inventories	16	**22757.06**	24713.47
Trade Receivables	17	**17710.45**	17154.19
Cash and Bank Balances	18	**17158.29**	21724.01
Short-term Loans and Advances	14	**4221.59**	4995.75
Other Current Assets	15	**2434.66**	890.30
		64369.15	69477.72
TOTAL		**348453.41**	178109.70
Corporate Information and Significant Accounting Policies	1		
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: Secunderabad
Date : May 25, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2013

		Notes	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
I	**Income**			
	Revenue from Operations (Gross)		**142656.22**	137637.15
	Less: Excise Duty		**16176.91**	13989.77
	Revenue from Operations (net)	19	**126479.31**	123647.38
	Other Income	20	**5998.74**	2546.49
	Total Revenue (I)		**132478.05**	126193.87
II	**Expenses**			
	Cost of Material Consumed	21 (a)	**64934.89**	62371.32
	Purchase of Stock in trade	21 (b)	**8868.42**	11999.11
	Change in Inventories of Finished Goods, Work-in-progress and Traded Goods	22	**(1321.96)**	(440.19)
	Employee Benefits Expenses	23	**9630.45**	9146.92
	Finance Costs	24	**6266.82**	3393.05
	Depreciation and Amortisation Expense	11	**1833.60**	1804.20
	Other Expenses	25	**35903.15**	33771.01
	Total Expenses (II)		**126115.37**	122045.42
III	**Profit before Exceptional Items and Tax (I-II)**		**6362.68**	4148.45
IV	Exceptional Items	26	**(430.88)**	(2092.17)
V	**Profit Before Tax**		**6793.56**	6240.62
VI	Tax Expenses			
	Current Tax - Current Year		**2377.97**	1783.82
	- Prior year		**8.67**	-
	Less: MAT Credit entitlement		**(204.00)**	(670.00)
	Net Current Tax Expense		**2182.64**	1113.82
	Deferred Tax		**(142.80)**	116.00
	Total Tax Expense		**2039.84**	1229.82
	Profit after Taxation Before Minority Interest		**4753.72**	5010.80
	Less: Minority Interest		**266.71**	(185.89)
	Profit after Taxation for the year		**5020.43**	4824.91
	Earnings per Equity Share (Face value of ₹ 2 per share)	36		
	Basic and Diluted in ₹		**5.06**	4.87
	Corporate Information and Significant Accounting Policies	1		

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 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: Secunderabad
Date : May 25, 2013

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2013

Sl No.	Particulars	For the year ended 31st March, 2013 ₹ Lakhs	For the year ended 31st March, 2013 ₹ Lakhs	For the year ended 31st March, 2012 ₹ Lakhs	For the year ended 31st March, 2012 ₹ Lakhs
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax and after exceptional items		6793.56		6240.62
	Adjustments for:				
	Depreciation and Amortisation expense	1833.60		1804.20	
	Dividend income	(2.82)		(28.78)	
	Loss/(Profit) on sale of Fixed Assets	130.19		(19.06)	
	Excess of compensation over cost of land acquired by National Highway Authority of India	-		(237.27)	
	Provision no longer required written back	(184.04)		-	
	Provision for doubtful trade and other receivables,loans and advances written off	494.01		319.83	
	Amount received against advances made and adjusted to Revaluation Reserve in earlier year	(268.88)		(354.90)	
	Amount received towards Redemption of Preference Shares	(162.00)		(1500.00)	
	Profit on sale of long term Investments	-		(702.21)	
	Interest Income	(4874.13)		(1637.63)	
	Unrealised (Gain) on Exchange - Net	(330.39)		822.81	
	Finance cost	4584.58	1220.12	2929.05	1396.04
	Operating Profit before working Capital changes		8013.68		7636.66
	Changes in working capital				
	Trade and Other Receivables, Loans and Advances & Other Assets	(641.77)		(3150.74)	
	Inventories	1956.41		(3734.59)	
	Trade Payables and Other Liabilities including Provisions	1501.07	2815.71	(1854.52)	(8739.85)
	Cash generated from Operations		10829.39		(1103.19)
	Direct Taxes paid (net of refunds)		(2160.96)		(1505.57)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES		8668.43		(2608.76)
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on fixed assets including CWIP	(1202.01)		(1128.87)	
	Proceeds from sale of fixed assets	50.56		112.42	
	Compensation received on land accquired by National Highway Authority of India	-		279.14	
	Bank balance not considered as Cash and cash equivalents				
	- Placed	(59089.98)		(20243.75)	
	- Matured	58602.93		10879.29	
	Investments in Subsidiary Companies -Short Term	(87.10)		-	
	Investments in Subsidiary Companies -Long Term	(0.09)		-	
	Sale of Long Term Investment	-		4034.74	
	Amount received against advances made and adjusted to Revaluation Reserve in earlier year	8.24		114.90	
	Proceeds from redemption of Preference Shares	162.00		1500.00	
	Loan to subsidiary Company	(168100.71)		-	
	Interest Received	4927.78		822.99	
	Dividend received	2.82		28.78	
	NET CASH (USED IN) INVESTING ACTIVITIES		(164725.56)		(3600.36)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2013

Sl No.	Particulars	For the year ended 31st March, 2013 ₹ Lakhs	₹ Lakhs	For the year ended 31st March, 2012 ₹ Lakhs	₹ Lakhs
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term Borrowings & Hire Purchase Liabilities	**163686.52**		2442.10	
	Net (increase) / decrease in working capital borrowings	**(4024.73)**		15329.93	
	Proceeds from Public Deposits	**4.80**		8.92	
	Repayment of Public Deposits	**(242.73)**		(218.44)	
	Repayment of Long Term Borrowings & Hire Purchase Liabilities	**(2847.96)**		(2974.63)	
	Share application money received / (refunded)	**-**		(4.81)	
	Proceeds from Loans from Companies	**10630.97**		-	
	Finance cost	**(10858.65)**		(2835.98)	
	Dividend paid	**(2181.19)**		(1982.90)	
	Tax on dividend	**(353.84)**		(321.68)	
	NET CASH FROM FINANCIAL ACTIVITIES		**153813.19**		9442.51
	Net (decrease)/increase in cash and cash equivalents		**(2243.94)**		3233.39
	Cash and Cash Equivalents as at the commencement of the year		**6463.77**		3230.38
			6463.77		3230.38
	Cash and Cash Equivalents as at the end of the year		**4219.83**		6463.77

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: Secunderabad
Date : May 25, 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. **NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013:**

A. CORPORATE INFORMATION

The Group is in business of Lubricants, Industrial Explosives, Mining & Infrastructure services, Building products and Property Development.

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting and Preparation of Consolidated Financial Statements (together referred as "Group")

The consolidated financial statements of the parent company and its subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standards notified under the Companies (Accounting Standard 21) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for the categories of fixed assets i.e. land which is carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Principle of consolidation

The consolidated financial statements relate to Gulf Oil Corporation Limited (the Parent Company), its subsidiary companies. The consolidated financial statements have been prepared on the following basis.

i) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the parent company i.e., 31st March 2013.

ii) The financial statement of the parent company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profit or losses.

iii) The excess of cost to the group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as "Goodwill" being as asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the shares of equity in the subsidiary companies as on date of investment is in excess of cost of investment of the group, it is recognized as "Capital Reserve" and shown under the head of Reserves & Surplus in the consolidated financial statements.

iv) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

v) Goodwill arising on consolidation is not amortised but tested for impairment.

(c) The following subsidiaries have been considered in the preparation of these consolidated financial statements are:

Name of the entity	Relationship	Country of Incorporation	Percentage of ownership interest as at 31st March 2013	Percentage of ownership interest as at 31st March 2012
IDL Buildware Limited	Subsidiary	India	100.00	100.00
HGHL Holdings Limited (From 21st November 2012)	Subsidiary	UK	100.00	-
Gulf Carosserie India Limited	Subsidiary	India	95.00	95.00
Hinduja Infrastructure Limited	Subsidiary	India	100.00	100.00
Gulf Oil Bangladesh Limited	Subsidiary	Bangladesh	51.00	51.00
PT Gulf Oil Lubricants Indonesia	Subsidiary	Indonesia	75.00	75.00
Gulf Oil (Yantai) Co. Limited	Subsidiary	China	51.02	51.02
IDL Explosives Limited	Subsidiary	India	100.00	100.00

Ownership of the above Subsidiaries is held by Parent Company.

