Management Discussion and Analysis

Macroeconomic Review

Global Economic Review[1]

Over the course of the past year, the global economy has witnessed several headwinds, including geopolitical unrest, heightened inflation and elevated interest rates. These factors have collectively influenced global growth trajectories and economic stability. Notwithstanding these adversities, the global GDP is estimated to have recorded a modest growth of 3.2%, reflecting the resilience of the global economy.

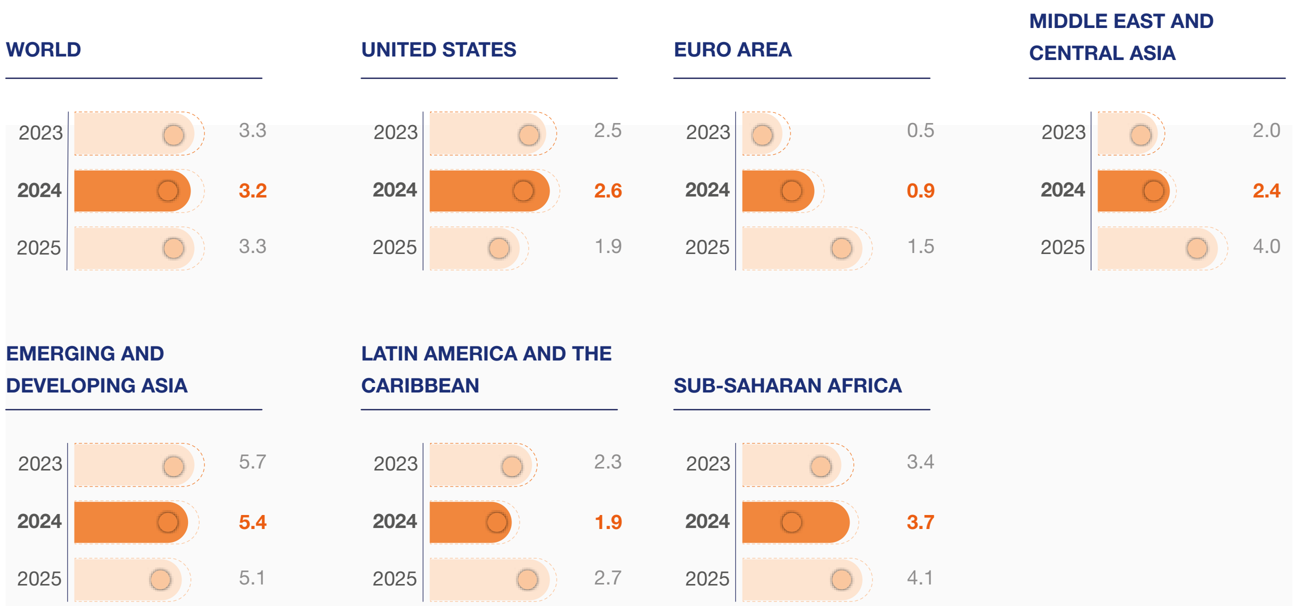
Supply chain disruptions and escalated crude oil prices also persisted during the reporting period, primarily caused by geopolitical conflicts. This, in turn, further intensified inflationary pressures worldwide. Central Banks across the world, including the US Federal Reserve continued rate hikes to keep inflationary pressures anchored. Runaway inflation in many economies prompted a worldwide policy response aimed at controlling the surge in prices.

Emerging and developing economies were significant contributors to the global economy's resilience, registering robust growth against an uncertain global economic climate. As a result of coordinated monetary tightening, already elevated global inflation began to show signs of easing, trending towards 6.8% by the end of CY 2023, 5.9% in CY 2024 and then further reducing to 4.5% by CY 2025.

World economic outlook July 2024

GROWTH PROJECTIONS BY REGION

(REAL GDP GROWTH, PERCENT CHANGE)



Source: IMF, World Economic Outlook Update, July 2024.
Note: Order of bars for each group indicates (left to right): 2023, 2024 projections, and 2025 projections.

[1] https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024

Outlook

Looking ahead, the global economic outlook remains cautiously optimistic. The International Monetary Fund (IMF) forecasts a slight increase in global GDP, projecting modest growth to 3.2% in 2024 and 3.3% in 2025. Emerging and developing economies are expected to play a pivotal role in driving global growth, benefitting from internal reforms, increased investment and digital transformation, with projections indicating their combined contribution will exceed 60% of the world's GDP growth.

Manufacturing and service sectors worldwide are likely to witness steady expansion, driven by technological advancements and shifts in consumer behaviour. The focus on sustainable development and green technologies is expected to usher in new avenues of growth, underpinning the necessity of innovation and resilience for driving global economic growth.

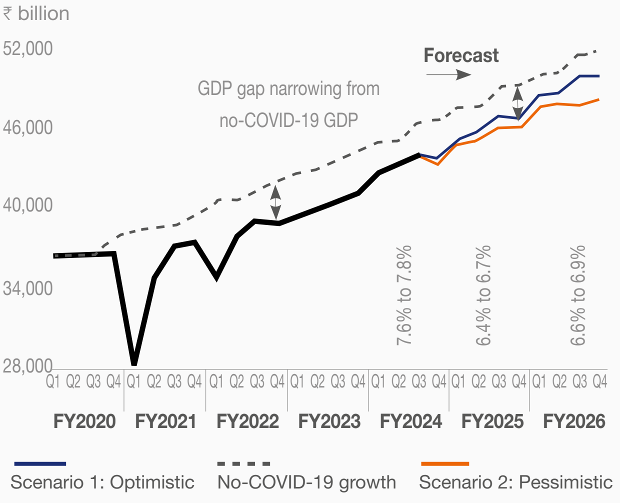
Indian Economy[2]

India has registered the highest growth among major advanced and emerging market economies during FY 2023-24. It is estimated to have grown at a robust 8.2% during this period, over and above the provisional growth rate of 7.2%. Fiscal management remained prudent, aided by robust tax collections, thereby contributing to the economic recovery. Sustained political stability and a continued focus on massive public capital expenditure (capex) are creating a multiplier effect, attracting private investment and boosting overall demand.

Growing domestic demand, fuelled by private consumption, continues to be a key growth driver. The economy remained resilient owing to significant investment activities, consistent encouragement by the Indian Government to enhance capital investments in the economy and improved consumption in the rural and urban regions. The resilience of the Indian economy is particularly noteworthy considering the headwinds from the global economic slowdown. Further, the services sector has continued to grow, capitalising on digital transformation and burgeoning domestic demand.

The GDP gap, compared with pre-pandemic levels, is rapidly narrowing as the recovery gains momentum

Real GDP (seasonally adjusted, level values)



Source - Centre for Monitoring Indian Economy (CMIE), Deloitte Research, April 2024

Outlook[3]

India is anticipated to retain its position as the fastest-growing major economy, with an estimated GDP growth of 7.2% in FY 2024-25. This suggests that the country is well on track to achieve its target of becoming a $5 trillion economy in the near term.

Investments, although expected to experience a slight slowdown, are anticipated to remain strong due to increased public investment and considerable improvement in the balance sheets of corporates and the banking sector. Moreover, in the Interim Budget 2024-25, the Indian Government undertook various strategies to transform India into Viksit Bharat by 2047. Also, the capital expenditure outlay was ₹ 11.11 Lakh Crore, forming 3.4% of the GDP. These initiatives undertaken by the Government of India, are anticipated to help in the growth of the economy in the forthcoming years. Additionally, the outlook for India's economy is optimistic, fuelled by a young, growing workforce and a shift towards more inclusive urban development that leverages the potential of smaller cities. The growing

[2] https://pib.gov.in/PressReleasePage.aspx?PRID=2034973

[3] https://openknowledge.worldbank.org/server/api/core/bitstreams/7fe97e0a-52c5-4655-9207-c176eb9fb66a/content

population is expected to drive demand for transportation, food, housing and infrastructure. This is expected to be a major contributor to economic growth in the long run. With rising disposable incomes expected among middle- to high-income households, overall private consumer expenditure is likely to grow. In addition to this, with effective investment, development of human infrastructure and shift in the manufacturing activities to the rural regions, it is anticipated that the rural economy will develop in the coming years.

Industry Review

Indian Lubricant Industry

India is the third largest lubricant market in the world after the US and China. This significant development in the industry has resulted in the industry experts describing it as 'Shining Bright'. The domestic lubricant market is projected to grow at a volume CAGR of 3% and value CAGR of 6% (according to Kline & Co.) over the next decade, reflecting its potential for sustained growth. The growth in the Indian lubricant industry is anticipated to be influenced by expansion in the automotive and industrial activities. The presence of a huge population, moderate vehicle penetration, favourable demographics, infrastructure development and government support to manufacturing sector are anticipated to augur well for the expansion of the lubricant industry. The value growth is expected to be even higher with product premiumisation. These factors make the country one of the fastest-growing key markets globally, with the potential for both volume and value growth.

