



*glorious years
and counting...*



GP Petroleums Ltd.
ANNUAL REPORT 2021-22

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COMPANY AT A GLANCE



Corporate Information

BOARD OF DIRECTORS

Mr. Ayush Goel, Chairman, Non-Executive Director
Mr. Bhaswar Mukherjee, Independent Director
Mr. Mahesh Damle, Independent Director
Mrs. Stuti Kacker, Independent Director
Mrs. Deepa Goel, Non-Executive Director
Mr. Rajesh Jain, Non-Executive Director (Upto 29th May, 2021)
Mrs. Pallavi Mangla, Non-Executive Director (w.e.f. 10th June, 2021)

KEY MANAGERIAL PERSONNELS

Mr. Prashanth Achar, Chief Executive Officer
Mr. Arjun Verma, Chief Financial Officer
Mr. Bijay Kumar Sanku, Company Secretary (upto 8th February, 2022)
Mrs. Kanika Sehgal Sadana, Company Secretary (w.e.f. 8th February, 2022)

AUDITORS

Statutory Auditors

PNG & Co., Chartered Accountants

Internal Auditors

JMC & Associates, Chartered Accountants

Cost Auditors

Mr. Dilip Bathija, Cost Accountant

Secretarial Auditors

M/s. P.P. Shah & Co., Practicing Company Secretary

REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited
C-101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400 083
Tel. No. 022 49186000
Fax No. 02249186060
E-Mail : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

REGISTERED OFFICE

804, 8th Floor, Ackruti Star,
MIDC Central Road, MIDC, Andheri East,
Mumbai - 400093
Tel. 022-61482500
Fax: 022-61482599
E-Mail : cs.gppl@gpglobal.com
Website: www.gppetroleums.co.in
CIN: L23201MH1983PLC030372

PLANT LOCATION

Vasai plant

Plot Nos. 5 to 14,
Behind Dewan & Shah Industrial Estate,
Waliv, Vasai (East)- 401208,
Palghar, Maharashtra

BANKERS

Axis Bank
HDFC Bank
Bank of Baroda

LISTED ON STOCK EXCHANGES

BSE Ltd. (Scrip Code - 532543)
National Stock Exchange of India Ltd.
(Symbol - GULFPETRO)

Company Profile

GP Petroleums Limited, a public limited and ISO certified Company, is primarily into formulating, manufacturing and marketing of industrial, automotive lubricants, process oils, transformer oils, greases, and other specialties under the brand name "IPOL" in India for 5 decades. The Company is also listed on Nationwide Stock Exchanges viz. BSE Limited and the National Stock Exchange of India Limited.

The brand IPOL is a trusted name since 1973 and is well accepted by customers and is a popular name in the Industrial and Rubber industry.

The Company has a manufacturing facility at Vasai, near Mumbai, which has a base oil storage capacity of 15000 MT and has a blending capacity to churn out 80000 KL of lubricants annually. The Company is fortified with modern manufacturing and packing facility supported by well equipped laboratory which ensures consistent quality.

IPOL offers wide range of products for wide range of applications. It covers up to 90% of the lubrication requirement through the wide spectrum of generic-to-bespoke solutions. These are made available in a variety of pack sizes as per the market needs. The products had several contemporary national and international performance specifications and approvals such as API, JASO, ACEA and other OEM credentials.

The Industrial sector of the Company has expanded into several new industries, including ceramics, plastic, and sugar. With the development of the latest semi-synthetic coolant and some of the highest-performance neat cutting oils, the market for metalworking fluids has been further strengthened. The product line has expanded with the introduction of a variety of high-performance greases aimed at steel and sponge iron industries. For the past 49 years, IPOL has been the leading brand in the industrial sector and has earned customers' trust. Aqua cut 125, soluble cutting oil from IPOL, is a favourite among business clients. In the machine tool and injection moulding machine industries, the Company has obtained numerous OEM approvals.

