Gulf Petrochem

Towards New Horizons

IPOL LUBRICANTS



# Annual Report 2016-17

# GP PETROLEUMS LIMITED

# CORPORATE INFORMATION

## Board of Directors

| | | | |
|---|---|---|---|
| 1. Mr. Manan Goel, | Chairman | 5. Mr. Jagat Singh, | Independent Director |
| 2. Mr. Prerit Goel, | Vice Chairman | 6. Mr. Bhaswar Mukherjee, | Independent Director |
| 3. Ms. Pallavi Goel, | Director | 7. Mr. Narotamkumar G. Puri, | Independent Director |
| 4. Mr. Ayush Goel, | Director | 8. Mr. Ramji Sinha, | Independent Director |

## Committees of Board

### Audit Committee

| | | |
|---|---|---|
| Mr. Bhaswar Mukherjee | Mr. Narotamkumar G. Puri | Mr. Jagat Singh |
| Chairman | Member | Member |

### Nomination & Remuneration Committee

| | | |
|---|---|---|
| Mr. Bhaswar Mukherjee | Mr. Narotamkumar G. Puri | Mr. Ayush Goel |
| Chairman | Member | Member |

### Stakeholders Relationship Committee

| | | |
|---|---|---|
| Mr. Narotamkumar G. Puri | Mr. Bhaswar Mukherjee | Mr. Ayush Goel |
| Chairman | Member | Member |

### Corporate Social Responsibility Committee

| | | | |
|---|---|---|---|
| Mr. Bhaswar Mukherjee | Mr. Narotamkumar G. Puri | Mr. Ayush Goel | Ms. Pallavi Goel |
| Chairman | Member | Member | Member |

### Risk Management Committee

| | |
|---|---|
| Mr. Bhaswar Mukherjee, Chairman | Mr. Narotamkumar G. Puri, Member |
| Mr. Hari Prakash Moothedath, Member | Mr. Jagdish Nagwekar, Member |

### Key Managerial Personnel

| | | |
|---|---|---|
| Mr. Hari Prakash Moothedath | Mr. Jagdish Nagwekar | Mr. Shiv Ram Singh |
| Chief Executive Officer | Chief Financial Officer | Company Secretary |

| Statutory Auditors | Registrar & Transfer Agent | Registered Office |
|---|---|---|
| PNG & Company,<br>1207, New Delhi House,<br>27, Barakhamba Road,<br>New Delhi 110 001 | M/s Sharex Dynamic (India) Pvt. Ltd.<br>Unit No.1, Luthra Industrial Premises,<br>Andheri Kurla Road, Safed Pool,<br>Andheri East,Mumbai 400 072<br>Tel. No.022 28515606/5644<br>Fax No. 022 2851 2885<br>E-Mail : investor@sharexindia.com<br>Website: www.sharexindia.com | 804, Ackruti Star,<br>MIDC Central Road, MIDC,<br>Andheri East,<br>Mumbai - 400 093<br>Tel. No. 022 6148 2500<br>Fax No. 022 6148 2599<br>E-mail : ipol@gulfpetrochem.com<br>Website:www.gppetroleums.co.in |
| **Bankers**<br>Axis Bank<br>Dena Bank<br>HDFC Bank | | |

### Plant Location

| Vasai Plant | Daman Plant |
|---|---|
| Plot No. 5 to 14, Behind Dewan & Shah<br>Industrial Estate, Waliv, Vasai East 401 208 | Survey No. 97/2, Daman Industrial Estate,Kadaiya,<br>Daman Pataliya Road, Nani Daman 396 210 |

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# COMPANY OVERVIEW

## About GPPL

GP Petroleums Ltd. (GPPL) is a listed Company in India and is part of Gulf Petrochem Group, headquartered in UAE which is a major player in the petrochemical industry.

It is an ISO 9001, ISO 14001 & OHSAS 18001 certified Company, which specializes in formulating , manufacturing and marketing of Industrial & Automotive lubricants, Process oils, Greases and other Specialties under the brand name IPOL for more than four decades.

It has invested in high precision quality-control and product development labs to meet global standards and OEM expectations. The Company has a well-established network of Distributors and Dealers across the country.

It has signed an exclusive license agreement with Repsol S A Spain to manufacture and market REPSOL brand of lubricants in India to cater to the premium lubricant segment. This partnership will strengthen the in house R&D facilities and develop technologically advanced products in India in all segments. This also aligns well with Government's initiative of Make In India campaign.