C. SIGNIFICANT ACCOUNTING POLICIES

a) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

b) FIXED ASSETS

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

c) DEPRECIATION AND AMORTISATION 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 construction equipments (included in Plant & Machinery) 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 lifes 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 PT 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 lifes. The respective anticipated useful lifes 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 amortised in equal installments over the lease period.

(iii) Intangibles are amortised over the period of its useful life.

d) IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.

e) INVESTMENTS

Current Investments are carried individually at lower of cost and fair value. Long Term Investments are carried individually 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 the 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-Progress	
	- 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 Work-in-Progress	Represents expenses incurred on execution of contracts till balance sheet date.

g) FOREIGN CURRENCY TRANSACTIONS

i. Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Monetary assets and liabilities denominated in foreign currency transactions are stated at the prevailing year end rates. The resultant gain / loss upon such reinstatement along with gain / loss on foreign currency transaction, are accounted in the Consolidated Statement of Profit and Loss

ii. In respect of forward exchange contracts, the premium or discount at the inception of such a forward exchange contract is amortised as expense over life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized in the Consolidated Statement of Profit and Loss.

iii. Gain or loss on transaction of long term monetary liabilities intended to acquire fixed assets is capitalised as part of the depreciable fixed assets to which the monetary items relates and depreciated over the remaining useful life of such assets.

iv. All assets and liabilities of non-integral foreign operations are translated at the year end rates and income and expenditure at average rates. The exchange difference relating to non-integral foreign operations are accounted in a “Foreign Currency Translation Reserve” until disposal of the operations, in which case the accounted balance in “Foreign Currency Translation Reserve” is recognized as income/expenses in the same period in which the gain or loss on disposal is recognized.

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 and value added 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) 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 at any stage of the contract, the total cost will exceed the total contract revenue, the expected loss is recognised immediately.

iv) Unbilled revenue represents value of work executed, to be billed subsequent to the Balance Sheet date and is valued at contract price.

v) Divided income is accounted for when the right to receive is established.

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 BENEFITS

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined Contribution Plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

k) PROVISIONS AND CONTINGENCIES

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the consolidated financial statements.

l) TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

m) SEGMENT REPORTING

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/ (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under “unallocated revenue/expenses/assets/liabilities”.

n) EARNINGS PER SHARE:

Basic earnings per share is computed by dividing the Profit/ (Loss) After Tax by the weighted average number of equity shares outstanding during the year.

o) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, where by profit / (loss) before extraordinary items and tax is adjusted for the effects of transaction of non cash nature. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

p) LEASES

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental of ownership of an asset substantially rests with the lessor are recognized as operating lesses. Lease rental under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight line basis.

q) BORROWING COSTS

All borrowing costs are charged to the Statement of Profit and Loss except expenses incurred on raising long term borrowings are amortized over the period of borrowings.

r) OPERATING CYCLE

Based on the nature of products / activities of the Group and normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ 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 2013		Year ended 31st March 2012	
	Number of shares held	₹ Lakhs	Number of shares held	₹ Lakhs
At the beginning of the year	99144980	1982.90	99144980	1982.90
Issued during the year - Rights Issue	-	-	-	-
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 2013		As at 31st March 2012	
	Number of shares held	% holding in the class	Number of shares held	% holding in the class
Equity shares:				
Gulf Oil International (Mauritius) Inc	49536335	49.96%	49536335	49.96%
Credo India Thematic Fund Limited	9809157	9.89%	-	-

	As at 31st March 2013 ₹ Lakhs		As at 31st March 2012 ₹ Lakhs	
Note 3 Reserves and Surplus				
Capital Reserve on Consolidation				
Opening balance	0.03		0.03	
Add: Effect of foreign exchange rate	66.08	66.11	-	0.03
Reserve on consolidation				
Opening balance	845.99		855.96	
Less: Amount realised	75.00	770.99	9.97	845.99
Capital reserve		0.75		0.75
Export allowance reserve		10.50		10.50
Securities premium account		12139.52		12139.52
Revaluation reserve				
Opening balance	67326.58		7584.69	
Add: Addition during the year (Refer Note 29)	-		63027.56	
Less: Withdrawal (Refer Note 29)	-		3285.67	
Closing balance		67326.58		67326.58
General Reserve				
Opening balance	20709.50		20059.50	
Add: Transferred from Statement of Profit and Loss	550.00		650.00	
Closing balance		21259.50		20709.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at 31st March 2013 ₹ Lakhs		As at 31st March 2012 ₹ Lakhs
Foreign currency transaction reserve				
Opening balance	100.91		76.10	
Add: Effect of foreign exchange rate Maintain during the year	(2.06)		24.81	
Closing balance		98.85		100.91
Surplus in the statement of Profit and Loss				
Opening balance	3421.53		1781.65	
Profit for the year	5020.43		4824.91	
	8441.96		6606.56	
Less: Dividend proposed to be distributed to equity shareholders (₹ 2.20 per share) (31st March,2012: ₹ 2.20 per share)	2181.19		2181.19	
Tax on dividend	370.69		353.84	
Transfer to General Reserve	550.00		650.00	
	3101.88		3185.03	
Closing balance		5340.08		3421.53
		107012.88		104555.31

	As at 31st March 2013		As at 31st March 2012	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 4 Long-term Borrowings				
Term Loans				
From Banks (Secured)				
State Bank of India	162855.00	-	-	221.80
State Bank of Hyderabad	-	431.87	347.07	1664.62
Southeast bank Limited	-	114.82	-	-
State Bank of Mauritius Limited	-	253.25	253.25	608.04
Karur Vyasa Bank	1500.00	1000.00	1800.00	-
From others				
SREI Infrastructure Finance Limited (Secured)	-	-	-	52.27
Gulf International Lubricants Limited (Unsecured)	10585.58	-	-	-
Buyers credits (Unsecured)	-	-	178.06	-
Long term maturities of finance lease obligations (Unsecured)				
From Banks	-	-	3.65	13.74
From others	154.69	261.85	403.55	364.94
Public Deposits (Unsecured)	5.60	102.53	18.96	91.15
	175100.87	2164.32	3004.54	3016.56

Security/ terms and conditions of repayment

I) 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) Term loan from State Bank of India was taken during the financial year 2007-08 and carries floating rate of interest (13.85% p.a. as on 31st March, 2013) 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. As at 31st March, 2013 ₹ Nil (31st March, 2012, 12 instalments amounting to ₹ 221.80 lakhs) is outstanding.

Foreign currency Term loan is secured by letter of comfort (LOC) from State Bank of India, CAG branch, Hyderabad (also refer note 20) and carries floating rate of interest at 3 months LIBOR + 275bps. The Loan is repayable in 20 unequal quarterly installments between USD 5 mio - 37.54 mio (₹ 2714.25 - ₹ 20378.59 Lakhs) after a motatorium period of two years i.e. 8th March, 2015.

(b) Term loan from State Bank of Hyderabad was taken during the financial year 2007-08 and carries floating rate of interest (14.50% p.a. as at 31st March, 2013) The loan is repayable in 60 monthly installments of ₹ 17.07 Lakhs each commencing from April 2008.

II) Term Loan from State Bank of Hyderabad was taken during the year 2009-10 and carries floating rate of interest (14.25% p.a. as on 31st March, 2013) 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. The outstanding amount as at 31st March 2013 is payable in 6 installments of ₹ 69.45 lakhs each (31st March 2012, 18 installments of ₹ 69.45 lakhs each).

III) Term loan from State Bank of Mauritius Limited was taken during the year 2009-10 and carries floating rate of interest of 2.50% above Base Rate BPLR (13.25% p.a. as on 31st March, 2013) 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 115.25 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. The outstanding amount as at 31st March 2013, 5 installments of ₹ 50.67 lakhs each (31st March 2012, 17 installments of ₹ 50.67 lakhs each).

