



Gulf Oil Corporation Limited

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Press Release

for Immediate Publication

Gulf Oil Turnover increases 21.5% over Q2

Highlights

- Q3 Profit Rs. 9.45 crores, in the third quarter after demerger of Lubricants business.

Mumbai, February 4, 2015: Gulf Oil Corporation Ltd., a Hinduja Group Company, has reported a turnover of Rs. 32.42 crores in Q3. Profit after tax for Q3 was Rs. 9.45 crores. This is the third quarter of operations of the Company after the demerger of the Lubricants Division effective from 1st April 2014. The business segments of the Company now comprise the Energetics – Mining Detonators & Initiating Devices, Mining & Infrastructure Services and Realty.

Income from Realty Division has commenced with the compensation from transfer of TDRs for the portion of the land given for road widening at Hyderabad to Developers at Rs. 9.22 crores.

Division wise performance and highlights are as under:

ENERGETICS DIVISION AT HYDERABAD

During Q3, the Energetics Division, which manufactures detonators and accessories, for the mining and infrastructure sectors achieved a sale of Rs. 16.9 crores (as against Rs. 16.5 crores in Q3 of last year).

The domestic trade market remains sluggish. However, demand from large mining projects was steady. Increase in export demand and sale of specialized electronic detonators assisted in the sales growth for the quarter. Sales of detonating fuses and special products for Defence purposes showed upward trend.

In view of the emphasis on Defence related products in the "Make in India" initiative of the Government of India, we expect further focus and growth in this segment.

MINING AND INFRASTRUCTURE SERVICES

Mining and Infrastructure projects were earlier scaled down due to major projects being under temporary suspension for want of various government / regulatory clearances. However, mining activity in part of the Country picked up with the renewed business confidence and growing industrial activity. Regulatory approvals for mining projects are expected to be cleared on a fast track basis by the new Government.

The large equipment bank of excavators, heavy duty earth moving tippers, dozers, etc. which were impaired as on 31st March, 2014 in view of the bleak mining scenario have now been sorted and all the operating equipment are currently being put into use for various mining projects. Our focus is in the mining areas in eastern India with the large corporates.

In the meanwhile, the Division has taken up a few infrastructure projects, apart from a mining contract from a reputed Industrial House. All these resulted in the Division achieving an Income of Rs. 6.19 crores and a Profit of Rs. 0.29 crores in the quarter (Cumulatively Income of Rs. 13.20 crores and Profit of Rs. 4.05 crores).

PROPERTY DEVELOPMENT

The first building (stage-I) out of the Rs.1800 crores project 'Ecopolis' at Yelahanka, Bengaluru of 10.46 lakhs sft, consisting of a 30 acre IT / ITES SEZ park and a 10 acre Hotel / Hospitality / Retail being developed in association with Hinduja Realty Ventures Limited, is in the marketing stage. Stage-I of the project consisting of a building (G + 10 + 3 basements) of 10.46 lakh sft and a multi level car park of 74,000 sft in the SEZ sector is ready to be let out. This building is planned to be ready by 31st March and as per the Development Agreement, 30% of the building in the SEZ area will be handed over to the Company.

For the Hyderabad property, where the Company has entered into a Development Agreement with Hinduja Estates Private Limited, the 100 feet road passing through the Company's property, is witnessing substantial traffic.

The Company has surrendered approximately 9 acres of land for development of new roads and widening of existing roads to improve the infrastructure in the vicinity of the Hyderabad factory.

The compensation for the land surrendered would be in the range of Rs. 85 – 90 crores. As of now, we have been able to finalise agreements for transfer of TDR for Rs. 9.22 crores in the quarter from the developers. The balance amounts would be received as the development work progresses.

The Telangana State Government has now started development work in right earnest and several activities which would energise the realty industry in the State, especially in Hyderabad, is on the cards. Accordingly, the planning for Phase 1 development of 76 acres with Hinduja Estate Private Limited is being finalised.

For further information please visit www.gulfoilcorp.com or contact:

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