## About Gulf Petrochem

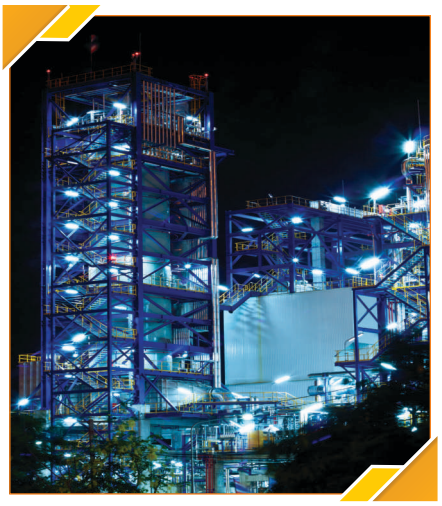
Gulf Petrochem is a US$ 2.8 billion group, with a corporate vision to become a global energy conglomerate that catalyses growth by expanding into new markets, expanding its products portfolio and supporting its customers. Gulf Petrochem Group is a leading player in oil space, with a vision to be an integrated multinational energy organization driving international growth with an excellent suite of development projects spread across different continents. The group's global growth and development continues to provide a service in silo or an end-to-end solution for customers looking to refine, store, trade and deliver oil, gases and lubricants the world over. Across its supply chain, production and manufacturing plants, Gulf Petrochem is focused on providing integrated solutions for customers and creating unique value for stakeholders.

Today, Gulf Petrochem's ongoing expansion includes the establishment of a new refinery in Tanzania and new trading offices in London, Lagos, Kuala Lumpur and Panama that will cement its position as a global oil conglomerate.

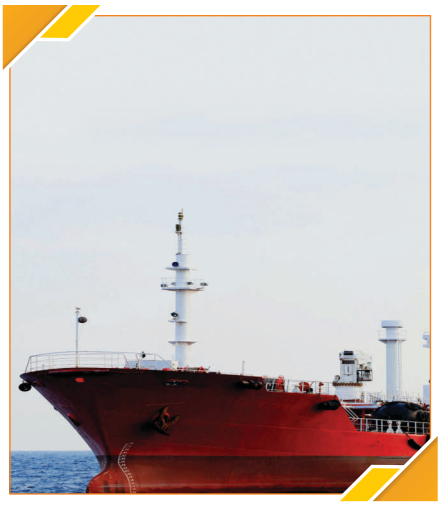
## GULF PETROCHEM GROUP BUSINESS STREAMS



Trading & Bunkering



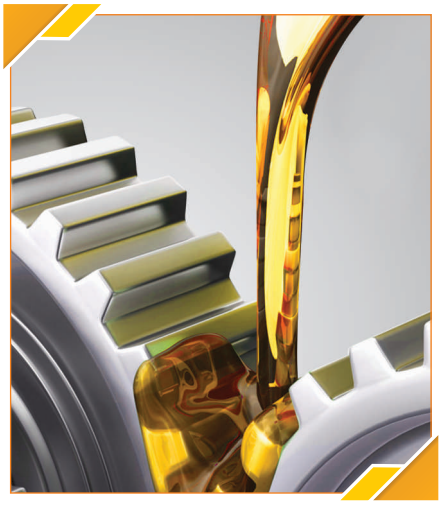
Refinery



Shipping & Logistics



Storage Terminals



Lubricants &
Grease Manufacturing



Bitumen

Gulf Petrochem
Towards New Horizons

IPOL LUBRICANTS

# GP Petroleums Ltd.

## VISION

"GP Petroleums Ltd., will be the preferred partners, for providing world class Lubricants & Services, by applying technology and creating innovative Business Solutions".

## MISSION

To be the most sought after partner for lubricants & value added services for our Customers.

•

To cater to the growing needs of Automotive, Industrial, Marine and Process oil markets through technology and compliance.

•

To ensure continuous improvement in operating efficiency and innovate, as we move 'Towards New Horizons'.



# CHAIRMAN'S MESSAGE

**Dear Shareholders,**

The Indian economy is at the cusp of a new inflection point wherein growth and unleashing of its true potential will bring about nationwide prosperity and reduce poverty. According to a recently released IMF World Economic Outlook Update, the Indian economy will continue to grow at a faster pace than China's in 2017 as well as 2018.

As lubricants remain integral to the nation's smooth growth momentum – both at the all-important industrial and automobile segments, your company is well placed to cater to this enhanced demand and nurture this nascent industry to further heights.

In addition, we have successfully catered to the growing needs of automotive, industrial, marine and process oil markets through adoption of latest technologies and efficient compliance systems.

**Current & Future Strategy :**

During 2015-16, the market witnessed uneven fluctuation in crude from $62 to $30 per barrel. However, there was marginal stability in 2016-17 at $41 to $54 per barrel of crude. We maintained optimal stock level of base oils procured at economical prices subject to optimum usage of available storage space to effectively shield ourselves from fluctuations.

