



Gulf Oil Corporation Limited

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Press Release

for Immediate Publication

## **GULF OIL Operating Business Profit increases by 51% in Q1**

### **Highlights for Q1**

- Profit from Operations up 51%
- Net Profit Rs. 9.31 crores

**Mumbai, August 2nd 2010:** Gulf Oil Corporation Limited, a Hinduja Group Company, has reported a 51% increase in Profit from Operations before Other Income, Interest & Exceptional Items for Q1 at Rs.13.30 crores as against Rs. 8.80 crores in the corresponding quarter last year. However, in the absence of income from the Property Division, the Profit after Tax was Rs. 9.31 crores as against Rs. 20.96 crores in the corresponding quarter last year.

Division wise performance and highlights are as under:

### **LUBRICANTS DIVISION:**

During the first quarter of the financial year 2010-11, the Lubricants Division achieved a gross turnover of Rs. 140 Crores as compared to Rs. 131 Crores in the corresponding quarter of the previous year. The Division achieved higher growth in domestic sales for the quarter, exports were lower than last year, and the overall revenue increase was 7%. Profitability improved due to better price realisation from domestic customers, improved product mix and lower interest costs.

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The automobile industry grew well during the first quarter. All the segments – Commercial Vehicles, Cars, 2-Wheelers etc have shown consistent growth with an overall growth of 28% over last year. The Division continued to grow ahead and take advantage of the market and key competitors in New Generation DEO and Passenger Car Motor Oil (PCMO) segments through adoption of segment wise approach and various brand building initiatives. The Division continued to build on brand awareness with its association with the Indian Premier League (IPL-3) cricket tournament by executing media and ground level activities as part of the partnership with the Kings XI Punjab franchise.

The Division launched a TV-led consumer campaign for its PCMO product range in June 2010. Additional ground level retail programs to drive motorcycle lubricants were initiated and successfully received by the trade. Industrial Sales also achieved positive growth in the quarter as sales to OEMs improved.

#### **EXPLOSIVES DIVISION**

Explosives Division recorded revenue of Rs.71 Crores during the quarter, representing a 5% increase over the corresponding quarter last year.

Various cost reduction initiatives and introduction of high value products, helped to overcome the pricing pressures on account of the early onset of monsoon this year and consequent lower demand from trade customers.

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

Contract mining Division recorded revenue of Rs. 38 Crores during the quarter, as against Rs. 54 Crores in the corresponding quarter last year.

The Division also completed a few of the contracts with metal mine customers. New projects have been delayed as a result of delays in various statutory clearances our customers need to obtain before we start our operations.

Losses incurred during the quarter were unavoidable during Q1 on account of lower levels of operations and idle equipment and project commencement costs associated with the start up of a prestigious new contract at the Uranium Corporation (UCIL).

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**PROPERTY DEVELOPMENT**

The lay out design of the IT / ITES Park at Bangalore is currently under modification to take into account further widening of the highway and creation of an elevated metro rail passing by the property. Construction work will commence this year.

Approvals from Greater Hyderabad Municipal Corporation for the Hyderabad land which was under consideration has recently been approved. Town planning work has commenced and approval for specific buildings / lay-outs will be sought shortly.

**POST FILING OF LETTER OF OFFER:**

*"The Company is proposing, subject to market conditions and other considerations, rights issue of its equity shares and the Company has filed a Letter of Offer with the Stock Exchanges. The Letter of Offer will be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and is available on the website of the Lead Manager at [www.edelcap.com](http://www.edelcap.com). Any potential investor should note that investment in Equity Shares involve a high degree of risk. For details, see the section titled "Risk Factors" of the Letter of Offer."*

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

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