The Rubber Process Oil segment of the Company caters to two categories of customers-Tyre and Non-Tyre. Tyre manufacturers make 70% of the pie and are the major consumers of process oils. The Company's products are approved by all leading tyre manufacturers in the country. In Non-Tyre sector, the Company has a unique distinction of making bespoke products as per the needs of the customers. For any new application, IPOL is the preferred choice. The Company exports these products to over 12 countries across the globe and increasing its footprint day by day.

In 2007, when European Union came with the legislation of banning carcinogenic products being used in tyres, Company was the pioneer to introduce low PCA (Polycyclic Aromatic compounds) for supporting tyre companies involved in exports to Europe and even today continue to command a significant share of this segment. The automobile industry looks very promising and is poised to have a robust CAGR of 4% during 2022-27. These augers well for the tyre industry and hence the demand for process oils.

The Company has furthered base oil trading during the year to keep the books in good shape as the manufacturing business was going slow due to the partial lockdown scenario. Trading also enables supply chain efficiencies for the manufacturing business through increase in parcel size of imports thereby providing allied benefits in pricing and leveraging efficiencies.

The Company is working towards tie ups with local and global refineries to ensure uninterrupted base oil supplies.

GP Petroleums' Automotive, Industrial and Process Oil Range of Products

Automotive Lubricants	Industrial Lubricants & Specialties	Process Oils & Specialties
<ul style="list-style-type: none"> Automotive Engine Oils Automotive Gear and Transmission Oils Automotive Greases Engine coolant (Antifreeze) and Brake fluid BS-VI Compliant Lubricants 	<ul style="list-style-type: none"> Industrial lubricating Oils Industrial Specialty Oils Metal Working Fluids (cutting, drilling & forming) Corrosion preventive oils, Cleaners and Quenching oil Industrial Greases Process oils & Specialties 	<ul style="list-style-type: none"> Rubber Process Oils Transformer Oils



The Company has a strategic tie-up with Spanish energy major Repsol since 2016, to exclusively manufacture and market Repsol branded, premium quality lubricants across India and accordingly the Company has significantly increased its footprint in the premium Automotive lubricants market.

Headquartered in Madrid, Repsol is a global and integrated Company, present along the entire value chain. Repsol is one of the world's leading publicly traded oil and Gas Companies. The Company operates in the areas with the most energy potential around the world and has one of the most efficient refining systems in Europe. Repsol is present in 37 countries employing over 24,000 people. The Company has business activity across the entire value chain, including hydrocarbon exploration and production, refining, transport, chemicals, service stations and the development of new energy solutions.

Repsol branded products come with added benefits and special features that caters to the premium and top-end segments across markets in the country.

REPSOL lubricants are developed in the state-of-the-art global R&D centre in Spain. These formulations are produced by GP Petroleums Ltd in its own manufacturing plant at Vasai near Mumbai, for the benefit of India, with modern testing facilities, in accordance with the stringent quality standards, certified by Repsol S A, Spain.

The Company had launched co-branded product Honda Repsol "MOTO BIKER" & "MOTO SCOOTER" Engine Oil in India, which is manufactured and marketed by GP Petroleums, exclusively formulated for Honda's two-wheelers. This partnership has marked entry of GP Petroleums into the OEM driven co-branded two-wheeler lubricant segment.

GP Petroleums Limited looks forward to exciting activity in the Indian Automotive lube space together with Repsol and support the Make in India initiative by manufacturing Repsol lubricants in our plants in India.



VISION

GP Petroleums Limited, with a brand legacy since 1973, will be the trusted partner for lubricants & value-added services by offering **High Quality Products at Honest Prices.**

The youthful ambition is to be a formidable player.

GP Petroleums, will be a partner of choice for all stakeholders- customers, channel partners, suppliers and employees.