Sectors such as manufacturing, transportation and storage services are fundamental demand drivers for lubricants. Over the next decade, these sectors are projected to grow substantially and, in turn, propel the lubricant market forward. Moreover, in the coming years, India is anticipated to contribute a quarter of the volume to the global lubricant industry. In addition to this, the domestic demand for lubricants is anticipated to grow further. With increased awareness of enhanced maintenance and rising purchasing power among individuals, a shift towards use of premium lubricants is expected.

Growth Catalysts

- **Automotive growth-** The expanding automotive sector, driven by rising vehicle ownership, especially two-wheelers and passenger cars, will significantly boost demand for lubricants in India. Increased rural vehicle usage and growing logistics, with more commercial vehicles on the road, will further propel lubricant consumption, particularly heavy-duty variants.
- **Vehicle Ownership Potential -** As income levels rise in India, crossing the $2,700 per annum threshold, vehicle ownership is expected to surge, contributing to greater demand for automotive lubricants.
- **Strong Prospects from the Rural Economy -** Along with increased mechanisation and automation of farming activities, machinery such as tractors finds extensive usage in the agriculture sector. This is expected to drive demand for lubricants in the rural economy as well.
- **Accelerated Investments in Infrastructure Building -** The government's commitment to a massive infrastructure upgrade, with the ₹ 100 lakh crore capex plan for multi-modal connectivity, is expected to boost infrastructure development within the country, further increasing the demand for industrial lubricants.
- **Advancement of Engine Technology -** With a focus on emission control and efficiency, new technology is being used to improve the capacity of engines. The replacement of older BS III or BS IV with newer BS VI will enhance fuel efficiency and increase the demand for superior-quality lubricants. Along with this, increased use of lighter viscosity and synthetic oils will further drive value growth.
- **India's positioning as a Manufacturing Hub -** The government's emphasis on Atmanirbhar Bharat and Make in India has helped increase the manufacturing output of Indian companies and positioned the country as a global manufacturing hub. The China+1 strategy is also enhancing India's prospects as a manufacturing hub.
- **Positive Demographic Trends -** Urban migration and a younger population are fueling demand for personal and commercial transportation, thereby increasing lubricant usage. The expected doubling of the middle class by 2047 will further drive demand for higher-quality products, brands, and services in the vehicle and lubricant markets.
- **Preference for Electric Vehicles -** The EV market provides the industry with further growth opportunities through special EV fluids such as transmission oil, coolants, brake fluids for BEVs and Engine oil for hybrid EVs.

With its diversified product portfolio and strong brand reputation in both automotive and industrial sectors, Gulf Oil is equipped to capitalise on the growing demand in India's lubricant market. Additionally, its extensive distribution network, long-standing OEM partnerships and innovative approach enable it to tap into the sectoral opportunities presented by increasing vehicle ownership and the government's infrastructure push.

Automotive Segment[4]

The automotive lubricants sector in India is a mature market that continues to show positive growth, propelled by an increasing number of vehicles ranging from two-wheelers and passenger cars to heavy commercial vehicles. In the last fiscal year, the sector witnessed a 12.5% uptick in vehicle sales, with 2,38,52,738 units compared to 2,12,04,121 units in the previous year. The industry's performance reflects the country's 7.6% economic growth, supported by government policies.

With a growing population, increasing investments in road infrastructure, a flourishing logistics industry, and updates in regulatory standards, the automotive segment is expected to perform well both in terms of product value and sales volume. This creates a more opportune environment for the automotive lubricants market as modern vehicle technology and environmental regulations continue to drive the demand for advanced lubricants.

Category		2021-22	2022-23	2023-24
Passenger vehicles (PVs)		30,69,523	38,90,114	42,18,746
Commercial vehicles (CVs)		7,16,566	9,62,468	967,878
Three-wheelers (3W)		2,61,385	4,88,768	691,749
Two-wheelers (2W)		1,35,70,008	1,58,62,771	1,79,74,365
Total		**1,76,17,482**	**2,12,04,121**	**2,38,52,738**

Passenger Car Motor Oils (PCMO)[5]

Passenger Car Motor Oils (PCMO) are integral to India's burgeoning automotive sector. Vehicle sales in fiscal year 2023-24 reached 4,218,746 units, up 8.4% from the previous year, driven predominantly by a strong demand for utility vehicles. Consistent growth in vehicle parc and sales is influenced by the rising middle class, improved road infrastructure and increased consumer purchasing power.

As the number of passenger vehicles increases, so does the demand for high-quality PCMOs that maintain engine performance and meet contemporary emission standards. This trend offers significant opportunities for lubricant manufacturers to innovate and extend their product lines with advanced PCMO formulations that enhance engine efficiency and minimise environmental impact.

Motorcycle Oils (MCO)[6]

Two-wheeler sales saw 13.3% growth in the last fiscal year, totalling 1,79,74,365 units. Going forward, considerable growth is expected in the Two-Wheelers (2W) segment, owing to India's massive population and increased preference for two-wheelers due to their affordability, manoeuvrability and efficiency in dense urban traffic uplifting sales of motorcycle oils. Strong prospects of the rural economy and rising farm income will also drive the MCO sales.

Commercial Vehicles Oils (CVO)

Commercial vehicles have shown flat growth of 0.6% in the FY 2023-24. In the commercial automotive space, volumetric growth is likely to be higher in comparison to value growth. The overall market growth is expected to continue expanding between 2024 to 2032 and beyond.

[4&5] https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-wholesales-surge-up-by-8-4-in-fy24-siam-data-shows/articleshow/109238215.cms

[6] https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-wholesales-surge-up-by-8-4-in-fy24-siam-data-shows/articleshow/109238215.cms

This suggests that the yearly increase in volume (volumetric growth) will continue over the long period. India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, the largest bus manufacturer and the third largest heavy truck manufacturer in the world.

Stronger momentum in construction activity, real estate, railways, roads, urban infra, Industrial corridors, multimodal logistics park should accelerate demand for CVs in India. The trucking industry has undergone a major shift in recent years. Highway fleets are now the dominant force, replacing the owner-operator model that was prevalent 10-15 years ago. This transition is especially important because most of these fleets are now operated by second-generation owners who prioritise preventative maintenance to maximise vehicle lifespan and performance. This focus on maintenance aligns with the strategies of original equipment manufacturers (OEMs), who are increasingly offering extended warranties and comprehensive service contracts. Further, government budgets on infrastructure and rural development are likely to benefit commercial vehicle demand. Also, growth shall be dependent on ICE vehicles, as the technology and innovation curve for EV adoption in CVs has been far slower than PVs. All these shall augur well for commercial vehicle lubricants.

Opportunities and Threats

Opportunities

- **Demographic Dividend:** A young and growing workforce implies a higher demand for personal mobility and commercial transportation.
- **Urbanisation:** Expansion of cities leads to higher vehicle usage, boosting lubricant consumption.
- **Infrastructure Development:** Government investment in infrastructure propels the growth of commercial vehicles, subsequently increasing lubricant usage.
- **Moderate Vehicle Penetration:** Low vehicle density compared to developed countries presents ample room for expansion.
- **Foreign Direct Investment (FDI):** Increased FDI in the automotive sector is expected to facilitate the adoption of advanced technologies that will entail using superior-quality lubricants.
- **Electric Vehicle (EV) Adoption:** EVs present new opportunities for developing and selling specialised e-fluids and lubricants.
- **Government Initiatives:** Schemes including FAME II and tax benefits for EVs can boost the market for associated lubricants.
- **Environmental Regulations:** Stricter environmental standards enhance the demand for improved lubricants that reduce emissions.
- **Technology Advancements:** High-performance and synthetic lubricants have been introduced to the market to meet the demand for advanced engine technology.
- **Make in India:** This initiative adds impetus to manufacturing activity, driving the demand for industrial lubricants.
- **Aftermarket Growth:** The aftermarket for lubricants is expanding due to the increasing average age of vehicles.
- **Research and Development:** Investments in R&D can lead to the development of innovative products that cater to the latest automotive trends.
- **Enhanced Accessibility via Digital Platforms:** Leveraging e-commerce and mobile services to enhance the availability of PCMO.

Threats

- **Raw Material Price Volatility:** Fluctuations in oil prices can impact lubricant pricing and margins.
- **Regulatory Changes:** New regulations can lead to sudden shifts in product demand, necessitating quick adaptation.
- **Global Economic Instability:** International market fluctuations can impact the import and export of lubricants.
- **Technological Obsolescence:** Rapid technological advancements in automotive engineering may render some lubricants obsolete.
- **Supply Chain Disruptions:** Geopolitical tensions pose risks to the global supply chain.