IV) 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 (12.25% p.a. as on 31st March, 2013) with an option to reset after one year from the date of disbursement. The loan tenor is for 3 years including initial holiday period of one year. Repayment of loan will be in two installments, ₹ 1,000.00 lakhs to be paid at end of 24th month (i.e., 29th March, 2014) and balance at the end of 36th month (i.e., 29th March, 2015) from the date of disbursement of Loan.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.The amount outstanding as at 31st March 2013 is ₹ 2,500.00 Lakhs to be paid in two installments of ₹ 1,000.00 Lakhs in March 2014 & ₹ 1,500.00 Lakhs in March 2015.

V) Term loan from SREI infrastructure Finance Limited is 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. The outstanding amount as at 31st March 2013 is ₹ Nil (31st March, 2012, 10 monthly instalments amounting to ₹ 52.27 lakhs).

VI) The loan from Southeast Bank Limited by the one of the subsidiary of the Company against Trust Receipt (LTR) facility. The tenure of loan is 90 days and rate of interest up to 30th June, 2012 is 17.50% and from 1st July, 2012 is 18%.

(VII) Loan from Gulf International Lubricants Limited is taken by one of the subsidiary of Company with Nil rate of interest.

VIII) Public deposits are repayable within 2 years. The rate of interest on deposit for one year 9.75% (up to 31st August, 2012: 9.50%) and more than one year and below two years 10% (upto 31st August, 2012: 9.75 %) above two years 10.50% (upto 31st August 2012: 10.25%).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
Note 5 Deferred Tax Liability (net)		
Tax effects of Items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed asset	480.53	908.73
On surplus arising on transfer of Explosives Undertaking	257.71	246.00
	738.24	1,154.73
Tax effects of Items constituting Deferred Tax Asset		
Provision for doubtful debts / advances	327.55	470.02
Provision for Compensated absences, gratuity and other employees benefits	318.38	515.54
Others	-	68.55
	645.93	1,054.11
Net Deferred Tax Liability	92.31	100.62
Note 5 A Deferred Tax Assets (net)		
Tax effects of Items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed asset	442.89	-
	442.89	-
Tax effects of Items constituting Deferred Tax Asset		
Unabsorbed Depreciation carried forward	200.59	-
Provision for doubtful trade receivable	78.18	-
Provision for Compensated absences, gratuity and other employees benefits	218.74	-
Other timing differences	93.32	17.29
	590.83	17.29
Net Deferred Tax Asset	147.96	17.29

	As at 31st March 2013		As at 31st March 2012	
	Non-current ₹ Lakhs	Current ₹ Lakhs	Non-current ₹ Lakhs	Current ₹ Lakhs
Note 6 Other Long-term Liabilities				
Trade payables	9.44	-	-	-
Deposits from Service providers	94.03	-	63.37	-
	103.47	-	63.37	-
Note 7 Provisions				
Provision for Employee Benefits:				
Gratuity	746.72	452.35	973.47	276.49
Compensated absences	359.33	86.61	291.89	38.36
	1106.05	538.96	1265.36	314.85
Other Provisions				
Provision for Contingencies				
-Provision for Indirect Taxes(Refer Note 32)	8394.10	-	8394.10	-
-Others	375.61	224.79	663.55	-
Provision for FBT	-	48.11	-	48.11
Proposed Equity Dividend	-	2181.19	-	2181.19
Provision for Tax on Proposed Equity Dividend	-	370.69	-	353.84
	8769.71	2824.78	9057.65	2583.14
	9875.76	3363.74	10323.01	2897.99

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
Note 8 Short-term Borrowings		
From Bank : (Secured)		
Cash Credit from banks	5680.13	3760.37
Bank overdraft	-	761.22
Working Capital Demand Loan (Foreign Currency)	-	1042.93
Working Capital Demand Loan - Yes bank	1000.00	500.00
Working Capital Demand Loan - IDBI bank	500.00	-
From other parties		
Gulf Oil Middle East Limited, UAE	45.40	-
Buyers credit from banks (Unsecured)	20643.85	25891.77
	27869.38	31956.29

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.

Note 9 Trade Payable		
Acceptances	227.44	65.65
Other than Acceptances	12649.52	13529.94
	12876.96	13595.59

Note 10 Other Current Liabilities		
Current maturities of long term borrowings (Refer Note 4)	2164.32	3016.56
Interest accrued but not due on borrowings	272.83	243.31
Unpaid dividend	111.39	97.71
Unpaid matured deposits including interest accrued	6.00	241.95
Unclaimed share application money - Rights issue	1.95	1.95
Others		
Advance from customers	1399.10	1218.26
Creditors for capital goods	28.53	67.50
Statutory remittances	2213.09	1798.12
Trade deposit received	32.94	103.62
Other payables	1513.38	212.21
	7743.53	7001.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11 Fixed assets ₹ Lakhs