GP Petroleums, has embarked on the PATH of Excellence driven by **Passion, Agility, Thinking Big and Honesty.**

DRIVEN BY VALUES



Board of Directors



Mr. Ayush Goel
Chairman,
Non-Executive Director



Mr. Bhaswar Mukherjee
Independent Director



Mr. Mahesh Damle
Independent Director



Mrs. Stuti Kacker
Independent Director



Mrs. Deepa Goel
Non-Executive Director



Mrs. Pallavi Mangla
Non-Executive Director

Executive Management



Mr. Prashanth Achar
Chief Executive Officer



Mr. Arjun Verma
Chief Financial Officer

From the Chairman's Desk



Dear Shareholders,

Greetings!

At the outset, I hope you and your family are doing well and taking good care of yourselves. I want to thank everyone who has been a part of this adventure with GP Petroleums family throughout the years. This is a historic event, and I am honoured to be chairing the Company with the Brand 'IPOL', which is celebrating its Golden Jubilee this year! The year also marked the entry of GP Petroleums in the Fortune The Next 500 Companies, adding further to the celebrations!

In the year gone by, the Lubricant Industry faced numerous challenges impacting the general business environment. Your Company was no exception to this. I would like to call them the 10 Cs: Chip shortages causing disruptions in automobile manufacturing, COVID-19 pandemic resurfacing in many variations and waves, Conflicts in Europe causing stagflation, Containers shortages affecting raw material movements, Crude oil price escalation, Currency inflation, Capital availability becoming increasingly tight impacting the channel and customers, Credit lines drying up - restricting expansion opportunities, Capital expenditure cycle on the backbench in the auto industry owing to the uncertain future of ICE technology, and finally, heightened Competition from foreign MNC's, Public Sector Undertakings and local and regional players alike.

The automotive industry's downturn has a direct impact on the manufacturing sector, and hence on the lubricant business.

The pandemic learnings from the previous year were tremendously useful in formulating a growth plan. Your company renegotiated contract terms with vendors, and adopted a 'responsible-sales' strategy, thereby assisting clients in these trying circumstances and supporting them in ensuring uninterrupted production. Your company also aided the trade channel in reducing inventories and providing trade financing support.

GP's decision to partner with non-banking financial institutions for distributor financing resulted in better cash flows for the Company, with such institutions now accounting for 30% of its automotive business.

Despite various volatile business circumstances, I am proud to say that your Company not only overcame these but has also demonstrated a great resilience and flexibility, allowing it to retain the turf by delivering higher revenues, PAT, PBT and the overall performance in all its segments. Our GP team rose to the occasion and performed admirably and passionately.

As a part of the 'eXcelerate' strategy, your Company expanded its distribution network and entered new horizons of growth. In Industrial business segments, your Company entered into diversified verticals thereby de-risking the business which was primarily reliant on conventional industrial segments. The Company is presently concentrating its efforts on the Sugar industry, Plastic injection molding industry, Thermic fluids, Steel Tube mills, Sponge Iron and process industries. Having gained the width, going forward, we will focus on depth, expanding product portfolio in these newer segments. The emphasis on de-risking the business, responsible sales and profitable sectors, supplemented by trading for opportunity maximisation, kept the accounts in good shape.

Despite the strong headwinds, we remain optimistic about our business growth and aim to be one of the industry's fastest-growing players. As the year progresses, we anticipate growing demand from industries in the B2B sector as well as in tier 2, tier 3 towns in the B2C sector. We have a strong presence in these sectors and geographies as a consequence of our strategic expansion.



The Company has an efficient blend plant at Vasai, near Mumbai, having production capacity of 80,000 KL and base oil storage of 15,000 MT, one of the largest in the industry.

We boosted the top line by 18% to ₹ 718 Crores and the bottom line by 11.6% to ₹ 26.4 Crores in FY 22. Regardless of the challenges, this demonstrates the team's commitment to growth and enhancing investor value.

Your Company has been named as one of India's Emerging Companies in the coveted Fortune India Next 500 list for 2022! The award honours mid-sized firms for their excellent achievements.