- **Environmental Concerns:** Changes in environmental regulations might lead to a faster-than-anticipated shift from ICE vehicles.

- **Substitution by Alternate Products:** The use of innovative ingredients and engineering methods may render existing lubricants ineffective and offer better alternatives to the market. This might affect the overall demand for lubricants.

Outlook

The future of automotive lubricants in India is promising with volume CAGR growth of 3% and value CAGR growth of 6% over the next decade (as per Kline & Co.), driven by rising vehicle ownership, technological advancements, and stricter environmental regulations. Economic growth, urbanisation, and a rapidly expanding middle class will further fuel demand for high-quality products. The growing popularity of SUVs, expanding OEMs, and an increasing vehicle parc, along with increased domestic base oil production capacity will support the market. As consumer preferences evolve and these factors align, the market is poised for steady growth in the coming years.

Industrial Segment

While the automotive segment remains the largest user for lubricants, the industrial sector is expected to grow faster over next 10 years. With 'Make in India' and 'Invest in India' gaining traction, there has been a notable upsurge in foreign and government investments in the domestic manufacturing sector. This will eventually drive the demand for industrial and hydraulic oil, metalworking fluid and rubber process oil, premium oils & greases etc. Moreover, with China+1 strategy, the manufacturing activities surged in the economy, thereby, positively impacting the demand for lubricants for continued manufacturing operations.

Power generation also continues to rise despite the drive to increase the adoption of non-renewable sources of energy. It will also facilitate the use of transformer oil, another major impetus for the lubricant industry.

The Indian economy is on track to witness robust growth in the near term, with improving incomes and purchasing power. Overall, the country's manufacturing sector is thriving, supported by growing domestic demand, favourable government policies, investment inflow and a shifting focus towards sustainable industries. The sector's growth momentum is expected to continue in the coming years, making India an attractive destination for global manufacturers as well. The country's per capita GDP is steadily growing, which fuels demand and catalyses economic growth. The domestic manufacturing industry comprises multiple sectors such as plastic, textile, cement, paper and pulp, steel, food and beverages, metalworking and others that require industrial lubricants in large quantities. Manufacturers are also showing a positive sentiment towards capital expenditure, indicating their confidence in the sector. This will continue to propel overall lubricant demand in the country over the next decade.

Opportunities and Threats

Opportunities

- **Manufacturing Growth:** Initiatives such as Make in India are expected to boost manufacturing activities and drive the demand for lubricants.

- **Development of Industrial Corridors:** New industrial corridors will require extensive use of construction and operational machinery, which in turn will increase the demand for lubricants.

- **Liberalisation of the Mining Sector:** Policy reforms in the mining sector can lead to higher equipment usage, which will lead to a greater demand for lubricants.

- **Expansion of the Energy Sector:** Investments in renewable energy infrastructure increase the need for industrial lubricants.

- **Agri-Machinery Use:** The increasing mechanisation in agriculture also leads to a higher demand for lubricants.

- **Advancement of Industrial Technology:** Cutting-edge machinery with specific lubrication needs offers new product development opportunities for the lubricant market.

- **Bio-Lubricants:** Increasing number of green projects has resulted in a growing market for eco-friendly lubricants.

- **Research and Development:** With significant R&D investments, the development of high-performance lubricants designed to meet the requirements of advanced industrial machinery has considerably grown.

Threats

- **Market Competition:** Global brands entering the Indian market may offer superior-quality products or resort to competitive pricing. Besides, aggressive pricing policies by domestic players may lead to intense market competition

- **Regulatory Changes:** Sudden shifts in environmental norms or other changes in the form of regulatory reforms may affect the demand for lubricants and may require the development of different formulations.

- **Synthetic Alternatives:** The rising preference for synthetic lubricants may replace traditional mineral oil-based products.

Outlook

The growth of industrial lubricants is fuelled by the expanding manufacturing sector, increased construction equipment use, and government push for manufacturing sector. As industrial activity continue to grow, lubricant consumption is set to rise significantly, reflecting the broader expansion across these sectors.

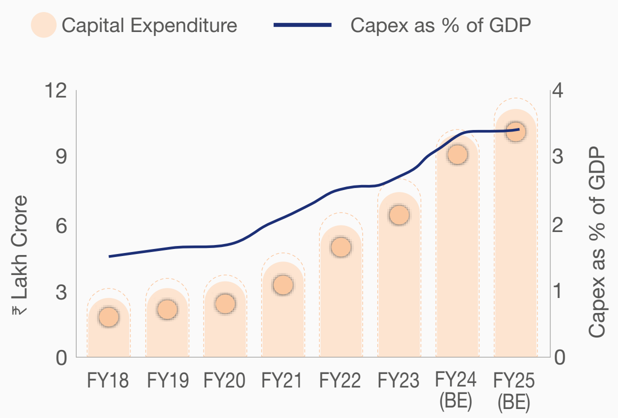
Infrastructure Segment

As the country continues to progress on its path towards becoming a global economic powerhouse, the need for robust infrastructure becomes increasingly evident. The Government has implemented several schemes to promote infrastructure development in India. Some of these initiatives include the National highway expansion, Bharatmala (Cross country roads), Sagarmala (developing port infrastructure), Udaan (development of regional airports), the development of industrial corridors and numerous ongoing infrastructure projects across the length and breadth of the country.

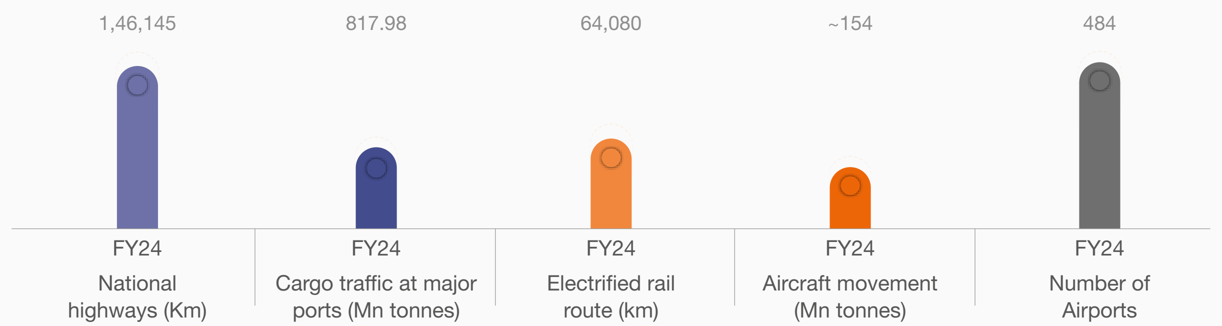
Lubricants find application in construction equipment and different types of on-highway and off-highway vehicles.

Infrastructure development, therefore, creates enormous opportunities for the lubricant industry. India's investments in infrastructure will rise to ₹ 143 trillion between 2024 and 2030 as per the report by CRISIL Per capita income is seen rising from $2,500 to $4,500 by fiscal 2031, creating a middle-income country underpinned by massive all-round infrastructure development. The recently announced budget also includes an 11.11% hike in infrastructure expenditure, which will boost several construction projects across roads, bridges, railways and more. Demand for Construction Lubricants is directly associated with the growth in the Construction Equipment (CE) Industry and the Infrastructure segment is bound to expand substantially in the next few years.

Increase in Capital Expenditure



Physical infrastructure in FY 2024



Opportunities and Threats

Opportunities

- **Infrastructure Initiatives:** Government initiatives, such as Bharatmala and Sagarmala, could lead to increased demand for lubricants in construction equipment.
- **Port Upgrades:** The modernisation of ports requires heavy machinery that needs maintenance and lubrication.
- **Development of Smart Cities:** Urban development projects require heavy machinery that utilises lubricants to enhance efficiency.
- **Railway Modernisation:** Modification and upgradation of the railway infrastructure are expected to drive the demand for specialised lubricants.
- **Expansion of the Defence Sector:** Increased defence manufacturing is likely to improve the demand for high-performance lubricants.
- **Growth of Warehouses:** With rising demand for warehouses, the use of forklifts and conveyors continues to rise, thereby increasing the demand for lubricants.

Threats

- **Economic Downturns:** Uncertainty in the macroeconomic landscape may affect industrial activity and reduce the demand for lubricants. It may also pose challenges to the supply chain, thereby leading to inadequate supply and price volatility.
- **Technological Disruptions:** The use of sophisticated equipment or vehicles that reduce or eliminate the need for lubrication poses a direct threat to the sector.

