Gulf Oil Corporation Limited

Corporate Office

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25th May 2011

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Fax: 022–22723121/2027/2041/2061/3719

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
Fax: 022 – 2659 8237/38, 2659 8347/48

Dear Sir,

Press Release- BSE Scrip Code – 506480 / NSE – GULFOILCOR

Please find enclosed Press Release of the Company dated 25th May 2011

This is for your information and records.

Thanking you,

Yours faithfully,
For Gulf Oil Corporation Limited

S. Subramanian
Chief Financial Officer & Company Secretary

Encl: a/a

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Press Release **for Immediate Publication**

Gulf Oil Net Profit Increases 20% to Rs. 54 crores in 2010-11. Dividend Increased to 100%

Highlights for Q4

Turnover down 16% due to demerger of Explosives Business

Profit higher by 274% to Rs. 18.89 crores (Rs. 5.05 crores)

Mumbai, May 25, 2011: Gulf Oil Corporation Ltd., a Hinduja Group Company, has reported an income of Rs. 251 crores in Q4. For the year ended on 31st March 2011, the turnover was Rs. 1001 crores and Profit after Tax increased by 20% to Rs. 54 crores. The Board has recommended an increased Dividend of Rs. 2 (100%) per share.

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, effective from 1st October 2010. Hence the results of the Explosives Division excluding the Explosives Business are only for the period of 6 months from 1st April 2010 to 30th September 2010.

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Division wise performance and highlights are as under:

LUBRICANTS DIVISION:

During the Q4 of the financial year 2010-11, the Lubricants SBU achieved a gross turnover of Rs. 207 Crores as compared to Rs. 171 Crores in the corresponding quarter of the previous year i.e. a growth of 21% on QoQ basis. For the year ended 31st March'11, Lubricants Division achieved gross turnover of Rs. 681 crores compared to Rs. 564 Crores in the previous year 2010-11 and PBIT for the year increased by 90%.

Automobile Industry witnessed positive growth throughout the year with over 25% growth. Accordingly, demand conditions in the lube industry also remained buoyant for Automotive Lubricants. With industrial growth also positive all through the year, your division has grown in volumes well ahead of the industry & achieved faster growth and increased market share.

The key strategies, with a focus on a segment wise approach backed by channel expansion, promotions for trade, influencers & end-users & brand building initiatives, were successfully executed across core segments of New Generation Diesel Engine Oils, Motorcycle Oils (4T) and Passenger Car Motor Oils. A major highlight for the Lubricants division's has been substantial growth in the highly competitive 4T segment and this has strengthened the position of the Division's brands in this fast growing segment.

In the motorcycle segment, the Division launched the Gulf Bikestops – a branded workshop concept & covered more than 125 locations across India with this.

The Division 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. The Division has also forged tie-ups with leading OEM's like Mahindra (Automotive Division) by launching a co-branded range of lubricants with them in Quarter 3 of 2010-11, which has also contributed to the overall growth.

As part of increasing brand visibility & brand building, the division invested in launching mass media campaigns on television and outdoor. The key initiative was the Sponsorship of IPL-III winners Chennai Super Kings team for IPL –IV lead by the Indian Captain - M S Dhoni in addition to continuation of sponsorship relations with the Kings XI Punjab Cricket franchise for the Indian Premier League (IPL – IV). These associations helped to build brand awareness/recall amongst the cricket loving as well as to target youth audiences across India.

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EXPLOSIVES DIVISION

The Explosives Division of the Company (without explosives business which is being demerged w.e.f. 1.10.2010), during the Q4 earned a revenue of Rs. 26 crores. It has to be noted that the business of the explosives undertaking excluding the Hyderabad manufacturing facility, has been transferred to a fully owned subsidiary effective 1st October, 2010.

While, the IIP mining index grew 7.4% during the year, the growth was muted by the delays in starting up of various mines due to environmental concerns. The demand for thermal coal picked up but due to restricted domestic supply, it is estimated that 80-100 million tonnes of coal has been imported affecting supply of explosives and accessories..

A new range of field programmable electronic detonators have been developed and are at various stages of the product introduction process. Use of this product ensures that vibrations are reduced significantly, contributing to the mine safety in addition to improvement in blast efficiency.

Various projects on quality improvement and cost reduction have yielded good results. Investment in an advanced version of Raytube is complete and the products are soon to be made available to customers.

MINING AND INFRASTRUCTURE DIVISION (IDLconsult DIVISION)

The Mining and Infrastructure Division during Q4, earned a revenue of Rs. 18 crores (Rs. 43 crores in the same quarter last year). On a full year basis, the revenue was at Rs. 129 crores (Rs. 196 crores last year). Key contributors to the reduction in the volume of business during the year was the completion of a large Coal mining project at Nighai in F11 and restricted working at some of our customer's mines in the Orissa region, due to various regulatory.

Uranium ore mining project for Uranium Corporation of India under the Department of Atomic Energy completed its first year of operation. While, this project started in February 2010, we completed installation of all equipment during the last quarter of the financial year. Work schedules will be gradually increased in the current year.

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PROPERTY DEVELOPMENT

The layout design of the IT / ITES Park at Bangalore was modified to take into account further widening of the Highway and creation of the elevated metro rail along the highway. The land to be acquired by the Government for the purpose was finalised and the revised layout confirmed. Building activities are to start shortly.

Preparatory work on the 100 ft road through and along the perimeter of the property has been started by GHMC. The Company will be required to hand over land for the purpose. The Government has agreed to grant impact fee waiver and TDRs for the value of land being surrendered.

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

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