Particulars	Gross Block						Depreciation					Net Book Value	
	Cost/ Revaluation 31.03.2012	Additions	Deductions/ Adjustments	Adj on Revalution	Currency Realignment	31.03.2013	31.03.2012	For the year	on Deduction/ adjustments	Currency Realignment	31.03.2013	31.03.2013	31.03.2012
A. Tangible Assets													
Land-Freehold	**92997.46**	**-**	**-**	**-**	**-**	**92997.46**	**-**	**-**	**-**	**-**	**-**	**92997.46**	
(previous year)	(33258.78)		(3288.88)	(63027.56)	-	(92997.46)							(92997.46)
Land-Leasehold	**582.52**	**-**	**3.82**	**-**	**31.55**	**610.25**	**95.24**	**14.73**	**(127.75)**	**12.13**	**249.85**	**360.40**	
(previous year)	(492.93)	-	-	-	(89.59)	(582.52)	(64.87)	(18.73)		(11.64)	(95.24)		(487.28)
Buildings	3428.48	177.09	8.63	-	55.77	3652.71	1402.92	115.37	0.19	13.81	1531.91	2120.81	
Given under operating lease	71.09	-	-	-	-	71.09	9.70	1.28			10.98	60.11	
Total	**3499.57**	**177.09**	**8.63**	**-**	**55.77**	**3723.80**	**1412.62**	**116.65**	**0.19**	**13.81**	**1542.89**	**2180.92**	
(previous year)	(3251.93)	(112.23)	(20.77)		(156.18)	(3499.57)	(1272.14)	(110.42)	(3.76)	(33.82)	(1412.62)		(2086.95)
Plant & Machinery Equipments etc.	20177.74	770.35	404.55		55.20	20598.74	11777.12	1430.29	394.11	23.06	12836.36	7762.38	
Given under operating lease	80.32					80.32	62.30	3.82			66.12	14.20	
Total	**20258.06**	**770.35**	**404.55**	**-**	**55.20**	**20679.06**	**11839.42**	**1434.11**	**394.11**	**23.06**	**12902.48**	**7776.58**	**0.01**
(previous year)	(19973.77)	(742.81)	(621.35)		(162.83)	(20258.06)	(10929.53)	(1428.30)	(583.82)	(65.41)	(11839.42)		(8418.64)
Furniture, Fixtures	618.29	54.43	60.84		8.69	620.57	446.53	24.02	63.21	6.09	413.43	207.14	
Total	**618.29**	**54.43**	**60.84**	**-**	**8.69**	**620.57**	**446.53**	**24.02**	**63.21**	**6.09**	**413.43**	**207.14**	
(previous year)	(555.81)	(36.81)	(5.44)		(31.11)	(618.29)	(398.01)	(28.33)	(4.92)	(25.11)	(446.53)		(171.76)
Office appliances	599.86	31.00	225.00		1.36	407.22	335.30	20.45	130.05	1.02	226.71	180.51	
Given under operating lease	2.72					2.72	1.76	0.13			1.89	0.83	
Total	**602.58**	**31.00**	**225.00**	**-**	**1.36**	**409.94**	**337.06**	**20.58**	**130.05**	**1.02**	**228.60**	**181.34**	**0.01**
(previous year)	(597.94)	(63.53)	(58.89)			(602.58)	(327.71)	(47.15)	(37.80)		(337.06)		(265.52)
Vehicles	556.12	165.64	(191.24)		5.96	918.96	297.18	67.88	(128.51)	4.07	497.64	421.32	
Given under operating lease	3.90					3.90	3.90				3.90	-	
Taken under finance lease	10.58				1.09	11.67	2.50	2.24		0.35	5.09	6.58	
Total	**570.59**	**165.64**	**(191.24)**	**-**	**7.05**	**934.53**	**303.58**	**70.12**	**(128.51)**	**4.42**	**506.63**	**427.90**	**-**
(previous year)	(568.75)	(13.87)	(22.83)		(10.80)	(570.59)	(265.05)	(41.82)	(9.40)	(6.11)	(303.58)		(267.01)
Computers	618.22	92.69	33.76			677.15	407.21	74.55	33.31	-	448.45	228.70	
Given under operating lease	30.88					30.88	30.88				30.88	-	
Total	**649.10**	**92.69**	**33.76**	**-**	**-**	**708.03**	**438.09**	**74.55**	**33.31**	**-**	**479.33**	**228.70**	**-**
(previous year)	(640.76)	(37.67)	(29.33)			(649.10)	(400.63)	(66.21)	(28.75)		(438.09)		(211.01)
Tangible assets total 2012-13	**119778.17**	**1291.20**	**545.36**	**-**	**159.62**	**120683.64**	**14872.54**	**1754.76**	**364.61**	**60.53**	**16323.20**	**104360.45**	
(previous year)	(59340.67)	(1006.92)	(4047.49)	(63027.56)	(450.51)	(119778.17)	(13657.94)	(1740.96)	(668.45)	(142.09)	(14872.54)		(104905.63)
B. Intangible Assets													
Trade Mark	-	67.55	-		0.48	68.03	-	4.00	-	0.03	4.03	64.00	-
(previous year)													-
Software	436.72	19.02	-		1.66	457.40	253.67	74.84	-	0.74	329.27	128.13	
(previous year)	(407.47)	(32.00)	(7.25)		(4.50)	(436.72)	(196.00)	(63.24)	(7.25)	(1.68)	(253.67)		(183.05)
Technical Knowhow	140.66	-	-		-	140.66	140.66	-	-	-	140.66	-	-
(previous year)	(140.66)					(140.66)	(140.66)				(140.66)		
Total of intangilbe assets 2012-13	**577.38**	**86.57**	**-**		**2.15**	**666.09**	**394.33**	**78.84**	**-**	**0.77**	**473.96**	**192.14**	
(previous year)	**(548.13)**	**(32.00)**	**(7.25)**	**-**	**(4.50)**	**(577.38)**	**(336.66)**	**(63.24)**	**(7.25)**	**(1.68)**	**(394.33)**		**(183.05)**
Total Assets 2012-13	**120355.55**	**1377.77**	**545.36**		**161.77**	**121349.73**	**15266.87**	**1833.60**	**364.61**	**61.29**	**16797.16**	**104552.59**	**-**
(previous year)	**(59888.80)**	**(1038.92)**	**(4054.74)**	**(63027.56)**	**(455.01)**	**(120355.55)**	**(13994.60)**	**(1804.20)**	**(675.70)**	**(143.77)**	**(15266.87)**		**(105088.68)**

C Details of assets acquried under hire purchase agreements: ₹ Lakhs

Particulars	Gross block		Net block	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Plant and Machinery	729.52	729.52	518.32	581.72
Vehicles	77.70	76.61	58.82	59.97
Total	**807.22**	**806.13**	**577.14**	**641.69**

D Depreciation and amortisation expense relating to continuing operations:

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
Depreciation and amortisation for the year on tangible assets as per Note 11 A	1754.76	1740.96
Amortisation for the year on intangible assets as per Note 11 B	78.84	63.24
Depreciation and amortisation relating to continuing operations	**1833.60**	**1804.20**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at 31st March 2013 ₹ Lakhs		As at 31st March 2012 ₹ Lakhs
Note 12 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, Raurkela		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 ₹ 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		-		-
100 (31st March, 2012: Nil) Equity Shares of GBP 1 each fully paid up in GHG Lubricants Holdings Limited		0.09		-
		118.41		118.32
(b) Preference Shares (Unquoted)				
162,000 (31st March 2012: 1,662,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each fully paid-up in APDL Estate Limited	162.00		1,662.00	
Less: Redeemed during the year 162,000 (31st March 2012: 1,500,000) 10% Redeemable Cumulative Preference Shares of ₹ 100 each)	162.00		1,500.00	
	-		162.00	
Less: Provision for diminution in value	-	-	162.00	-
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 2012: 400) Equity Shares of ₹ 10 each fully paid-up in Indusind Bank Limited		0.18		0.18
		25.38		25.38
		143.79		143.70
Note:				
1 Aggregate cost of quoted investments		25.38		25.38
2 Aggregate Market Value of quoted investments		74.42		90.68
3 Aggregate cost of unquoted investments		118.41		118.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
Note 13 Current Investments		
I Trade investments (valued at cost unless stated otherwise)		
(a) In Equity Shares (Unquoted)		
100,000 (31st March,2012: Nil) shares of £1 each fully paid up in GHGL London Limited	87.10	-
	87.10	-

	As at 31st March 2013 Non-current ₹ Lakhs	As at 31st March 2013 Current ₹ Lakhs	As at 31st March 2012 Non-current ₹ Lakhs	As at 31st March 2012 Current ₹ Lakhs
Note 14 Loans and advances (considered good unlessotherwise specified)				
Capital advances	25.08	-	111.75	-
Security deposit				
Considered good	344.98	1098.26	438.50	352.85
Considered doubtful	110.17	-	90.17	-
Less: Provision for doubtful loans and advances	110.17	-	90.17	-
	344.98	1098.26	438.50	352.85
Loans and advances to Other Companies				
IDL Speciality Chemicals Limited	-	137.84	-	146.09
Less: Provision made	-	137.84	-	146.09
	-	-	-	-
Advance to suppliers and service providers				
Considered good	-	561.50	-	1709.86
Considered doubtful	-	72.65	-	168.27
Less: Provision for doubtful loans and advances	-	72.65	-	168.27
	-	561.50	-	1709.86
Loans and advances to employees	-	62.82	-	63.26
Loans and advances to related parties				
- GHGL London Limited	168100.71	-	-	-
Prepaid expenses	55.66	348.30	49.08	392.50
Advance income tax (net of provisions)	-	772.30	-	598.63
MAT credit entitlement	-	474.65	-	670.00
Balance with Government authorities	-	903.76	-	1208.65
Deposits with Government authorities	1118.82	-	869.59	-
	169645.25	4221.59	1468.92	4995.75
Note 15 Other assets				
Unamortised expense				
-Ancillary borrowing cost	4941.07	1362.52	-	-
Interest receivable				
-Deposits	100.05	736.90	0.30	510.00
-Trade receivable	-	-	-	380.30
Unbilled Revenue	-	335.24	-	-
Fixed deposit with banks	54.45	-	77.23	-
Margin Money deposit	2923.15	-	77.86	-
	8018.72	2434.66	155.39	890.30

