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**Press Release**

**for Immediate Publication**

### **Gulf Oil Q3 Profit up 125% at Rs. 15.26 crores**

#### **Highlights for Q3**

- **Total Income higher by 11 % to Rs. 258 crores ( Rs. 233 crores )**

**Mumbai, February 11, 2011:** Gulf Oil Corporation Ltd., a Hinduja Group Company, has reported an 11% increase in Q3 Income. Profit Before Tax for Q3 was Rs. 19.13 crores as against Rs. 7.79 crores in the same quarter last year. Profit after tax was Rs. 15.26 crores ( Rs. 6.78 crores ). However, YOY profits were marginally lower by 8% due to lower Other Income during the quarter.

Division wise performance and highlights are as under:

#### **LUBRICANTS DIVISION:**

During Q3, the Lubricants Division achieved a gross turnover of Rs. 172 crores as compared to Rs. 137 crores in the corresponding quarter of the previous year registering a topline growth of 26% and 21% YOY. Overall profitability in Q3 improved by over 129% on account of volume growth, better margin management and lower interest costs.

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The growth trend of Automobile Industry continued in all the segments of Commercial vehicles, Cars and 2-wheelers with 25-35% growth during the quarter. Leveraging the buoyancy in the market and through various brand building initiatives, the Division continued to achieve higher volume growth rates as compared to the market growth and other competitors, especially in the area of motorcycle and car engine oils. In the fast growing segment of 2-Wheeler Oils, the Division achieved an impressive growth of more than 50% over last year.

Various initiatives including Customer campaigns for Tractor segment and Commercial vehicle segments were carried out during the quarter. To complete the product portfolio in Tractor segment, the Division introduced a new product – Gulf UTTF for use in high HP tractors. To enhance distribution, the Division ran promotional vans in 8 states to extensively cover PCMO segment. In 2-Wheeler segment (Motor Cycle oils), the Division started a new Channel called “Bike stops” through tie-ups with Key independent workshops in selected locations. In the first phase, more than 100 “bike stops” were started in 20 locations with attractive branding and tie-up benefits for workshops.

The Division launched a range of co-branded lubricants with Mahindra & Mahindra (Automotive Division) for marketing through its strong distribution channel. M&M has estimated that 60-70% of the oil changes are taking place outside its Dealership network and hence wanted to tie-up with an Oil company for extensive distribution of the product in Bazaar market.

The Division also continued its technological up-gradation of Product portfolio in commercial vehicles and launched an Advanced Engine Oil Gulf Super Fleet Dura Max with an oil service period of 80,000 Kms for the Next generation “U” trucks launched by Ashok Leyland.

### **EXPLOSIVES DIVISION**

During the quarter, the Explosives Division generated a revenue of Rs. 72 crores ( 5% higher than the same quarter last year ).

For the nine month period, the revenue was up 3% at Rs. 212 crores. Record sales of 46,500 T of Bulk Explosives during the nine month period ending Dec 10, helped to partially offset the impact from extended monsoon and suspension of Hyderabad works operation during the months of September and October 2010.

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

During the quarter, the Contract Mining Division generated a revenue of Rs. 37 crores ( against Rs. 47 crores during the same quarter last year ). For the nine month period, the revenue was at Rs. 111 crores.

Revenues and Profitability were impacted, due to delays in getting statutory permits by many of our customers in Orissa, for ongoing mines as well as for new mines and increased non-working days on account of extended monsoons in contract areas.

**PROPERTY DEVELOPMENT**

Work on the site at Bangalore has been started. Construction activities will be commenced shortly.

At Hyderabad, town planning work on the property under development is being tuned to the final alignment of the 100 ft. road through the property as per the Hyderabad Master Plan being implemented by Greater Hyderabad Municipal Corporation and Hyderabad Metro Development Authorities.

**DEMERGER OF EXPLOSIVES BUSINESS**

The demerger of the Industrial Explosives business into a 100% Subsidiary is awaiting approval of the Hon'ble High Court. All Court convened meetings of the Court have been concluded and results taken on record by the Hon'ble High Court.

For further information please visit [www.gulfoilcorp.com](http://www.gulfoilcorp.com) or contact:

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