Outlook

The future of infrastructure lubricants looks strong, driven by ongoing and upcoming infrastructure projects such as roads, bridges, and urban development. Economic growth and increased investment in infrastructure will boost lubricant demand for construction machinery and equipment. Rapid urbanisation and advancements in lubricant technology will further support the need for high-performance lubricants, ensuring continued market growth in the infrastructure sector.

Exports

Opportunities and Threats

Opportunities

- **Growing Global Demand:** Higher mobility and the growth of industrial activity in the post-pandemic period have increased the export demand for lubricants and other related products.
- **Emerging Markets:** As economies in Africa, Southeast Asia and Latin America expand, opportunities for establishing export channels to these regions continue to emerge.
- **Trade Agreements:** Trade agreements with industry players in different parts of the world may widen access to new markets.
- **Preference for Innovative Products:** Innovations in lubricant technology have led to the development of products such as synthetic and bio-based lubricants. It has also spurred export opportunities to markets with stringent environmental regulations.
- **Growth of Infrastructure Projects:** A significant push for infrastructure projects continues to be noticed in several regions across the world. This is expected to increase the demand for industrial lubricants, thereby creating export opportunities for domestic players.
- **Quality Standards:** Compliance with international quality standards is expected to make Indian lubricants more preferable in other countries as well.
- **Automotive OEM Partnerships:** Collaborating with automotive OEMs to create avenues for exports.

Threats

- **Fluctuating Crude Oil Prices:** Volatility in crude oil prices may affect raw material costs, thereby impacting India's position as a cost-competitive market.
- **Exchange Rate Variations:** Fluctuations in exchange rates can impact profit margins and pricing strategies.
- **International Regulations:** Stringent environmental regulations in other countries may pose challenges to product formulation and compliance.
- **Global Competition:** Intense competition from established global players can create entry barriers to new markets.
- **Geopolitical Instability:** Political instability in export markets can disrupt business operations and reduce demand.
- **Technological Advancements:** Rapid changes in technology can render current product offerings obsolete, requiring constant innovation for upgrading or formulating new products.

Outlook

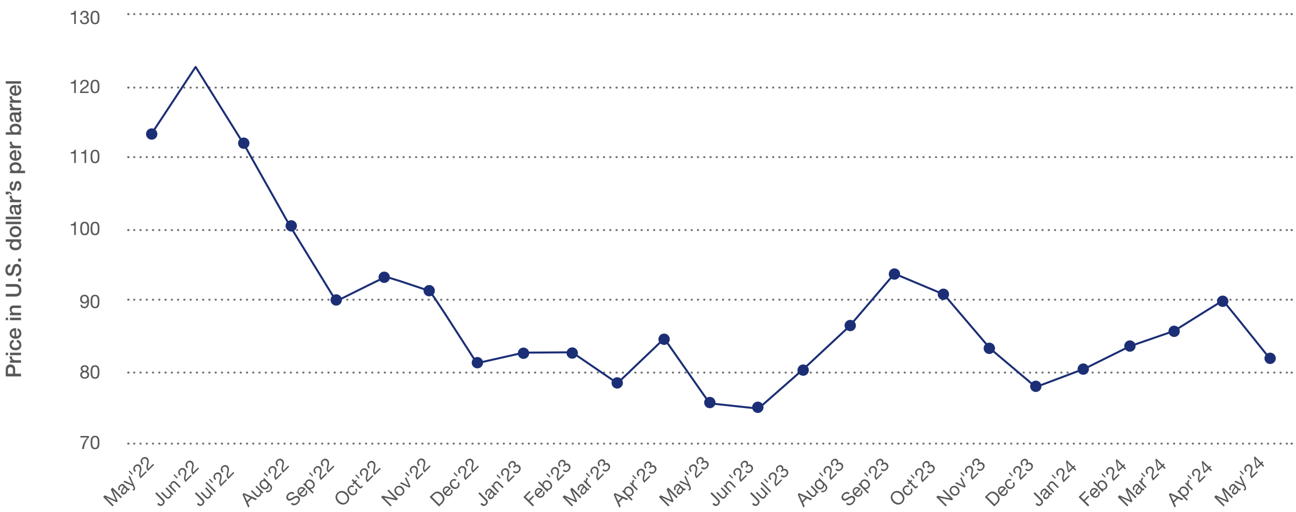
The outlook for Indian lubricant exports is promising, driven by growing global demand, competitive pricing, and favorable trade agreements. Increased investment in technology and quality improvements will help Indian manufacturers meet international standards, boosting their market share and expanding export opportunities.

Impact of Raw Material Price Movement

The price of base oil, a critical raw material for lubricant production, is closely linked to crude oil prices and its fluctuations directly influence the cost of goods sold. During the reporting year, the ripple effect of geopolitical conflicts reverberated globally, leading to supply chain disruptions and rising commodity prices, including crude oil. While there was some respite in base oil prices during the second half of FY 2022-23, the situation in FY 2023-24 remained uncertain. In FY 2023-24, the lubricant industry continued to grapple with the aftereffects of global disruptions and geopolitical tensions. Base oil prices, though not as volatile as the previous year, remained elevated compared to pre-crisis levels. Additive prices remained mostly at elevated levels through out the year.

Recognising the headwinds posed by rising raw material costs, the Company adopted a proactive approach. Through close monitoring of input prices, strategic sourcing, it was able to make timely adjustments to pricing strategies. This foresight helped the Company significantly mitigate the impact on profitability and effectively navigate a challenging market.

Movement of oil in FY 2023-24



Company Overview

Gulf Oil Lubricants India Ltd., a part of the Hinduja Group, is a leading player in the lubricant industry. Renowned for its technological proficiency and expansive product range, it is a part of the parent company, Gulf Oil International.

The Company is among the Top 3 lubricant brands in India, with a wide range of products utilised for various applications in the automotive and industrial sectors. It also has a strong export presence and caters to the needs of B2B as well as B2C players. With an extensive distribution network, it directly supplies products to over 40 Original Equipment Manufacturers (OEMs) and more than 500 B2B customers spanning different industries including infrastructure, mining, state transport agencies and government undertakings.

With a sharp focus on quality, innovation, customer satisfaction and sustainability, the Company continues to deliver superior-grade products aligned with evolving customer preferences. Leveraging the strength of its state-of-the-art research and development facilities in Silvassa and Ennore, Chennai and a team of experts, it continuously keeps pace with changes in the regulatory environment and manufactures new and improved products that push the boundaries of innovation. Besides, the Company has strong association with key industry players in construction and infra sectors to increase its market share and broaden its global footprint.

The Company is a leading manufacturer and marketer of the AdBlue® product range, preferred by many automotive OEMs. Additionally, GOLIL commands a Top 5 share in the 2-wheeler battery replacement segment. The brand embraces a forward-looking approach in mobility solutions and taking steps on growing the strategic collaborations made. Recent strategic collaborations include investments in Tirex Chargers (a DC fast charging company), Indra Technologies (a UK-based slow AC charger/mobility firm, and TechPerspect- brand Electreefi (an EV SaaS provider), for a comprehensive presence in the EV ecosystem. With a robust brand reputation, a diverse product portfolio and a firm commitment to ensure excellence, the Company remains dedicated to enhancing value creation for stakeholders across the vertical.

Strengths

Brand Legacy

With a rich legacy spanning over 120 years, Gulf Oil has earned the trust and loyalty of numerous clients. Its strong brand equity makes it one of the most renowned names in the industry.

The Company continues to strengthen its brand recall through partnerships with sports franchises such as the Chennai Super Kings and Williams Racing.

It has also appointed celebrity brand ambassadors like M.S. Dhoni, Hardik Pandya and Smriti Mandhana to endorse its products.

Strong OEM and B2B relationships

The Company has established enduring relationships with over 40 OEMs and more than 500 B2B clients, ensuring direct market access for its products.

- Automotive OEMs: 14+
- Industrial OEMs: 18+
- Construction OEMs: 8+
- AdBlue OEMs: 6
- EV Fluid OEMs: 13+

Extensive Distribution Network

Gulf Oil has an extensive distribution network with over 85,000 touchpoints, which helps it expand its presence in India.

~11,500+

Bike and Car Stops Pan India

85,000+

Touchpoints

300+

Auto Distributors

30+

2 Central Distribution Centres & 30 Depots

800+

Infra-mining Fleet Customers

12,500+

Battery Sales and Servicing Touchpoints

500+

B2B Customers

70+

Industrial Distributors

Versatile Product Portfolio

The Company has a diverse portfolio of lubricants including Automotive and Industrial Lubricants, Specialty Oils, EV Fluids, Marine Lubricants, and AdBlue® as well as 2-wheeler VRLA batteries. The addition of EV fluids to the portfolio highlights the Company's focus on growth in new and emerging areas. Strategic investment in EV Charger companies like Tirex Transmission, Indra and Techperspect has further strengthened Gulf Oil's position in the EV value chain.