Note: Deposit made under Rule 3A of Compaines (Acceptance of Deposits) Rule, 1975.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As At 31st March 2013 ₹ Lakhs	As At 31st March 2012 ₹ Lakhs
Note 16 Inventories (valued at lower of cost and net realisable value)		
Contract work-in-progress	-	36.50
Raw Materials	8456.23	11851.09
Work-in-Progress	787.91	791.53
Finished Goods (Other than those acquired for trading)	7956.39	6404.20
Stock in trade	770.40	943.03
Stores, spare and Fuel	509.25	523.54
Packing Materials	666.22	552.92
Land / Buildings for Property Development, at cost	3610.66	3610.66
	22757.06	24713.47
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	1904.27	2065.50
Considered Doubtful	2762.03	3226.82
	4666.30	5292.32
Less: Provision for doubtful receivables	2762.03	3226.82
	1904.27	2065.50
Other Receivables		
Considered good	15806.18	15088.69
Considered Doubtful	7.93	6.74
	15814.11	15095.43
Less: Provision for doubtful receivables	7.93	6.74
	15806.18	15088.69
	17710.45	17154.19
Note 18 Cash and Cash Equivalents		
A) Cash & Cash equivalents		
Cash on hand	208.83	24.93
Cheques, drafts on hand	-	521.25
Balances with banks:		
In Current Accounts	4011.00	5417.59
In Deposits with maturity of less than three months	-	500.00
Total Cash & Cash equivalents (A)	4219.83	6463.77
B) Other bank balances		
In Deposit accounts	922.16	3507.80
In earmarked accounts		
- Margin Money Deposit	11902.96	11652.79
- Unpaid dividend accounts	111.39	97.70
- Share application money in respect of Rights Issue allotment due for refund	1.95	1.95
Total of Other bank balances (B)	12938.46	15260.24
Cash and Bank Balances (A + B)	17158.29	21724.01

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Note 19 Revenue from Operations		
Sale of products (Refer note (i) below)	**139670.94**	132288.91
Service Income (Refer note (ii) below)	**2908.75**	5166.23
Other operating income (Refer note (iii) below)	**76.53**	182.01
	142656.22	137637.15
Less: Excise duty	**16176.91**	13989.77
	126479.31	123647.38
Note		
(i) Sale of products		
Manufactured goods		
Detonators	**6500.69**	6046.01
Detonating Fuse	**1793.18**	1606.42
Cartriged ANFO & NCN (High Explosives)	**20379.84**	22804.88
Boosters	**7.39**	37.47
Single or double or Multilayer clad plates	**715.96**	741.09
Lubricating Oils	**96090.78**	78800.98
Others	**101.66**	12677.86
	125589.50	122714.71
Traded goods		
Safety Fuse	**39.58**	82.61
Filters	**256.52**	428.76
Car Care Lube equipment and battery	**456.48**	137.81
Lubricating Oils	**12897.90**	6915.84
Ammonium Nitrate	**430.96**	1996.85
Others	**-**	12.33
	14081.44	9574.20
	139670.94	132288.91
(ii) Service Income		
Income from Operation/Construction Contracts	**2774.79**	5083.35
Marketing services	**104.70**	68.00
Technical services	**29.26**	14.88
	2908.75	5166.23
(iii) Other operating Income		
Export Incentives (DEPB)	**-**	33.28
Miscellaneous	**76.53**	148.73
	76.53	182.01

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Note 20 Other Income		
Interest income (Refer Note below)	4874.13	1637.63
Dividend income on long term investment	2.82	28.78
Insurance claims	2.50	46.98
Profit on fixed asset sold/scrapped/written off	-	27.49
Provision no longer required written back	184.04	-
Net gain/loss on sale of investments	-	702.21
Miscellaneous	935.25	103.40
	5998.74	2546.49
Note : Interest income comprises :		
Interest on deposits with bank	2030.33	1132.15
Interest on Income tax refund	-	125.48
Interest from customer	127.51	380.00
Interest on loans advance	2716.29	-
	4874.13	1637.63
Note 21(a) Cost of materials consumed		
Opening stock	11851.09	8429.38
Add: Purchases	61813.78	66069.54
	73664.87	74498.92
Less: Closing stock	8456.23	11851.09
Cost of materials consumed	65208.64	62647.83
Less: Scrap realisation	273.75	276.51
	64934.89	62371.32
Details of materials consumed		
Coating Materials	499.76	421.99
Chemicals	12630.10	15555.29
Metals	1200.79	1441.75
Yarn & Paper	85.77	106.83
Base Oil	40492.80	37015.49
Additives	10131.29	7789.94
Others	168.14	316.54
Cost of materials consumed	65208.65	62647.83
Note 21 (b) Purchase of Stock in Trade		
Ammonium Nitrate	375.65	1823.67
Safety Fuse	10.10	53.25
Grease/Unprocessed Oils	8055.89	9407.46
Filters	-	262.00
Battery	-	97.00
Others	426.78	355.73
	8868.42	11999.11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Note 22 Changes in inventories of finished goods, work-in-progress and stock in trade		
Inventories at the end of the year		
Stock in trade	770.40	943.03
Contracts-in-Progress	-	36.50
Work-in-Progress	787.91	791.53
Finished goods	7956.39	6404.20
	9514.70	8175.26
Inventories at the beginning 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
	(1339.44)	(475.21)
Excise duties etc. on Increase/(Decrease) of Finished Goods	17.48	35.02
Net Increase	(1321.96)	(440.19)
Note 23 Employee Benefits Expenses		
Salaries, Wages and Bonus	7766.79	7476.98
Contribution to Provident and other funds	1015.87	866.01
Staff Welfare Expenses	847.79	803.93
	9630.45	9146.92
Note 24 Finance Costs		
Interest expenses on		
Borrowings	3255.43	2146.99
Others	198.76	167.15
Net Loss on Foreign currency transactions and translations	1130.39	614.91
Bank charges	1682.24	464.00
	6266.82	3393.05

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		Year ended 31st March 2013 ₹ Lakhs		Year ended 31st March 2012 ₹ Lakhs
Note 25 Other Expenses				
Consumption of stores and spares		**357.57**		331.03
Processing Charges		**1338.89**		1166.89
Packing material consumption		**5476.55**		5575.50
Power and Fuel		**1000.79**		923.54
Expenses on Operation Contracts		**2323.99**		4530.99
Rent		**1332.13**		1588.50
Rates and taxes		**556.68**		366.88
Insurance		**381.09**		332.97
Repairs and maintenance				
- Plant and machinery		**513.23**		565.62
- Buildings		**87.53**		126.26
Advertising and sales promotion		**5752.98**		4113.39
Discounts on Sales		**6234.57**		5041.33
Selling commission		**526.63**		288.89
Travelling and conveyance		**1074.05**		1079.11
Distribution Expenses		**4797.51**		4262.21
Postage, Telephone and Telex		**241.56**		228.52
Legal and professional fees		**787.97**		544.73
Directors' sitting fees		**21.95**		17.36
Doubtful trade receivables, loans and advances written off	**586.53**		-	
Provision for doubtful debts/advances	**494.01**		319.83	
	1080.54		319.83	
- Less: Provision for doubtful trade receivables, loans and advances written-back	**936.26**	**144.28**		319.83
Bad debts written off		**445.29**		-
Loss on sale of fixed assets		**130.19**		8.43
Royalty		**1289.84**		1030.17
Net loss on foreign currency transactions and translation		**139.42**		267.09
Miscellaneous expenses		**948.46**		1061.77
		35903.15		33771.01
Legal & professional fees includes				
Auditor's Remuneration (net of service tax input credit)				
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)		**15.80**		4.75
Reimbursement of expenses		**2.28**		0.32
		43.58		30.57
Branch Auditors Remuneration				
As statutory auditors:				
Audit fee		**10.00**		10.00
Tax audit fee		**4.00**		4.00
Other services (certification fees)		**9.66**		4.50
Reimbursement of expenses		**1.61**		2.08
		25.27		20.58
Cost auditors remuneration				
Cost audit		**1.50**		1.50
		1.50		1.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March 2013 ₹ Lakhs	Year ended 31st March 2012 ₹ Lakhs
Note 26 Exceptional Items		
Recovery against claims and advances made and adjusted to Revaluation Reserve in pursuance of Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh, Hyderabad in 2008-09	**(268.88)**	(354.90)
Amount received towards redemption of 162000 (March 31st 2012 ₹ 1500000) 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 Hon'ble High Court of Andhra Pradesh	**(162.00)**	(1,500.00)
Excess of compensation over cost of land acquired by National Highway Authority of India	**-**	(237.27)
	(430.88)	(2,092.17)

Additional information to the financial statements

27. The consolidated financial statements do not include the financial statements of step down subsidiaries GHGL London Limited (Subsidiary of HGHL) including Houghton International Inc. as the control is intended to be temporary. Accordingly, the consolidated financial statements for the year do not include Revenue of USD 202 million (₹ 109,656 Lakhs), Earning before Interest Dividend and Tax of USD 31.80 million (₹ 17,263 Lakhs), Net Loss of USD 4.95 million (₹ 2,687 Lakhs) and Shareholders fund USD 282 million (₹ 153,084 Lakhs), Long Term Borrowings of USD 766 million (₹ 415,800 Lakhs) which are based on management accounts.

