



Quality Endurance Passion

GULF OIL LUBRICANTS INDIA LIMITED

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CIN No. L23203MH2008PLC267060

Press Release - Quarter 1 June - FY 20-21

- For Immediate Publication

Gulf Oil sees demand green shoots improving significantly from June

Mumbai, August 12, 2020: Gulf Oil Lubricants India Limited, a Hinduja Group Company, has today reported its Unaudited financial results for the Quarter ended June 30, 2020.

Key highlights are as under:

(Rs. in Crores)

	Q-1 FY-20-21	Q-1 FY-19-20
Net Revenue	241.17	440.68
EBITDA	25.42	77.88
Profit After Tax (PAT)	17.17	48.73
EPS (Basic)	3.43*	9.78*

*Not Annualised

The April-June quarter was an extremely challenging one for the economy and for the Lubricants industry as demand came to a grinding halt due to the COVID-related Lockdowns across the country in April and also saw a subdued May. This impacted mobility - both personal as well as commercial, as also Industrial and Infrastructure segments were not operating in most cases. However, June saw a significant uptick in market demand across all segments for lubricants. Against this backdrop, the Company also saw a dip in its business performance as markets were only partially open and “Employee Safety” took paramount importance during these times. As the quarter progressed and lockdown restrictions were partially lifted and unlocking mode started across various parts of the country, the Company could very quickly ramp up its supply capabilities, get back the rhythm of its production and supply chain to a large extent. Fast actions on creating supply related efficiencies & demand sensing initiatives enabled us to increase sales related to the Agri segment, Rural as anticipated and then the retail(bazaar), industrial and other OEM segments responded well as we saw good results in these strong areas for us from Mid-May onwards. In June, as the economic and industrial activities started picking up significantly and personal and commercial mobility levels improved, the Company volumes also saw quick recovery and the gap from average pre-Covid volumes started closing rapidly, also aided by some pent up demand. Lubricants being a semi-essential product, the rebound has been relatively faster than many discretionary items. The stronger position of Gulf in various segments also helped us respond better in this improving scenario, particularly in June to reach near pre-covid levels.

As was the case with the Indian economy, agriculture started showing the way forward for us as well. Our Agri category of products grew in double digits during the quarter providing support to our overall volumes and the Company could capitalize to meet the demand buoyancy in agricultural outputs in otherwise tough market conditions. Next in line in terms of showing signs of recovery was the Motorcycle Engine Oil (MCO) segment. The rural markets were less impacted from COVID lockdowns and our initiatives in recent years to build a strong and very organized focused approach to cater to rural distribution augured very well in these times. In addition to our committed and dedicated supply chain network, our sales teams adapted swiftly to cater to OEM's dealership network requirements as also to other B2B customers in Industrial & Infrastructure space. Factory Fill volumes continued to remain sluggish as demand for new vehicles mainly commercial vehicles is yet to improve.



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As our business associates planned to initiate unlocking efforts, we at GOLIL, rolled out the 'Suraksha program' for our key trade partners, retailers. Under this program, we provided sanitization help and distributed Suraksha kits containing masks, gloves, safety eyewear, markers to our retailers and garages across various parts of the country to facilitate them to offer products in a safer environment. We also helped them to be ready and educated them via communication on what precautions to be taken as they start reopening up their stores and garages again to service our end-consumers. A special animated video featuring our Brand Ambassador-Mahindra Singh Dhoni was released in our social media handles on the #NewWayForward to communicate the message of social distancing, the care people should take to ensure safety to help contain the spread of virus & also instill positivity in these testing times, was well received.

“Given the impact on overall economic scenario and vehicle mobility across the country due to the COVID Lockdown measures through the months of April and May and also to some extent in June, our Q1 numbers were impacted. However, month on month, there has been a considerable progress towards getting back to the average monthly level of volumes. I take this opportunity to thank all the employees to support the Company in these tough times with their positive approach to regain strength quickly so that we could revive businesses sooner than expected including the teams at plants and warehouses for working safely during the Pandemic period. We have utilised this period also to build stronger connect with customers, our trade partners, B2B customers and OEMs and their dealerships to engage with them and align meeting their needs. I am happy to share that we have also focussed to tap new businesses and build a strong 'pipeline' for the future. I am optimistic about our businesses regaining sooner than earlier expected as the start of the quarter, as the business is clearly gaining momentum back and we are seeing the pick-up in demand from June onwards and we are ready for a strong return.” said Mr. Ravi Chawla, Managing Director & CEO, Gulf Oil Lubricants India Ltd.

In another prestigious & important development recently, our Parent company, Gulf Oil International Ltd that provides us brand and technical support, announced a multi-year strategic partnership with McLaren which will see Gulf, one of the most iconic brands in the world, partner with world-famous race team McLaren Racing for the Formula 1 races and I with luxury supercar company McLaren Automotive for other product related initiatives going forward.

This partnership reunites two renowned brands that have a long-standing and successful history together and symbolises a united ambition to use both brands' innovation and class-leading capabilities to refine a winning formula, both on the track and on the road. Gulf will become the preferred lubricant supplier to McLaren Automotive, with all cars to be filled with Gulf Oil and fuel optimised for high performance engines.

“We are thrilled to leverage this partnership between Gulf Oil International & McLaren that will help us deliver a unique value proposition to our Passenger Car Segment in India. Working with McLaren will help us to enhance our brand values, imagery & market position as a leading lubricant player. With this strategic multi-year partnership, we will create enthralling experiences for our consumers and racing enthusiasts.” added Mr. Ravi Chawla, Managing Director & CEO, Gulf Oil Lubricants India Ltd.



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About GOLIL

Gulf Oil Lubricants India Limited (GOLIL), part of Hinduja Group, is an established player in Indian lubricant market. It markets a wide range of automotive and industrial lubricants, greases, 2-wheeler batteries, etc. Today, the Gulf brand is present in more than 100 countries across five continents with values of 'Quality, Endurance & Passion' as its core attributes. The Gulf Oil International Group's core business is manufacturing and marketing an extensive range consisting over 400 performance lubricants and associated products for all market segments.

BSE Scrip Code: 538567

NSE Scrip symbol: GULFOILLUB

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Safe Harbour

Certain statements in this release concerning our future growth prospects may be termed as forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.



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