Manufacturing Capabilities

Silvassa Plant

- **Lubricants Manufacturing Capacity:** The plant has an annual production capacity of 90,000 KL for lubricant manufacturing.
- **AdBlue® Manufacturing Capacity:** It can produce 36,000 KL of AdBlue® per annum.

  Key Certifications-
  - ISO 9001:2015
  - ISO 14001:2015
  - ISO 45001:2018
  - IATF 16949:2016
  - VDA licence by QMC Germany
  - BIS Certification marks licence as per IS17042: Part I:2020
- **Quality Control:** The plant features a NABL-accredited QC lab meeting ISO/IEC 17025:2017 standards.
- **Advanced Technologies:**
  - World-class, fully automatic PLC-enabled blending operation.
  - Dedicated manufacturing facility for specialised metalworking fluids.
  - High-speed, end-to-end, fully automatic Filling Machine.
  - Fully Automatic Storage and Retrieval System (ASRS)
- **Safety and Sustainability:**
  - Robust Safety and Disaster Management Systems and supports.
  - Sustainability-led best practices are followed for plant operations.
  - Advanced and fully equipped Quality Control laboratory.
  - Installed and commissioned rooftop solar panels.
- **Approvals and Recognition:**
  - Plants and exports are approved by many Indian and global OEMs.

Chennai Plant

- **Lubricants Manufacturing Capacity:** The facility boasts a production capacity of 50,000 KL per annum for lubricants.
- **AdBlue® Manufacturing Capacity:** Capable of producing 39,000 KL of AdBlue® per annum.

  Key Certifications:
  - ISO 9001:2015
  - ISO 14001:2015
  - IATF 16949:2016
  - ISO 45001:2018
  - IGBC Gold Certification
- **Advanced Technologies:**
  - The plant employs state-of-the-art blending technology from ABB France, including a Simultaneous Metered Blender (SMB), an Automated Batch Blender (ABB), and a fully pluggable manifold with a Drum Decanting Unit (DDU), all integrated by the Lubcel™ Manufacturing Execution System.
  - Fully Automatic Storage and Retrieval System (ASRS) enhances the plant's efficiency.
- **Sustainability and Safety:**
  - Features a high-tech firefighting and disaster management system.
  - Committed to sustainable manufacturing with solar energy provision, greywater recycling, rainwater harvesting and natural lighting throughout the day.
- **Research and Customer Focus:**
  - Houses an advanced Quality Control Laboratory and Gulf Oil's largest global R&D Centre, emphasising the company's focus on innovation.
  - Features a Customer Experience Centre, the first-of-its-kind in India, highlighting the importance of customer interaction and service.
  - Industry Approval: The plant is approved by numerous Indian and global OEMs, signifying its compliance with regulatory standards and international benchmarks.

Unlock 2.0

"Built on a strong foundation, the Company has experienced a decade of remarkable transformation and exceptional performance. However, the Company recognises that achieving success in an evolving operating environment necessitates enhancing brand visibility, devising strategies for growth in target markets, boosting profitability, establishing a digital ecosystem and pursuing strategic expansion in the EV value chain."

The 'Unlock 2.0' strategy leverages its history of outpacing the industry volume growth rate by two to three times over the past decade, accelerating its growth momentum and fortifying its market position. The Company is prepared to reach new heights, consistently exceeding customer expectations and delivering value to all stakeholders.

Three broad aspects of this strategy include-

Accelerate

Leveraging India's economic surge, demographic shifts and burgeoning automotive industry, Gulf Oil is poised to accelerate growth in its core lubricant business. The Company's robust business model, catering to both B2C and B2B segments, combined with its strong brand recognition and distribution network, positions it for continued volume growth exceeding industry averages.

This multi-pronged approach aims to capture market share in under-represented categories and enhance overall profitability. As India transforms into a manufacturing hub, Gulf Oil, a major player in the world's third-largest lubricants market, is set to capitalise on these positive tailwinds.

To read more refer to page 20 of this Annual Report

Premiumize

As India's third-largest lubricants consumer, the market is projected to grow with a 3% increase in volume and a 6% rise in value CAGR, driven by premiumisation over the next decade, according to Kline & Co.

Gulf Oil is enhancing its value proposition through a focus on product premiumisation, leveraging best-in-class R&D facilities in Chennai. The Company has been a pioneer in introducing long-drain products in India and continues to innovate, with a greater emphasis on expanding its premium product range. By sharpening its focus on premium offerings, the Company aims to capture market share in segments such as OEM and industrial B2B, driving stronger value growth and enhancing overall margins.

To read more refer to page 26 of this Annual Report

Transform

In its pursuit of sustainable growth, the Company is undergoing a comprehensive transformation. This involves bolstering digital infrastructure, refreshing the brand identity and making bold forays in the EV space. Internally, the Company is revamping work processes, prioritising employee development and incorporating cutting-edge digital solutions.

Additionally, by streamlining sales and operations planning (S&OP), the Company is ensuring adaptability in the marketplace. Its commitment to the EV revolution extends beyond lubricants—it has acquired Indra, ElectreeFi and Tirex, solidifying its position as a holistic EV ecosystem player with a comprehensive charging portfolio. By cultivating a digital-centric culture, the Company remains well-positioned for continued success in the years ahead.

To read more refer to page 30 of this Annual Report

Business Review

FY 2023-24 marks another progressive year for Gulf Oil, reflecting a steadfast trajectory in its journey of growth and value creation. The performance in FY 2023-24 was marked by strong volume growth across all key business resulting in growth of 4.4% y-o-y outpacing the industry by more than 2 times. The core lubricant volume stood at 1,42,000 KL. The growth was including factory fill. While OEM Franchise Workshops business maintained good momentum, challenges persisted in factory fill which saw some decline to the tune of 11-12% due to decline in production resulting in lower offtake. During the year, the Company gained overall market share in bazaar segment led by agri and new generation CVO gains.

The Company reported net revenue of ₹ 3,284 crore, representing a significant y-o-y growth of 9.5%. Additionally, EBITDA reached 419 crore, exhibiting y-o-y growth of 22.3%. PAT stood at ₹ 308 crore, showcasing a strong y-o-y increase of 32.6%. During the fiscal year, the Company charged up for substantial focus in EV value chain, along with an emphasis on the traditional lubricant markets. This strategy was exemplified by the acquisition of a majority stake in Tirex Transmission Pvt. Ltd., marking Gulf Oil's entry into the DC fast charging infrastructure space. Additionally, strategic investments in Indra Renewable for slow AC home charger and ElectreeFi- a SaaS providerfurther enhance Gulf Oil's commitment to expanding its footprint in the e-mobility ecosystem. These strategic decisions underscore the company's forward-thinking approach and readiness to capitalise on the next wave of automotive technology and sustainable energy solutions.

Performance highlights

- Consistently high EBITDA crossing ₹ 100 crore across 3 quarters. Registered 22.3 % growth in EBITDA and 32.6% in PAT for the year.
- Maintained strong momentum with optimum volume growth in Agriculture and PCMO.
- Completed the acquisition of a 51% majority stake in the DC Charger manufacturing company, Tirex Transmission Pvt. Ltd. (Tirex), to participate in the fast-growing EV charging segment.
- AdBlue sales continued to improve during the year, achieving around 60-65% growth, solidifying the Company's position as a leading supplier for both OEMs and consumers.
- In the agriculture segment, a new sub-brand of Gulf Tractorguard tractor engine oil was launched. For 2 Wheelers, the Gulf Pride 4T CVO segment was launched along with a new sub-brand, Gulf Super Duty.
- Across all business segments, Infra and B2B recorded impressive double-digit volume growth.
- Robust growth was witnessed in the OEM workshop business, led by targeted initiatives. However, the OEM factory fill business saw a slowdown due to lower sales volumes of new vehicles by some key OEMs.
- Export volumes surged substantially.

Automotive Segment

Bazaar

In FY 2023-24, Gulf Oil continued to leverage its robust growth strategy, focusing on key business drivers and innovation. The concerted effort to enhance its distribution network yielded substantial results with distribution footprints expanding to over 85,000 touchpoints growing 10-15% annually, thereby further consolidating its retail network. B2C sales gets further boost by targeted sales and marketing efforts and leveraging distribution network and directly engaging with retailers, mechanics and end consumers. With the automotive industry steering towards a future shaped by technology and innovation, product development remained the cornerstone of its strategy, showcasing resilience and agility in addressing evolving market needs. These initiatives are expected to fortify the Company's strong position in the automotive lubricant space. Product innovation also remained at the forefront, with the launch of new products tailored to evolving consumer demands and technological advancements. Despite the nascent stage of the EV fluids market, Gulf Oil laid down a marker with its specialised product range. Moreover, in the reported year, the Company gained overall market share in the bazaar segment led by agri and new generation CVO gains. Also, the Gulf Car Stops and Bike Stops experienced strong double-digit volume growth. Moreover, there was a notable double-digit increase in distribution, driven by growth in both rural and urban areas.

