



## Gulf Oil Corporation Limited

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**Press Release**

**for Immediate Publication**

### **Gulf Oil Net Profit at Rs. 53 crores Dividend at 110%**

#### **Highlights for Q4**

- **Turnover Increases by 7%**
- **Operating Profit up 77%**

**Mumbai, 25<sup>th</sup> May 2013:** Gulf Oil Corporation Ltd., a Hinduja Group Company, has reported a 7% increase in income in Q4. For the year ended 31st March 2013, the turnover was Rs. 1081 crores and Profit After Tax Rs. 53 crores. The Board has recommended a Dividend of Rs. 2.20 ( 110% ), a payout of 48%

Division wise performance and highlights are as under:

#### **LUBRICANTS DIVISION:**

The Lubricants Division continued to record growth in revenues and volumes in 4<sup>th</sup> quarter of Financial Year 2012-13. The gross turnover for the quarter increased to Rs. 235 crores as compared to Rs. 213 crores in the corresponding quarter of the previous year i.e. a growth of 10% on QoQ basis. Operational Profit before Interest and Tax for the quarter has also gone up by 13% to Rs. 26 crores compared to Rs. 23 crores in the corresponding quarter of the previous year mainly on account of

higher volumes achieved by the Division. For the year ended 31<sup>st</sup> March'13, Lubricants Division achieved turnover of Rs. 843 crores compared to Rs. 756 crores in the previous year 2011-12, a growth of 12% and Operational Profit before interest and tax for the year increased by 13% to Rs. 106 crores against Rs. 94 crores in the previous year. Operational Results also reflect the effective margin management strategy pursued by the Division.

The overall demand for lubricants was subdued due to the lower goods movement, flat / negative growth of the automobile, infrastructure, mining and industrial sectors. The Lubricants Division continued its growth momentum and recorded positive volume growth across all geographies and segments which were well ahead of its major competitors. This faster growth is resulting in increased market share for the Division across segments.

**Brand Initiatives** – In Q4 the Division strengthened its position in the new generation diesel engine segment by increasing sales for its new product range - Gulf Super Fleet Turbo range of products which was launched earlier in the year 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 and influencers. To enhance visibility at the retail level a signage program was launched for the top markets.

#### **EXPLOSIVES DIVISION:**

The Explosives Division manufacturing the detonators and initiators, achieved sales of Rs.22 crores in Q4 as compared to Rs. 21 crores in the corresponding quarter of the previous year. The business had to be curtailed on account of delayed export shipments and power shortages in Hyderabad since July 2012. For the year the turnover was Rs. 78 crores ( Previous Year : Rs. 89 crores ) due to several mining sites being closed on account of regulatory issues.

The introduction of electronic programmable detonators in the market last year resulted in orders from large mining companies and extensive field trials with other mining organizations. The trials have proven the detonators to be capable of precision blasting at sites near to habitats besides being eco-friendly thereby resulting in low noise and vibration levels with increased productivity by parameters.

New products have been developed for boosting and metal forming applications for commercial manufacture, and high energetic materials for defense applications.

### **MINING AND INFRASTRUCTURE DIVISION (IDLconsult):**

IDLconsult Division reported a service income of Rs 10 crores in Q4 of 2012-13 as against Rs 16 crores in 2011-12.

Volumes have reduced for the year due to the continued closure of the iron ore and manganese mines in Orissa where our major clients, the mine lessees are awaiting fresh clearances from various statutory Departments to restart their mines. The Government is expected to be focused towards Mining in the coming months to revive this sector.

### **PROPERTY DEVELOPMENT**

#### **Bengaluru:**

Work on the Rs.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 progressing as per plan. Foundation work and 3 level basement structures on the first building in SEZ sector is nearing completion. Infrastructure works and developments in North Bengaluru, the emerging growth corridor, will give a boost to the real estate developments. Signal-free expressways from Hebbal and Yelahanka to Bengaluru Airport, is expected to be completed by mid 2014, providing excellent and fast access to our project site, situated directly on the expressway.

#### **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 in the final stages.

### **RESTRUCTURING & DERISKING OF THE COMPANY:**

In view of the diverse nature of the Company's businesses, the Company has been actively considering restructuring of the various businesses of the Company. A Committee of Directors was authorised to look into various options for de-risking and restructuring. Based on the recommendations of the Committee, the Board has in principle approved the demerger of the Lubricants business into a separate listed company. The detailed scheme will be approved in the next Board meeting