28. The excess of the net asset value over carrying cost of investment in the subsidiary companies viz., IDL Buildware Ltd., and Gulf Carosserie India Ltd., amounting to ₹ 765.70 Lakhs (As at 31st March, 2012 is ₹ 840.70 Lakhs) and ₹ 5.29 Lakhs (As at 31st March, 2012 ₹ 5.29 Lakhs) respectively has been treated as Reserve on Consolidation.

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 previous year, the Parent Company surrendered certain portion of the land for road widening purposes to Greater Hyderabad Municipal Corporation. Consequently ₹ 3,285.67 Lakhs had been withdrawn from revaluation reserve in the previous year.

    (iii) As at 31st March, 2012, land meant for property development situated at Hyderabad, had 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.

    (iv) During the year ended 31st March, 2011, 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. The Parent Company has created equitable mortgage by way of deposit of title deeds in respect of the aforesaid Land towards loan of ₹ 85,000 Lakhs availed by Hinduja Reality Venture Limited from various lenders.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

30. Contingent liabilities and capital commitments:

			As at 31st March 2013 ₹ Lakhs	As at 31st March 2012 ₹ Lakhs
A.	**Contingent liabilites:**			
(i)	Claims against the Company not acknowledged as debts			
	(a)	Income Tax Demands	**2121.36**	1758.85
	(b)	Wealth Tax	**197.93**	196.66
	(c)	Sales Tax Demands	**2178.18**	1936.60
	(d)	Excise Demands	**874.72**	793.03
	(e)	Service Tax	**4.49**	4.49
	(g)	Entry Tax	**33.22**	33.22
	(h)	Additional Demands towards cost of land	**3.81**	54.93
	(i)	Claims of workmen/ex-employees	**96.41**	85.40
	(j)	Other Matters (@)	**68.46**	93.26
	(k)	Arrears of Cumulative Dividends on preference shares	**121.73**	105.73
B.	**Capital commitments:**			
(i)	Corporate Guarantees *		**10626.60**	10559.80
(ii)	Letter of Comfort **		**165855.00**	-
(iii)	Estimated amount of contracts remaining to be executed on capital account net of advance of ₹ 5.25 Lakhs (As at 31s March 2012 ₹ 46.88 Lakhs)		**4139.83**	356.18

*(a) The Parent Company has given a Corporate Guarantee of 100 Million Taka – ₹ 713.60 Lakhs (31st March, 2012 ₹ 646.80 Lakhs) 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 2013 is 16.09 Million Taka - ₹ 114.82 lakhs (31st March, 2012 10.40 Million Taka – ₹ 67.30 Lakhs).

*(b) The Parent Company has given a Corporate Guarantee of ₹ 9,913.00 lakhs (31st March, 2012 ₹ 9,913.00 Lakhs) to the banks on behalf of its wholly owned subsidiary IDL Explosives Limited till such time charge on security has been created by IDL Explosives Limited. The amount outstanding as on 31st March, 2013 is ₹ 655.15 Lakhs (31st March, 2012 is ₹ 541.48 Lakhs).

**(a)The Parent Company, during the year, has given a Letter of Comfort of ₹ 3,000 Lakhs to a bank on behalf of its wholly owned subsidiary IDL Explosives Limited. The amount outstanding as on 31st March, 2013 is ₹ 2,424.60 Lakhs.

**(b) The Parent Company through its subsidiary HGHL Holdings Limited (HGHL) UK, acquired Houghton International Inc. in USA. HGHL has taken a loan of USD 300 million from Lenders to part finance the acquisition. The amount outstanding as on 31st March, 2013 is ₹ 162,855 Lakhs.

The said loan was extended on the basis of Letter of Comfort/Stand-By Letter of Credit Facility Agreement between the Parent Company, HGHL (both being Co-Obligors to the said Facility) and lenders on the strength of guarantee of Gulf Oil International Limited, Cayman and Cash Deficit Undertaking from its specified subsidiaries and also from the Parent Company, wherein they are obligated to make contributions to HGHL in case of deficiencies in resources for servicing the said facilities.

In terms of the aforesaid agreement the loan is also secured by: (i) first paripassu charge by way of equitable mortgage on land of the Company admeasuring 112.26 acres at Kukatpally, Hyderabad and (ii) first paripassu charge along with existing lenders by way of equitable mortgage on land admeasuring 115.25 acres at Hyderabad and buildings, and plant & machinery belonging to explosives division.

(@) The Competition Commission of India has passed an order in a case filed by a customer imposing a penalty of ₹ 2,894.76 lakhs. Against the said order, the Parent Company filed an appeal in Competition Appellate Tribunal (COMPAT). The appeal was disposed off by reducing the penalty amount to ₹ 289 Lakhs. The Parent Company has filed an appeal in the Supreme Court. An amount of ₹ 150.09 lakhs has been deposited with Competition Commission of India in terms of order of COMPAT.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

30.C. Capital Commitments:

	2012-13	2011 -12
Estimated amount of contracts remaining to be executed on capital account net of advances of ₹ 7.25 Lakhs (31st March, 2012 ₹ 111.75 Lakhs)	4162.95	480.23

31. Fixed Assets:

Buildings include:

(i) ₹ 7.09 Lakhs, which represents the cost of ownership of the 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 five 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. Orissa Sales Tax:

The Honorable Supreme Court vide its order dated 16th November, 2007, held that the stock transfers constituted interstate sale in respect of assessment years 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 Parent 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 Company to approach appropriate forum to take the matter.

The Parent 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.

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

Particulars	31st March 2013 ₹ Lakhs	31st March 2012 ₹ Lakhs
Projected benefit obligation at the beginning of the year	1696.00	1699.99
Current service cost	136.06	139.88
Interest cost	119.30	124.96
Actuarial (Gain) / Loss	124.41	7.31
Benefits paid	(409.17)	(276.13)
Projected benefit obligation at the end of the year	1666.60	1696.01
Fair value of plan assets beginning of the period	446.06	425.51
Expected Return on plan assets	37.14	34.86
Contributions	189.03	260.64
Benefits Paid	(201.40)	(276.13)
Actuarial gain (Loss) Plan Assets	11.45	1.17
Fair value of plan assets at the end of the period	482.27	446.05
Total Actuarial gain (loss) to be recognized	(112.97)	(6.13)
Amounts recognised in the balance sheet		
Projected benefit obligation at the end of the year	1666.60	1696.01
Fair value on plan assets at the end of the year	(482.25)	(446.05)
Liability recognised in the balance sheet	1184.34	1249.96
Cost of the Retirement and Other Benefits for the year		
Current service cost	136.06	139.89
Interest cost	119.31	124.96
Expected return on plan assets	(37.14)	(34.86)
Net actuarial (Gain) / Loss recognised in the year	112.97	6.13
Net cost recognised in the Statement of Profit and Loss	331.19	236.12

Particulars	31st March 2013 ₹ Lakhs	31st March 2012 ₹ Lakhs
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%

The Details of Experience adjustments arising on accounts of plan assets and liabilities not applicable as required by paragraph 120(n)(ii) of Accounting Statndard-15 on Employee Benefits has not been furnished, since there is no change in the assumption in the during last five years.

34. MISCELLANEOUS:

(i) Loans and Advances of IDL Buildware Limited one of the subsidiaries include ₹ 4.88 Lakhs (31st March 2012 ₹ 4.65 Lakhs) and trade receivables of ₹ 6.16 Lakhs (31st March, 2012 ₹ 6.16 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) 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 Lakhs (31st March, 2012 ₹ 10 Lakhs) 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.