With an endeavour to hold and continue our growth in the B2B and B2C segments, we launched new products in 2016-17 specifically catering to customers in these segments. Hence, we successfully introduced new products such as semi synthetic cutting fluids for machining aluminum, lubricant for cold forging applications, specialty neat cutting oils for specific applicationsand high performance greases like calcium sulfonate and extreme pressure grease.



**Manan Goel**
Chairman

To be the most sought after partner for lubricants and value added services for customers has been our foremost mission. Towards this objective, we have always believed that OEM and user endorsements don't merely increase the acceptance of products but also enhance customer confidence to use our products without any fear of productivity losses. Hence, we have been continuously concentrating our efforts and have remained focused upon gaining maximum OEM and user endorsements.

In 2017-18, the company plans to consolidate the semisynthetic cutting fluid portfolio and bring in products for new segments like high performance turbine oils, energy efficient spindle oils for the textile industry and other variants for the metal working industry.

Across auto segment, our focus is to increase reach and therefore work on appointing district wise distributors with the ultimate aim of doubling within next two years. To have presence in PCMO segment, we are planning to launch a fresh product range for modern cars by end of Q2, 2017-18.

**Brand Focus:**

As the government pushes forth, its ambitious, 'Make in India' policy – there will be enhanced manufacturing and machinery based activities thereby spurring demand for lubrication products. It is herein that GPPL's well-known global brand IPOL could assist in fulfilling customer demand and growing the market-size. IPOL has one of the widest ranges of products carefully designed to suit various applications and deliver high performances. These are available in a variety of pack sizes as per market needs.

Last year, your company achieved a new milestone by launching the leading Spanish oil company - Repsol's lubricant business in India. Repsol is a major player in the lubricant business worldwide having six decades of experience and comprehensive range of products for vehicles and the industry. GPPL has the exclusive right to manufacture and market Repsol's superior and comprehensive line of premium quality lubricants across India.

**External Influence on Business:**

The vast majority of Indian business segments felt demonetisation to be a major disruptor that changed the traditional status quo overnight. However, the effect of demonetisation for us was like any other B2B company around that era. But demonetization did indirectly affect liquidity in the auto market and directly impact small distributors. In long term, it may taper down as network will compel to work on billings rather than cash.

In addition, there was nothing unusual about the monsoon or other seasons on our business. The B2B segment is mainly based on pricing and any fluctuation in base oil prices has an impact on margins in the export and import arena. Furthermore, any effect on demand in the auto sector impacts us indirectly due to our large customer base in the auto ancillary segment.

**A Responsible Corporate:**

Growth and margins are critical to the success of any business and GPPL is no different. But as a responsible Indian business entity, we have also focused on ensuring that our success benefits the community at large. As part of this initiative, GPPL has provided computers and laptops to schools thereby ensuring that future generations are empowered to uplift their local communities through the power of knowledge. It is our firm belief that upliftment of local communities will spur development in the long term.

**Financials:**

Within this evolving environment, you company has performed reasonably well and maintained its growth momentum. As a result, the company's net profit for FY 2016-17 grew to Rs 2,023 lakh from Rs 1,359 lakh during FY 2015-16. The main reasons for growth in margins were increase in manufacturing sales volumes, decrease in COGS per Litre, lower financing costs and sale of fixed asset.

During FY 2015-16, GPPL declared Interim dividend of INR 0.40 per share (8% of value per share i.e. Rs. 5) and Final dividend of INR 0.10 per share (2% of value per share i.e. Rs. 5). In comparison, GPPL declared Final dividend of INR 0.75 per share (15% of value per share i.e. Rs. 5) during FY 2016-17.

Going into the future, we are excited at the unfolding opportunities within our range of businesses. We are optimistic of business sustainability and invite you to be a part of our sensational journey.

With my best wishes

**Manan Goel**
**Chairman**

# IPOL PRODUCTS & MANUFACTURING PLANT

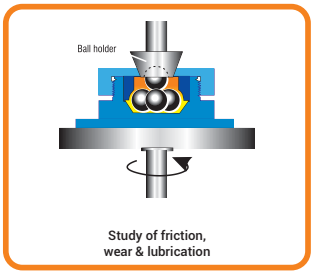



## IPOL range of products

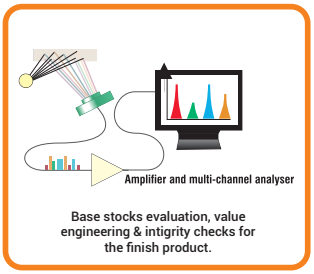


## Production capacity 80,000 KL






Study of friction, wear & lubrication




Base stocks evaluation, value engineering & intigrity checks for the finish product.

## R&D lab with modern testing equipments