

## Gulf Oil Lubricants India Limited

March 25, 2019

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
(i) Long-term bank Facilities – Non Fund Based	-	-	Withdrawn
(ii) Long-term bank Facilities – Proposed Loan	-	-	Withdrawn
<b>Total Facilities</b>	-		

Details of facilities in Annexure-1

#### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

Gulf Oil Lubricants India Limited (GOLIL) has repaid the long term non fund based facilities availed by it and rated by CARE [i.e. sr. no. (i) above] in full and there is no amount outstanding under the said facilities as on date. Further, GOLIL has confirmed that it has not availed the proposed term loan rated by CARE [i.e. sr. no. (ii) above] and there is no outstanding under the said facility as on date. Hence, CARE has withdrawn the ratings assigned to GOLIL's bank facilities with immediate effect.

**Analytical approach:** Not Applicable

#### Applicable Criteria

[Policy on Withdrawal of ratings](#)

#### About the Company

GOLIL, part of Hinduja Group, is an established player in Indian lubricant market. The company commenced its operations as a demerged entity of lubricant business of Gulf Oil Corporation Ltd. (GOCL) w.e.f. April 1, 2015. The Board of Directors of GOCL had approved the Scheme of Arrangement for demerger of lubricant business of the company in August 2013, and same was transferred to Hinduja Infrastructure Ltd, which was later named as GOLIL.

GOLIL is engaged in marketing a wide range of automotive and industrial lubricants, greases, 2-wheeler batteries, etc. The company sells its lubricant products under the "Gulf" brand. Presently, the Gulf brand is present in more than 100 countries across five continents. The company has 90,000 KLPA (kilo litre per annum) manufacturing capacity at Silvassa. It recently commissioned its 40,000 KLPA green-field project at Ennore, Chennai in December 2017 to cater to the Southern and Eastern states of India.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	1152.65	1358.43
PBILDT	202.20	261.60
PAT	121.08	158.56
Overall gearing (times)	0.51	0.53
Interest coverage (times)	20.77	30.66

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	-	Withdrawn
Non-fund-based-Long Term	-	-	-	-	Withdrawn

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA; Stable (22-Mar-18)	1)CARE AA-; Stable (13-Feb-17) 2)CARE AA-(03-May-16)	-
2.	Non-fund-based-Long Term	LT	-	-	-	1)CARE AA; Stable (22-Mar-18)	-	-

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