Personal Mobility

In FY 2023-24, Gulf Oil excelled in the personal mobility segment, achieving commendable growth despite market challenges. The Company's focus on the personal mobility segment yielded positive results, driven by notable improvements in the retail channel volumes for motorcycles and passanger cars. Good growth in the MCO segment boosted by targeted sales and marketing initiatives and leveraging the distribution network. Also, there was positive traction in agriculture sector owing to improved demand and rural pickup.

Commercial Vehicles and Tractors

The Company good growth in CVO in fiscal 2024. This growth reflects a strategic focus on expanding market share in metropolitan markets, leveraging data-driven insights. Additionally, the Company launched a revolutionary 1000-hour oil drain product, significantly exceeding the industry standard (500-600 hours) and offering customers reduced maintenance costs, improved operational efficiency and a positive environmental impact. Looking ahead, Gulf Oil remains committed to continuous innovation, aiming to develop long-drain interval solutions for a wider range of customers, with projections indicating continued growth of 1-1.5% annually and a focus on solidifying its market leadership position.

AdBlue®

The AdBlue offerings have showcased a significant and sequential increase in sales due to the growth of BS VI diesel vehicles on the road. AdBlue® is a urea based eco-friendly product used in vehicles with Selective Catalytic Reduction (SCR) technology to reduce harmful gases being released into the atmosphere. As a market leader in this segment, the Company delivered volume of 1,28,000 KL, reflecting its ability to capture market opportunities.

With the total in-house capacity of 75,000 KL and over 2,75,000 KL capacity with 13 satellite plants, the Company has emerged as a leading supplier of AdBlue® and front runner in catering to many OEMs and aftermarket through superior distribution network. Despite the presence of numerous manufacturers, the superior quality of the product positions it amongst the top three products in the market. AdBlue is more than an ancillary offering for the Company; it is a significant adjacency that it has successfully capitalised on. The market for AdBlue® is poised for high double digit growth attributed by increasing emission regulations.

OEM

Leveraging a vast distribution network and strategic partnerships, Gulf Oil has become a leader in the OEM segment. Strong ties with over 40 OEMs in automotive, construction, industrial, AdBlue®, and EV fluids have fuelled significant growth. This year, our collaborations with leading OEMs have expanded notably, and we have developed a unique pipeline of business opportunities poised to drive future growth.

Outlook

Gulf Oil is well-positioned for ongoing market share growth in the automotive sector. With a strong product portfolio, extensive distribution network, and a commitment to research and development, we have established a trusted brand known for high-quality lubricants. This positions us advantageously to capitalise on emerging industry trends and drive expansion. Our strategic focus includes enhancing our distribution network to ensure seamless access for customers nationwide and addressing diverse automotive applications effectively.

Industrial segment

The Company operates in the automotive industrial segment and achieved significant growth in FY 2024. This double-digit growth was supported by various initiatives undertaken in the reported year. The industrial business of the Company caters to a range of industries including mining, cement, steel and power generation. Moreover, as the industrial segment of the Company grows it will drive the growth of the consumption of fluids such as hydraulic and industrial fluids, greases and various other industrial oils. The industrial business segment also benefits from a large network of distributors and direct sales representatives. This robust networking enables the

Company to effectively reach the market and timely meet the market demand.

Outlook

The industrial segment of the Company is anticipated to experience a positive growth rate, supported by the expansion in the manufacturing sector in the economy. Along with the manufacturing sector, growth in the power and energy market is also anticipated to accelerate the growth in the Company's operations within the industrial segment.

Infrastructure, Mining and Fleet Segment

The Company has consistently demonstrated a keen understanding of the industry's unique needs to support the development of innovative and specialised lubricant solutions. The Company has undertaken focused initiatives that have helped it establish solid partnerships and expand its reach within the infrastructure, mining and fleet segments. Deep industry expertise has also enabled the Company to record robust double-digit volume growth. Additionally, the Company has capitalised on new customer acquisitions in the infrastructure segment to further improve its market presence.

Outlook

With consistent growth and an increasing emphasis on infrastructure development globally, a clear trajectory for sustained expansion of the lubricant market is evident. Government initiatives and private investments in infrastructure are on the rise, signalling a robust demand for specialised lubricants tailored to the unique needs of this segment. Moreover, the mining industry's reliance on heavy machinery creates a steady demand for high-performance lubricants.

Investment Case Story

Over the last few fiscal years, the Company has invested over ₹ 150 crore in the eMobility value chain to future-proof its overall lubricants business against the rise of EVs. These initiatives enable it to participate in the entire EV value chain, leveraging its strong brand image, OEM relationships, B2B connections, extensive distribution network and branded IWS network. This will ensure that the Company remains at the forefront of the evolving automotive landscape, offering end-to-end solutions and sustaining its industry leadership. Additionally, during FY 2023-24, it invested in Tirex Transmission.

Tirex Transmission

- Leading provider of high-capacity EV fast chargers with over 1,000 deployed units and nearly 8 to 10% market share for DC fast chargers in India.
- Serves diverse clientele, including government agencies, car manufacturers and retail businesses.
- Offers a range of DC fast chargers with capacities ranging from 30 kW to 240 kW.

Benefits to Gulf Oil Lubricants India Limited

- Immediate access to a well-established fast charger business with a significant market share in India.
- Strengthens Gulf Oil's position in the Indian EV market with access to advanced technology and manufacturing capabilities.

Operations

Human Resource

With a people-centric approach, the Company manages the entire employee experience, from recruitment to development, engagement and retention. Recognising the importance of a competent talent pool, Gulf Oil identifies and hires skilled individuals through targeted strategies. Guided by the Gulf Oil Competency Framework, the Company focuses on attracting the right talent while identifying promising individuals within the organisation.

The Company invests heavily in employer branding and nurtures future leaders through its group-level leadership programme, HLP. The Company recognises that building a future-ready workforce requires consistent learning and development. This translates to individualised development plans (IDPs) and competency-based training aligned with both individual needs and organisational goals, with a focus on compliance, digital skills enhancement and leadership development.

Learning and Development Programmes

The PATHWAY programme, launched to identify and groom internal talent, aims to create a talent pipeline for various functions. This programme enhances the capabilities and skills of high-potential employees, preparing them for future opportunities within the organisation. In its first year, PATHWAY covered 26 employees within the Channel Sales function.

Rising Star Programme (RSP)

Its global Rising Star Programme (RSP) identifies and develops high-potential middle management talent. Through targeted development initiatives, it equips these future leaders with the skills and knowledge necessary to drive the Company forward.

GOLD Academy: Digital Learning at Your Fingertips

Its digital learning platform, GOLD Academy, provides accessible and engaging learning experiences for all employees. With a 100% adoption rate and 1,500+ users, GOLD Academy has become a vital tool for skill enhancement and knowledge acquisition.

Expanded Learning Focus

It has expanded its Centres of Excellence (CoEs) to include digital transformation and wellness.

Premium Content Partnerships

GOLD Academy partners with renowned content providers to offer employees access to the latest industry best practices and insights.

Diversity, Equity, and Inclusion

The Company recognises the significance of a diverse and inclusive workforce. It has set ambitious goals for gender equality and implemented a clear roadmap to achieve them. Its recruitment process actively seeks regional diversity, utilising strong campus relations programmes to attract talent from across the nation. This commitment to fairness extends beyond recruitment, with equal pay practices ensuring a level playing field for all personnel.

Employee Well-being

The Company emphasises ensuring a safe work environment and promoting a healthy lifestyle for its employees. Safety is embedded in the Company's culture, with a commitment to upholding the highest safety standards. Initiatives such as the ‘Safety First’ programme, safety walks and various other interventions, including behavioural safety training, firefighting and near-miss reporting, enhance safety awareness. These efforts are designed to prevent serious injuries and fatalities across all Gulf Oil facilities. The Company’s 'Go Safe' initiative includes a new safety app and training on near-miss incidents. These tools ensure a safe and healthy work environment.

