



**“Gulf Oil Corporation Limited Q1 FY15 Results  
Conference Call Hosted by Axis Capital Limited”**

**August 14, 2014**



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**Moderator:** Ladies and gentlemen, good day and welcome to the Gulf Oil Corporation Limited Q1 FY15 results conference call hosted by Axis Capital Limited. As a remainder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing \* then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Prashant Tarwadi from Axis Capital Limited. Thank you and over to you sir.

**Prashant Tarwadi:** Hi, good morning. On behalf of Axis Capital, I welcome all participants on the conference call of Gulf Oil Corporation Limited. I thank management for devoting time for the call. We have with us Mr. Subhas Pramanik – Managing Director, Mr. Ravi Jain – Chief Financial Officer, Mr. Satyanarayana – Company Secretary. They will start with overview of the performance for Q1 FY15 and then we can go on to question and answer session. Thanks a lot and over to you Mr. Pramanik sir.

**Subhas Pramanik:** Thank you. Good afternoon and welcome to all the participants. Well, let me first say that this is the first conference call that we are having with analysts and investors after the demerger with effect from 1<sup>st</sup> April 2014. Many of you would have also attended or participated in the discussions yesterday with Gulf Oil Lubricants India Limited Management. So you would be fully aware of the developments on that side on the new company.

Let me then brief you on the Q1 results and may be a little bit of insight into our projections for the year as far as Gulf Oil Corporation Limited is concerned. Now many of you will recall that before the demerger, we had four divisions. We had the Explosives division which we have now renamed as Energetics division. We had Mining and Infrastructure division, we had the Property division and then we had the Lubricants division which was a big division that we had. Now Lubricants has been spun off into a separate company. So the residual company which we have here will have three divisions; Energetics, which is the Hyderabad factory manufacturing initiators, detonators, detonating cord, high energy materials, etc., Then we have the Mining and Infrastructure division which was there but last 2.5-3 years it had to be dormant and we had to really reorganize things there keeping in view the kind of feedback we were getting from the then government and then we had the Property division which had been growing, but now we are renaming it as Realty division which I will explain why in a little while from now. So basically we are then talking about these performances or our actions in these three divisions.

Now to start with, let me just say that I will talk in a slightly perspective view point, reason being that many of you have been really focusing on our Lubricants business earlier. But now that this demerger has taken place, I am sure that most of you would like to know what is the direction in which we are going to take Gulf Oil Corporation and what is going to happen to the three divisions. So let me then talk in that fashion. First of all, what we are now doing is basically



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creating a perspective plan, five year perspective plan for these three divisions in Gulf Oil Corporation. So in this activity that we are now engaged in, we are really focused on two major divisions here, one is this Mining and Infrastructure division and second is with regard to the Realty division. So these will be the two main focus areas of our business in future. Now why do we say that these two divisions. One is that Mining and Infrastructure which had gone into a terrible downswing in the last three years is again showing promises. We have of revival and what we are seeing on the ground is that several of the big mining majors, steel plants having captive mines, cement having captive mines, bauxite, iron ore, all these areas have now started picking up and we have been fortunate to get the first order for the division from Tata Steel. This is a 2-year order of approximately 40 crores. Plus we have also started action with another corporate for infrastructure areas. So I will elaborate a little bit more a little later. But the issue is that we are going forward in this division which we had really tried to curtail in the last three years. But we feel that with this government policy, this is likely to grow very fast.

Second part is Realty. Now Realty, up to now we were talking about property development which really was focused on our own land bank. Now technically as we are doing the studies, we find that we can really develop it into a Realty division in which what we can do is we can develop other pieces of land also. Land banks which others have because we do have our own capabilities for doing infra work. Now looking at this angle, I will discuss a little later what we are planning to do. So this five-year plan which we are making is really focused around this.