Your Company remains passionate, as well, for the cause of society in which it operates. On the Corporate Social Responsibility front, under the 'WE CARE' platform, your Company has undertaken various programs for the differently privileged sections of the society. Your Company has conducted Health check-up camps in 13 locations across the country which has benefited more than 850 people with free distribution of eye-glasses and free medical checkup. Over the last two years, your Company has provided the health checkup facility to over 4500 people from different walks of life. Your Company has also encouraged women empowerment by distributing sewing machines to the women who were looking for livelihood to support their families.

Finally, on behalf of the Board, I thank all the shareholders, stakeholders, business partners, Central and State Governments, Regulatory Authorities and others, for their cooperation, continued support and faith reposed in the Company. I would also like to thank every GPPL employee for being an unshakable pillar of strength and personifying relentless commitment to our core values by demonstrating their sincerity, efforts, perseverance and dedication. I look forward to your continued trust, confidence and support to the Company.

Best Wishes,

Ayush Goel
Chairman

Management Discussion and Analysis Report

Pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report covering business performance and outlook (within limits set by Company's competitive position) is given below:

INDUSTRY STRUCTURE & DEVELOPMENTS

The Indian lubricant market is the world's third largest after United States and China, accounting for nearly 7% of global lubricant demand and has been growing at 3% over the past decade prior to the pandemic. The market size is estimated to be 2.9 million tonnes, with the industrial segment accounting for more than half of demand. The lubricants market is highly competitive and fragmented with National Oil Companies, several international majors, and a plethora of local Companies vying for a piece of pie. The Lubricants Industry is expected to grow at CAGR of 5.6% for the next 5 years.

Stronger emission standards and increased demand for fuel efficiency are driving OEMs to develop new engine technology at a faster pace. Rising crude oil prices has impacted every geography and India is no exception. The Company had to go through numerous challenges under highly uncertain global environment to maintain smooth business operations. Irrespective of the situation, the Company has generated investor value through strategic sourcing, maintaining service and quality standards, bespoke solutions to the Customers and building efficiency in processes and at organizational level.

COMPANY'S COMPETITIVE POSITION

GP Petroleums' homegrown iconic brand IPOL, launched in 1973, has entered the prime 50th year of successful operations in the Indian lubricants market. It is one of the exceedingly rare 'Made in India' brand which has grown relentlessly, amidst competition from foreign MNC's and large government companies, facing numerous onslaughts from the market.

The Company specializes in the formulation, blending and marketing of Industrial and Automotive Lubricants, Rubber Process Oils, Greases and other specialty products. Across the country, the Company has a well-established network of over 500 Distributors and 20 warehouses spread among 24 states and 3 union territories covering more than 350 locations and exports to more than 12 countries.



PAN India presence of GP Petroleums Ltd

The Company's in-house blending and storage capacity is one of the key strengths that has helped it maintain steady supplies. During the lockdown, the Company was able to maintain uninterrupted supplies to essential sectors - like Western Coal Fields, Sugar industries and many others.

GP Petroleums has an efficient manufacturing facility, which spreads across 9000 plus sq. m., having production capacity of 80,000 KL and Base Oil storage of 15,000 MT which is one of the largest in the industry. The plant is supported by an advanced laboratory, located at Vasai, near Mumbai. The plant caters to pan-India and export requirements.

GPPL is associated with test houses like AVL, ARAI and ICAT for the product performance studies for Automotive Lubricants. The plant is well geared up to accommodate the growth agenda for next 5 years.

GP Petroleums is in collaboration with leading Additive and Chemical manufacturers for co-development of advanced lubricants for the ever-changing requirements.

The increasing demand from end-user industries is notably driving the market growth in India. The Company's agenda is to contribute to the same and achieve the targets that it has set for itself.

The Company is driving Growth on the strength of its uniqueness in being a technology-led portfolio player, learnings from five decades of existence, and the proof of the success in this journey is evident as the Company entered into the **'Fortune India The Next 500 – India's Emerging Companies'** list.



Mr. Prashanth Achar, CEO (Right) receiving the prestigious certificate The Next 500 – India's Emerging Companies - 'Fortune India'