To read more refer to page 46 of this Annual Report

Digital Transformation

The organisation has embarked on a transformative journey, acknowledging the dynamic nature of the digital landscape and emphasising the necessity of continuous iteration and adaptation. Over the past year, the Company has aligned its efforts with a clear vision of using digital technologies to drive innovation and improve customer experiences. This journey started with five key focus areas, namely customer-centricity, operational efficiency, personalisation, analytics and S&OP optimisation. These pillars have laid the groundwork for ongoing initiatives designed to advance digital transformation throughout the organisation.

Key focus areas

- Experience Innovation
- Analytics
- Supply Chain

It has established partnerships with industry leaders to formulate a comprehensive roadmap for digital transformation. Leveraging insights garnered from these collaborations, a detailed strategy has been developed to address evolving market needs and enhance operational capabilities.

Through rigorous discussions and discovery workshops, the primary focus areas were delineated- Experience Innovation, Analytics and Supply Chain Modernisation. These focal points have underpinned the creation of new projects and initiatives, resulting in an 18- to 24-month roadmap to steer the Company’s digital journey. This roadmap is meticulously designed to be adaptable, making way for continual adjustments in response to market dynamics, competitive pressures and emerging trends.

Data Governance and Security

The Company's digital transformation initiatives strongly emphasise data governance and security, ensuring the integrity and confidentiality of data through various measures. The Company conducts regular cybersecurity awareness programmes and phishing simulations while also enforcing clear security policies to foster a security-conscious culture. Advanced data management tools, including encryption, strict access controls and data masking, are used along with regular security audits and vulnerability assessments to proactively manage risks. An incident response plan and advanced security systems, such as firewalls and intrusion detection, protect against unauthorised access and cyber threats, creating a secure digital environment that supports Gulf Oil's transformation journey.

To read more, refer to page 32 of this Annual Report

Corporate Social Responsibility

The Company engages in Corporate Social Responsibility (CSR) initiatives, addressing social and ecological challenges to create sustainable value for all. Inspired by the vision of the Group Founder, Shri Parmanand Deepchand Hinduja, who embraced the philosophy that 'My dharma (duty) is to work so that I can give,' Gulf Oil's CSR approach prioritises targeted projects, systemic change and collaborative efforts.

The Company's CSR programmes align with its business objectives to drive sustainable development and create a significant social impact. By integrating its CSR endeavours into its core operations, Gulf Oil aims to build a responsible organisation and positively contribute to society at large. The Company emphasises addressing systemic concerns through long-term, transformative change in the communities where it operates. Collaboration with implementation partners and local communities further ensures that initiatives are community-driven and effectively address local needs for maximum impact.

₹ 587.25 Lakh

Investment in CSR activities

The Company's CSR Committee has been renamed the CSR and Sustainability Committee. This update reflects the Company's enhanced focus on integrating sustainability practices into core business operations and ensuring comprehensive coverage of ESG factors.

Volunteering Efforts

Throughout the course of the previous fiscal year, the Company's workforce generously volunteered a total of 480 man-hours across various CSR programmes. Their participation has been instrumental in making a difference and has further reaffirmed the Company's ethos of prioritising social responsibility and promoting meaningful community engagement.

480+

Man-hours of volunteering

Key CSR programmes in FY 2024

Road to School (RTS) and Road to Livelihood (RTL) Project – Chennai

RTS: Covered 24 schools and 4,060 students and focused on literacy, health awareness and sports programmes.

RTL: Covered 27 schools, 5,889 students; focused on emotional development, English proficiency, financial literacy and ICT skills.

Kushal Mechanic Programme

Vocational training for mechanics covering two-wheelers, HCVs and electric vehicles. Conducted 24 sessions for two-wheeler mechanics, 5 for HCV and 1 for Electric Vehicles, training 1,668 mechanics.

1,668

Mechanics have participated to date

Mobile Medical Unit

Provides free medical services to rural populations in remote villages near Silvassa. Operated a mobile unit with diagnostic facilities, laboratory tests and medicine dispensing.

Afforestation Project in Chennai

Its commitment to environmental stewardship continued with the Afforestation Project in Chennai. By creating new green spaces and restoring natural habitats, this project aimed at combating climate change and preserving ecosystems. This project was undertaken in collaboration with NGO partners in the core of Chennai city; it covered an area of 426 sq. km and managed 15 zones comprising 200 wards.

Positive Parenting Programme in Chennai

Focused on empowering families and communities, the Positive Parenting Programme in Chennai equipped parents with valuable skills and resources. The objective of this initiative was to create a supportive environment for children's holistic development.

To read more, refer to page 54 of this Annual Report

Internal Control Systems and Adequacy

The Company take pride in its strong internal control mechanism that ensures the accurate recording of transactions with internal checks, prompt reporting and strict adherence to applicable accounting standards and compliance with applicable statutes, policies, procedures, guidelines and authorisations. In accordance with the Companies Act, 2013, it has successfully adhered to the specific requirements outlined in Section 134 (5)(e) of the Act. This entails establishing and implementing an Internal Financial Control (IFC) framework to ensure compliance with the Act and support the Directors' Responsibility Statement. The IFC framework document enables the consistent evaluation of the effectiveness of controls.

The internal audit department conducts periodic audits at all locations and functions based on the plan approved by the Audit Committee and promptly addresses any deviation in internal control procedures. The summary of the internal audit observations and status of implementation are submitted to the Audit Committee every quarter for its review and the concerns, if any, are reported to the Board. As a part of their audit procedures, the statutory auditors review the efficacy and adequacy of the internal audit function and have full access to all the reports and findings of the internal audit.

Financial Performance

Key Highlights (Standalone Audited Financials)

For the fiscal year 2023-24, the Company achieved significant financial milestones, underscoring its robust growth trajectory. The company reported a total revenue of ₹ 3,28,410 lakh reflecting a year-on-year growth of 10 %. The Profit After Tax (PAT) for the year was ₹ 30,810 lakh, marking a substantial increase of ~33 % from the previous year. This growth was achieved in spite of volatile environment and fluctuating input costs. The company continued to gain market share across its B2C, B2B and OEM segments, with volume growth at 2-3 times the industry average in our focussed segments. Both B2C and B2B segments recorded strong performance, driven by strategic marketing initiatives and an expanded distribution network.

The Board of Directors have recommended a final Dividend of ₹ 20/- per equity share (i.e. 1000% on face value of ₹ 2 per equity share) leading to total dividend for the full year at ₹ 36 per equity share (including interim dividend of ₹ 16 per share) reflecting the company's commitment to delivering strong shareholder returns.

Particulars	Year ended March 31, 2024 (₹ Lakh)	Year ended March 31, 2023 (₹ Lakhs)	Growth (%)
Revenue	3,28,410	2,99,910	10%
EBITDA	41,938	34,284	22%
Profit Before Tax (PBT)	41,346	31,270	32%
Profit After Tax (PAT)	30,810	23,230	33%
EPS (Basic) FV - ₹ 2 per equity share	62.79	47.30	33%

Revenue

The Company's revenue for FY 2023-24 stood at ₹ 3,28,410 lakh, up from ₹ 2,99,910 lakh in the previous fiscal year. This revenue growth was primarily driven by increased volumes and strategic pricing actions to offset rising input costs. The company successfully navigated a volatile market environment, leveraging its strong brand presence and diversified product portfolio to maintain its growth momentum. The strategic focus on premiumisation and operational efficiency has further enhanced the company's financial performance, positioning it well for future growth.

Particulars	Year ended March 31, 2024 (₹ Lakhs)	% of Sales	Year ended March 31, 2023 (₹ Lakhs)	% of Sales
Sales	**3,28,410**	**100%**	2,99,910	100%
Cost of Goods Sold	1,93,785	59.01%	1,86,767	62.27%
Employee Benefit Expenses	14,943	4.55%	13,521	4.51%
Manufacturing and Other Expenses	77,744	23.67%	65,338	21.79%
Total Expenses	**2,86,472**	**87.23%**	2,65,626	88.57%
EBITDA	**41,938**	**12.77%**	34,284	11.43%
Other Income	6,646	2.02%	4,712	1.57%
Finance Costs	2,561	0.78%	3,764	1.26%
Depreciation/Amortisation	4,677	1.42%	3,962	1.32%
PBT (Profit before Tax)	**41,346**	**12.59%**	31,270	10.43%
Tax Expenses	10,536	3.21%	8,040	2.68%
PAT (Profit After Tax)	**30,810**	**9.38%**	23,230	7.75%

a) **Cost of Goods Sold**

Cost of goods sold as a percentage to Net Revenue has decreased from 62.27% in FY23 to 59.01% in FY24 mainly due to decrease in base oil prices, which is key raw material for lubricants manufacturing, partially impacted by increase in other inputs like additives etc.