(iii) The financial statements of IDL Buildware Limited one of the subsidiaries has been prepared on a going concern basis notwithstanding substantial erosion in the net worth of the Company.

(iv) The board of directors of the Gulf Carosserie India Limited at their meeting held on 24th March, 2003 had in principle declared to look into various options and procedures for winding up of the company. Accordingly, the accounts are drawn up on the basis that the going concern assumption is not applicable.

35. Details of contract revenue and costs:

₹ Lakhs

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Contract revenue recognized as revenue during the year	19.56	905.76
Aggregate amount of contract costs incurred in respect of contracts net of recognized profits (less recognized losses) up to 31st March, 2013	2397.69	2378.13
Advance payments received (net of recoveries from progressive bills)	-	185.08
Retention amount as at 31st March, 2013	259.29	372.24
Gross amount due from customers	103.62	234.39

36. Earnings per Share:

Particulars		Year ended 31st March, 2013	Year ended 31st March, 2012
i)	Profit after Tax (₹ Lakhs)	5020.42	4824.91
ii)	Weighted average number of Equity Shares outstanding during the year	99144980	99144980
iii)	Weighted Average number of equity shares in computing diluted earnings per share	99144980	99144980
iv)	Face value of each Equity Share (₹)	2	2
v)	Earnings per Share		
	- Basic (₹)	5.06	4.87
	- Diluted (₹)	5.06	4.87

37. 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 personnel

(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	
	2012-13	2011-12	2012-13	2011-12
Royalty	1134.87	986.26	-	-
Dividend	1089.79	990.73	0.10	0.09
Directors' Remuneration	-	-	95.33	125.05
Outstanding balances:				
Trade Payable	1021.38	887.63	-	-

38. Goodwill/Capital reserve on consolidation:

Particulars	As at 31st March 2013	As at 31st March 2012
Opening balance	54.00	390.56
Add/Less: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	(120.08)	(336.56)
Closing balance (Capital Reserve) / Goodwill	(66.08)	54.00

39. Leases

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

➢ The Parent 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 Consolidated Statement of Profit and Loss.

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

₹ Lakhs

	As at 31st March 2013			As at 31st March 2012		
	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	-
b) Total of future minimum payments at the balance sheet date- Vehicles	2.98	1.98	1.00	4.96	1.98	2.98

Lease Rent on the aforesaid plant and machinery amounting to ₹ 697.57 Lakhs (31st March, 2012- ₹ 1107.11 Lakhs) has been charged to Consolidated Statement of Profit and Loss under rent.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Where the Parent Company is Lessor:

Details in respect of assets given on operating lease:

₹ Lakhs

Particulars	Gross Block As at		Accumulated Depreciation As at		Depreciation for the year	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Building	**71.09**	71.09	**10.98**	9.70	**1.28**	1.28
Plant & Machinery	**80.32**	80.32	**65.92**	62.10	**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 Consolidated Statement of Profit & Loss.

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

(iii) Hire Purchase:

(a) The Parent 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.

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

₹ Lakhs

Particulars	As at 31st March 2013			As at 31st March 2012		
	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	**459.29**	**298.00**	**161.29**	902.64	451.91	450.73
Less: Future Finance Charges	**42.74**	**36.15**	**6.60**	116.76	73.89	42.87
Present value of minimum hire purchase payments at the balance sheet date	**416.55**	**261.85**	**154.69**	785.88	378.02	407.86

40. Segment information for the year ended 31st March 2013

(i) Primary Business Segments

REVENUE	Explosives		Mining & Infrastructure		Building Products		Property Development		Lubricating Oils		Others		Unallocated		Eliminations		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
External	27106.75	31165.42	2794.63	5091.49		40.97	-	-	96587.39	87417.47	-	-	5989.28	2478.52	-	-	132478.05	126193.87
Inter-segment	-	-	-	-		0.95	-	-	250.78	73.76	-	-	-	-	(250.78)	(74.71)	-	-
Total Revenue	27106.75	31165.42	2794.63	5091.49	-	41.92	-	-	96838.17	87491.23	-	-	5989.28	2478.52	(250.78)	(74.71)	132478.05	126193.87
RESULT																		
Segment result	943.12	(192.59)	(3251.23)	(4168.68)	-	11.63	-	-	10185.84	9353.72	775.47	(0.51)	-	-	-	-	8653.20	5003.57
Unallocated Corporate Income net of unallocated Expenses																	(900.65)	871.66
Interest Expense																	(6266.82)	(3393.05)
Interest Income																	4874.13	1637.63
Dividend Income																	2.82	28.64
Profit before Taxation & Exceptional Expenditure																	6362.68	4148.45
Exceptional Item																	(430.88)	(2092.17)
Net Profit																	6793.56	6240.62
OTHER INFORMATION																		
Segment Assets	16398.80	21639.37	5726.00	7570.29	-	226.66	97617.30@	97617.30	51072.99	47488.89	7026.21	22.79	170612.11	3544.41	-	-	348453.41	178109.71
Segment Liabilities	10055.24	18354.23	1983.64	2178.32	-	52.13	-	-	28796.18	26467.79	264.78	86.24	195926.18	21803.90	-	-	237026.02	68942.60
Capital Expenditure	579.66	645.87	0.00	3.81	-	-	-	-	640.79	405.30	-	-	29.27	93.22	-	-	1249.72	1148.20
Depreciation	329.83	312.83	1046.37	1072.11	-	18.65	-	-	402.75	356.57	13.79	-	40.86	44.04	-	-	1833.60	1804.20

@ includes ₹ 92697.34 Lakhs(31.03.2012 ₹ 92697.34 Lakhs) arising on revaluation of fixed assets (Refer Note 29)

(ii) Information about Secondary Business Segments

₹ Lakhs

	India		Outside India		Total	
	2013	2012	**2013**	2012	**2013**	2012
Revenue by Geographical market on FOB basis	**112282.37**	109960.14	**20195.68**	16233.73	**132478.05**	126193.87
Inter Segment	**-**	-	**-**	-	**-**	-
Total	**112282.37**	109960.14	**20195.68**	16233.73	**132478.05**	126193.87
Carrying amount of segment assets	**163330.29**	168854.04	**185123.11**	9255.66	**348453.40**	178109.70
Additions to Fixed Assets	**1158.24**	1123.75	**91.51**	24.45	**1249.75**	1148.20

(iii) Notes:

(a) Business Segment:

The Group 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 Group 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.

41. Other expenses include ₹ 236.87 lakhs in respect of Gulf Oil Bangladesh Ltd and ₹ 608.60 lakhs in respect of Gulf Oil (Yantai) Co. Ltd relating to previous year.

42. Previous year's figures have been regrouped / reclassified wherever necessary 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: Mumbai
Date : 25th May, 2013

