



Gulf Oil Corporation Limited

Corporate Office
Kukatpally, Post Bag No.1
Sanathnagar (IE) P.O.
Hyderabad-500 018
Andhra Pradesh, India

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

Press Release

for Immediate Publication

Gulf Oil Net Profit Increases 30% to Rs. 28 crores in H1

Mumbai, October 31, 2011: Gulf Oil Corporation Ltd., a Hinduja Group Company, has reported an income of Rs. 256 crores in Q2 and Profit after Tax increased by 6% to Rs. 13 crores. With this the H1 Net Profit at Rs. 28 crores was up by 30% over previous year.

Pursuant to the Scheme of Arrangement, the Explosives Business of the Company excluding detonators and explosive accessories in Hyderabad was demerged and transferred to a wholly owned subsidiary, IDL Explosives Limited, during the previous financial year. Hence the results of the Explosives Division excluding the Explosives Business pertain only to Detonators & Accessories business.

Division wise performance and highlights are as under:

LUBRICANTS DIVISION:

The Lubricants Division continued to record growth in revenues and volumes in Q2. The Gross turnover for the quarter increased to Rs. 223 crores as compared to Rs. 161 Crores in the corresponding quarter of the previous year i.e. a growth of 40% on QoQ basis. Profit Before Interest and Tax for the quarter has also gone up by 28% to Rs. 21 crores compared to Rs. 17 crores in the corresponding quarter of the previous year mainly on account of higher volumes achieved by the Division.

The Division continued to grow well above industry growth rates in its channel volumes with promotional and distribution initiatives executed across core segments of New Generation Diesel Engine Oils, Motorcycle Oils (4T) and Passenger Car Motor Oils. Investments in brand building continued with extensive multi-media campaigns across India.

The Division announced the signing on of Indian Cricket Captain- Mahendra Singh Dhoni as its brand ambassador for lubricants, which will further help to communicate the brand values and enhance the brand equity.

The Division has grown in volumes well ahead of the industry and achieved faster growth than other competitors to increase its market share, especially in the 2 wheeler segment of 4T engine oils.

Contd.....2

: 2 :

EXPLOSIVES DIVISION

During the quarter ending September 2011, the explosives Division achieved sales of Rs 25 Crores. (Half year ending September 2011 at Rs. 48 Crores). It has to be noted that the explosives undertaking excluding those relating to the manufacturing operations at Kukatpally, Hyderabad has been transferred to IDL Explosives Limited in accordance with the scheme of arrangement approved by the Hon AP High Court effective 1st October 2010. Hence the comparative figure of last year is not relevant.

Mining activity in the country, as per the IIP report, grew by just 0.2% during Apr-Aug 2011 as compared to the same period in 2010. In comparison, the YOY growth in the previous two years has been at 6.5% and 10%. Mining activities had slowed down due to heavy rains in the mining areas in eastern and central India and closure of several mining operations due to regulatory issues. Due to the slow down of mining, availability of coal at the power plants has been an area of concern at national level. We expect that the Mining activities will resume and grow over the next two quarters.

At a segment level, profits (before tax and interest) stood at Rs. 3.44 Cr for the quarter ending September 2011 and Rs. 8.73 Cr for the half year ending September 2011.

MINING AND INFRASTRUCTURE DIVISION (IDLconsult DIVISION)

IDLconsult Division reported a turnover of Rs 7 crores in Q2 (previous year Rs 35 crores), based on activity in long term contracts for service in coal, metal and infra sectors.

Major reason for reduction in turnover is the closure or curtailment of output of many profit-making iron ore mines in Orissa and Karnataka. Our clients from the iron sector are working very hard to get their Forest and Environment clearances validated from the Government. large Contracts in Coalmines have concluded and temporary stoppage of work at the Irrigation Project due to rainy season led to low volumes in Q2.

The Division is in discussions on long term Projects in Mining and Infrastructure sector and about Rs. 200 crores new orders are expected in the next two quarters to augment the current order booking position of Rs 220 crores.

PROPERTY DEVELOPMENT**Bangalore – Yelahanka**

The project spread over 39.37 acres comprises of 30 acres as SEZ and the balance of 9.67 acres planned for Hospitality and Retail.

Financing for the entire project cost of Rs. 1350 crores has been tied up.

Contd.....3

: 3 :

Pursuant to the approval from the Ministry of Commerce for the SEZ, application has been made for the formal notification, whereby GOCL will be designated as the Developer and Hinduja Realty Ventures Ltd. (HRVL) as the Co-Developer for the SEZ portion of the project.

The SEZ portion of the project will be eligible for Statutory Benefits – Tax, Excise Duty, VAT, etc., which will amount to over Rs. 150 crores.

HRVL has finalised all agencies to be associated with the construction of the project, including Main Civil Contractor, Project Management Consultant, Green Building Consultant and Quality Surveyor and Construction work will commence as scheduled during the month of November 2011.

Hyderabad – Kukatpally

The Master Plan for the 1st phase of development comprising 86.5 acres has been drawn up by RSP Architects – a renowned Singapore based architect. This has been done keeping in mind that a 100 ft road in the Master Plan, is planned by the Hyderabad Metropolitan Development Authority, passing through the centre of this development.

The work on this Master Plan road is progressing rapidly and the main advantage being that, when complete, will result in this project being less than 3.5 kms away from Gachibowli.

Building Plans for phase wise development are being drawn up and sent for statutory approvals.

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

**Mr. R. Varadarajan, Vice President, Lubricants Division, GULF OIL Corporation Ltd.,
at 022-28248240, 56989900, Mobile : 9819338850**

**Mrs. R. Chaudhry, Deputy Manager – MD's Secretariat, Gulf Oil Corporation Limited,
Hyderabad at 040-23700750, Mobile : 9849052064**

**Mr. Thomas Abraham, Senior Vice President (Corporate Communications & PR),
Hinduja Group at 022-28248359 – Extn. 232, Mobile : 9820279349**