b) **Manufacturing and Other Expenses**

Manufacturing & other expenses increased by 18.99% to ₹ 77,744 lakh in FY24 from ₹ 65,338 lakh in FY23. Increase is mainly on account of increase in Advertising and Sales Promotion by ₹ 2,246 lakh, increase in Selling and Marketing Expenses by ₹ 5,436 lakh, increase in freight & forwarding expenses by ₹ 2,802 lakh.

c) **Employee Benefit Expenses**

Employee benefit expenses increased by 10.52% to ₹ 14,943 lakh in FY24 from ₹ 13,521 lakh in FY23 driven by usual increments resulting in increase in payroll cost by ₹ 1422 lakh.

d) **Finance Costs**

Finance costs decreased to ₹ 2,561 lakh in FY24 from ₹ 3,764 lakh in FY23, on account of forex gain in the current year mainly due to management of foreign exchange risk with hedging activities based on trends and external experts which are in accordance with the policy of the company. Also, there was increase in interest on short term bank borrowings by ₹ 926 lakh as compared to previous year due to increase in interest rate globally.

e) **Depreciation/Amortisation Charge**

Depreciation/amortisation charges increased to ₹ 4,677 lakh in FY24 from ₹ 3,961 lakh in FY23 mainly due to depreciation charge on assets capitalised at both plant locations, depreciation charge on intangible assets capitalised during current year and also due to increase in depreciation in respect of new right of use assets.

Particulars	As at March 31, 2024 (₹ Lakhs)	As at March 31, 2023 (₹ Lakhs)	Change (₹ Lakhs)
Assets			
Property, Plant and Equipment	25,957	28,054	(2,097)
Other Non-Current Assets (Includes Non-Current Financial Assets)	21,894	12,201	9,693
Cash and Bank Balances	70,630	65,424	5,206
Current Assets (Includes Current Financial Assets)	1,11,969	1,01,478	10,491
Total	**2,30,450**	**2,07,157**	**23,293**
Equities and Liabilities			
Shareholder's Funds/Net Worth	1,29,477	1,17,844	11,633
Non-Current Liabilities (Includes Non-Current Financial Liabilities)	3,542	4,789	(1,247)
Short-Term Borrowings	32,931	33,158	(227)
Current Liabilities (Includes Current Financial Liabilities)	64,500	51,366	13,134
Total	**2,30,450**	**2,07,157**	**23,293**

Property, Plant and Equipment

Net Property, Plant and Equipment (including CWIP) and and Right of Use Assets decreased by ₹ 2,097 lakh to ₹ 25,957 lakh in FY24 from ₹ 28,054 lakh in FY23 mainly dueto increase in depreciation and amortisation of right of use assets in accordance with Ind-AS-116 on Leases; partly offset by addition to tangible & intangible assets at both plant locations net off disposal.

Other Non-Current Assets (Includes Non-Current Financial Assets)

Other Non-Current Assets at the end of FY24 Increased by ₹ 9,693 lakh to ₹ 21,894 lakh from ₹ 12,201 lakh at the end of FY23 mainly due to the acquisition of 51% controlling stake in Tirex Transmission Private Limited (Tirex), a manufacturer of DC fast chargers for electric vehicles for ₹ 10,251 lakh.

Cash and Bank Balances

The Cash and Bank Balances of the Company increased by ₹ 5,206 lakh, reaching ₹ 70,630 lakh at the end of FY 2023-24, up from ₹ 65,424 lakh in the previous year demonstrating very healthy cash position and liquidity strength.

Current Assets (Includes Current Financial Assets)

Current Assets at the end of FY24 Increased by ₹ 10,491 lakh to ₹ 1, 11,969 lakh from ₹ 1,01,478 lakh at the end of FY23.

The overall inventory increased by ₹ 1,270 lakh to ₹ 48,440 lakh in FY24 from ₹ 47,170 lakh in FY23. Trade Receivables increased by ₹ 7,675 lakh from ₹ 40,997 lakh in FY23 to ₹ 48,672 lakh in FY24. Other Current Assets increased by ₹ 1,546 lakh from ₹ 13,311lakh in FY23 to ₹ 14,857 lakh in FY24.

Net Worth

The Net Worth at the end of FY 2023-24 increased by ₹ ₹ 11,633 to ₹ 1,29,477 lakh up from ₹ 1,17,844 lakh as at FY 2022-2023.

Securities Premium Account

The Securities Premium Account balance at the end of FY 2023-24 stands at ₹ 8,372 lakh, an increase of ₹ 852 lakh from the previous year because of ESOP issued during the year.

Capital Redemption Reserve

The Capital Redemption Reserve remains unchanged at ₹ 28 lakh as of March 31, 2024. This reserve was created in the previous fiscal year in accordance with the provisions of Section 69 of the Companies Act, 2013.

Capital Reserve

The Capital Reserve balance as of March 31, 2024, is ₹ 5 lakh, unchanged from the previous year.

General Reserve

The General Reserve increased to ₹ 10,362 lakh as of March 31, 2024, from ₹ 9,362 lakh in the previous fiscal year. This increase of ₹ 1,000 lakh is aligned with the company's policy of transferring a portion of its profits to the general reserve, reinforcing its financial stability and capacity to fund future growth initiatives.

Retained Earnings

The balance in the Profit and loss Account (including other Comprehensive Income) as on March 31, 2024 was ₹ 30,837 lakh compared to ₹ 25,987 lakh as on March 31, 2023. This growth is driven by the Company's strong profitability and its strategic decision to retain earnings for reinvestment into business operations and growth opportunities. The retained earnings account also reflects the Company's commitment to delivering shareholder value through consistent dividend payout of final dividend of ₹ 12,268 lakh for FY 2022-23, interim dividend of ₹ 7,860 lakh for FY 2023-24 was paid and ₹ 1,000 lakh was transfers to general reserve.

Share options Outstanding Account as of March 31, 2024 stands at ₹ 992 lakh vis-à-vis ₹ 1,077 lakh in the previous year to recognise the fair value of options to employees under Gulf Oil Lubricants India Limited - Employees Stock Option Scheme - 2015.

FVOCI Equity instrument as of March 31, 2024 stands at ₹ 3,277 lakh vis-à-vis ₹ 3,078 lakh in the previous year as the company elected to recognise changes in the fair value of certain investments in equity securities in the year.

Non-Current Liabilities (Includes Non-Current Financial Liabilities)

For the fiscal year ending March 31, 2024, Non-Current Liabilities of the Company decreased to ₹ 3,542 lakh from ₹ 4,789 lakh in the previous year mainly due to decrease in non- current lease liabilities by ₹ 1,117 lakh.

Current Liabilities (Including Short-Term Borrowings also includes Current Financial Liabilities)

Current Liabilities, including short-term borrowings and current financial liabilities, increased to ₹ 97,431 lakh as of March 31, 2024, up from ₹ 84,524 lakh in the previous fiscal year mainly on account of increase in trade payables by ₹ 10,431 Lakhs.

Liquidity

Gulf Oil maintained a strong liquidity position throughout FY 2023-24, with Cash and Bank Balances increasing to ₹ 70,630 lakh from ₹ 65,424 lakh in the previous year. This increase underscores the company's effective cash flow management and robust operational performance. The company generated ₹ 34,814 lakh in cash from operations, highlighting its ability to finance growth initiatives and meet financial obligations without relying heavily on external debt. The strategic focus on efficient working capital management and cost optimisation has ensured that Gulf Oil remains well positioned to capitalise on future growth opportunities while maintaining financial stability.

Cash Flows

₹ Lakhs	March 31, 2024	March 31, 2023
Net cash generated/(used) from operating activities	34,814	27,332
Net cash generated/(used) in investing activities	(5,783)	3,043
Net cash generated/(used) in financing activities	(23,843)	(20,212)
Net change in cash and cash equivalents	5,188	10,163

Changes in Key Financial Ratios

Sr. No	Key Ratios	As on March 31, 2024	As on March 31, 2023	Remarks/Responses
1	Debtors Turnover (Times)	7.32	8.06	No Significant change*
2	Inventory Turnover (Times)	4.05	3.94	No Significant change*
3	Interest Coverage Ratio (Times)	14.55	8.06	Increased during the year due to decrease in Interest expenses in current year as compared to previous year.
4	Current Ratio (Times)	1.87	1.97	No Significant change*
5	Debt Equity Ratio (Times)	0.25	0.28	No Significant change*
6	Operating Profit Margin (%)	11.35	10.11	No Significant change*
7	Net Profit Margin (%)	9.38	7.75	No Significant change*
8	Return of Equity (ROE -%)	24.91	20.92	No Significant change*

There is no significant change (i.e. change of 25% or more as compared to the FY 2022-23) in the other key financial ratios