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

Irrigation

Mining Locations

Lubricants Regional Office

Lubricants Manufaturing Plant

Accessories Manufacturing Plant

Accessories Magazine

Under IDL Explosives Limited

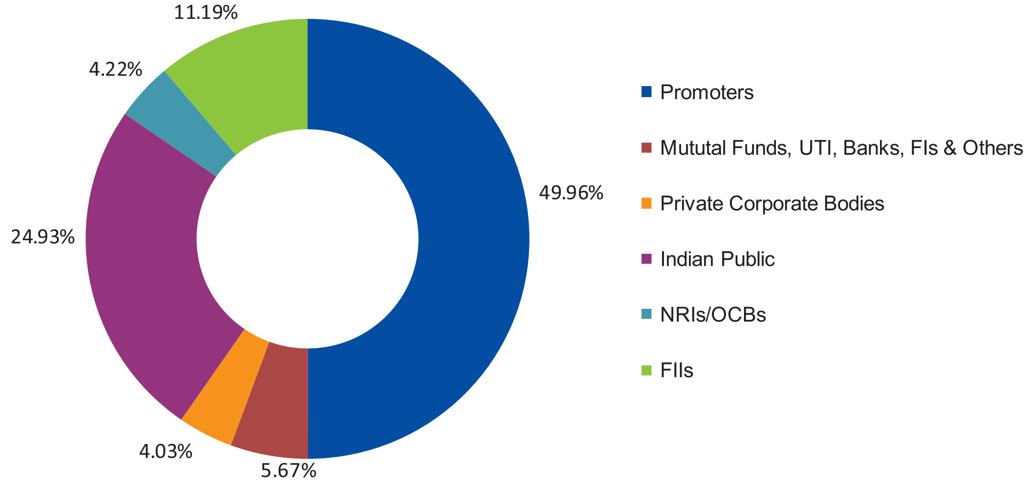
Explosives Sales Office

Explosives Manufacturing Plant

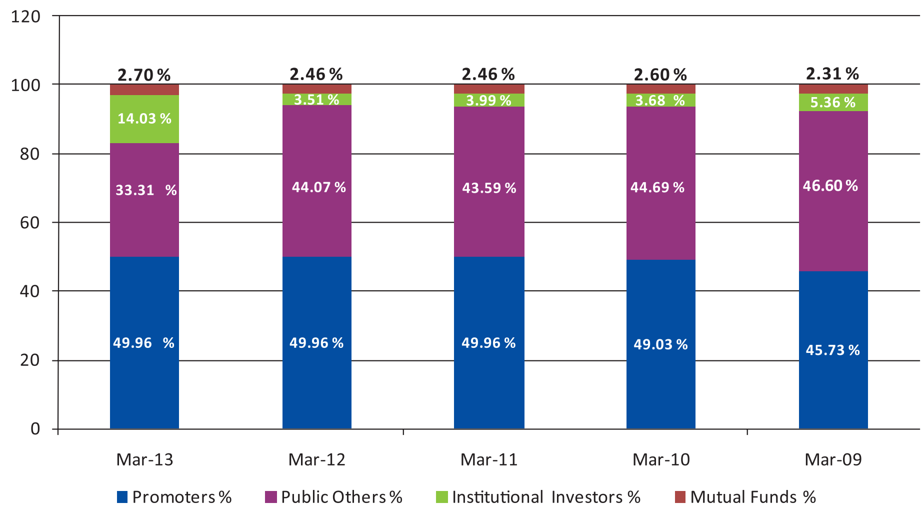
Explosives Magazine

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

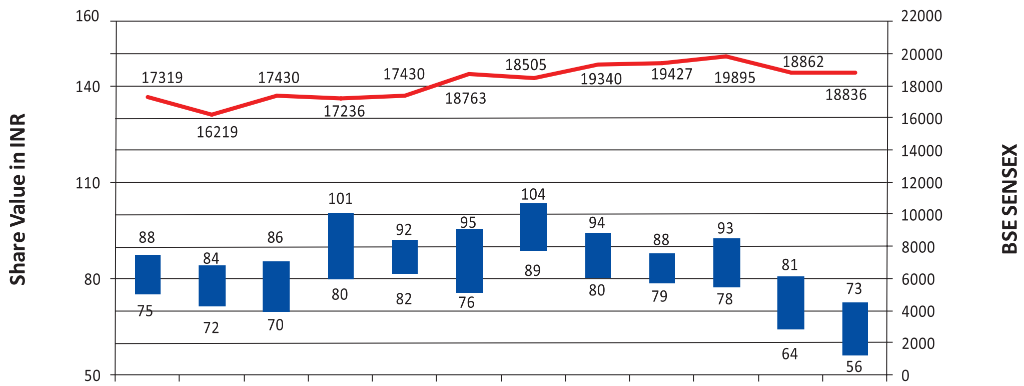
Shareholding Pattern - Current Year

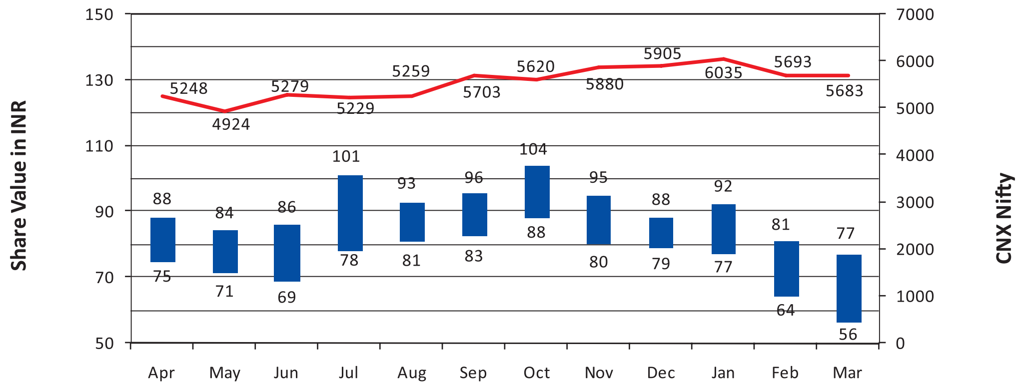


Shareholding Pattern - Last 5 Years



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 52nd Annual General Meeting of the Company held at 2.30 P.M. on Monday, the 30th day of September, 2013

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 Second Annual General Meeting of the Company to be held at 2.30 P.M. on Monday, the 30th day of September 2013 at Emerald, Hotel Taj Krishna, Hyderabad - 500034 and at any adjournment thereof.

As witness my/our hand(s), this ....day of 2013

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

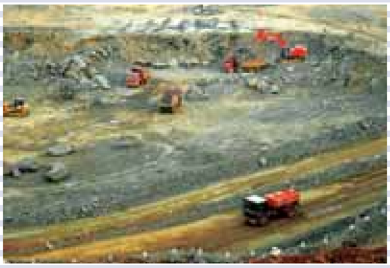
Petroleum and Explosives Safety Organisation (PESO) Awareness Training on recent amendments

Safety Day celebrations at Hyderabad Factory

Security and Surveillance systems installed in the Magazine area at Hyderabad factory

Pulse jet bag filter system installed at Hyderabad

Iron ore Mining Operations in progress at Sulaipet, Orissa



Mining at Uranium Corporation India Ltd at Banduhurang, Jharkhand

Medical Camp organised at Hyderabad Factory as part of the Health initiative

Property Development at Bangalore, First building under construction

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

Ahmedabad | Asansol | Bangalore | Bilaspur | Chandigarh | Delhi | Dhanbad | Guwahati | Hyderabad | Kolkata | Mumbai | Nagpur | Ranchi | Udaipur

www.sapprints.com

Gulf Oil Corporation Limited

Corporate Office

Kukatpally, Post Bag No. 1, Sanathnagar (IE) P O
Hyderabad 500018 Andhra Pradesh, India.

T : +91 (40) 23810671-9
F : +91 (40) 23813860, 23700747
E : info@idlind.com
W: http://www.gulfoilcorp.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1. Name of the Company: **Gulf Oil Corporation Limited**

2. Annual financial statements for the year ended (standalone) **31st March 2013.**

3. Type of Audit observation **Un-qualified**

4. Frequency of observation **Not Applicable**

5. To be signed by-

Mr. Manish Gangwal
Chief Financial Officer

Mr. Subhas Pramanik
Managing Director

Refer our audit report dated May 25, 2013 on the standalone financial statements of the Company

For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Reg. No. 008072S)

Auditor of the company

Partner
K. Rajasekhar - 23341

Ms. Kanchan Chitale
Audit Committee Chairperson

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1. Name of the Company: **Gulf Oil Corporation Limited**

2. Annual financial statements for the year ended (Consolidated) **31st March 2013.**

3. Type of Audit observation **Un-qualified**

4. Frequency of observation **Not Applicable**

5. To be signed by-

Mr. Manish K Gangwal
Chief Financial Officer

Mr. Subhas Pramanik
Managing Director

Refer our audit report dated May 25, 2013 on the consolidated financial statements of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Reg. No. 008072S)

Auditor of the company

Partner
K. Rajasekhar - 23341

Ms. Kanchan Chitale
Audit Committee Chairperson