The Energetics division will be actually following development in the mining and infra market, but it will be a supplier of explosives and detonators. Now many of you know that we had spun off our Explosives division, our Explosives business into a 100% subsidiary called Ideal Explosives Limited. Now I must tell you that they are doing very well, although we are not really publishing the results up to now, but as of last in Q1, they have done about 75 crores of business and they have got a bottomline of 2.5 crores. So basically the whole business of explosives as we have seen this sector is also growing. The GOCL site also, that is the main company, Energetics division is also growing. So if you really see as a business, Explosives is also taking an upswing. So basically this is the model on which we are working. So the five-year plan should be ready in about 3-4 months' time and we will share it with you once it is ready most probably when we are discussing the Q3 results. So that is the background.

Now you may ask me what is it that is your target for this year? Now you have seen the Q1 results. If you see that, we have achieved a PAT of 8.09 and against a sale of 23.77. Now if you compare this with previous Q1 of last year, you will see that we have turned a lot of data around. We have grown in sales from 19.84 last year same period to 23.77, net sales I am talking of. Then we have improved our operational profit from a negative which we had last year, mainly that negative was due to our Mining and Consult division but that has now been turned around to 1.49 crores positive. Now this will carry on improving but as of now that is the result that we have. The PAT has improved from (-) 8 crores to (+) 8 crores. So that is a major change which



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has happened. Other details of the financials will be discussed by Mr. Ravi Jain, our CFO a bit later. But on the whole, what our focus is Q-on-Q we expect to improve our PAT by at least 25%-30%. So that is the objective with which we are working. As I have already indicated in earlier discussions, this inflows from the Realty sector, I am calling it Realty now, so that is from the Bangalore development which is taking place will start from Q3-Q4. So that effect will be there. But overall Q-on-Q, we expect 25%-30% improvement this year.

Now I come to little bit of focus on Mining and Infra. Now on Mining and Infra, we are really talking to a lot of corporate and we had earlier given quotations over the last 2-3 years as those are all dormant. We are activating all of them and we expect that we should be able to utilize all the equipment that we have by the end of the year. Now many of you will recall that we had indicated that we had started disposing off our equipment and all that to realize cash and reduce our exposure in this division. Now as of today if you have been following our results up to 31<sup>st</sup> of March, we had impaired all our equipment. Out of that, one-third of the equipment have been sold or disposed. So now with the balance two-third equipment that we have, we are now taking on this new assignment and we find that all these equipments that we now have are in good condition, serviceable condition and can be put into action within about a month or two once we have accepted the job. So our readiness for this is very good. On the other side, some years ago we had taken up infra development for Utkal Alumina in Raigada. So with where we had done a colony development, roads, utilities, etc., So that experience is now coming in good stead and we are now talking to corporate for actually utilizing that side of our expertise. So that side, also infra side is also going to grow. We are looking at several other assignments and we should be in a position to brief you as we go along in the year.

Realty as of now, all of you are aware we are developing Bangalore and the first block which is going to come up which we have already said in many of our papers and press releases is going to be block #3 in the SEZ block in Bangalore. Now this block should be ready. Only the interior work and the exterior glazing work, etc., is going on. It should be ready by October end and we should be in a position by November-December to start the revenue flow. Along with that the Hyderabad development, now the 100 feet road which we have been talking about is now totally ready. Vehicles have started moving on that road and we are now waiting to finalize our compensation from GHMC on this. Now this compensation for this land which we have given of approximately 5-6 acres should be somewhere around 100 crores. So that will be another inflow which will come in from that side. But the main thing I want to say is that we have started the plan for development and the first block of the 76-acre plot which we will be developing, our plant should be ready for submission by October. So our architects in Dubai are more or less ready with the draft. We are discussing the draft now and we should be able to come up with the first block development finalization.

Now one thing if you would have noticed all these years is that we were focusing on developing our land bank with external developers. Now we have been seriously thinking of doing our own



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development also. Since two of our land banks are already tied up, we are thinking of then developing our Bhiwandi plot which is just outside Bombay may be on our own. Now that is an 80-acre plot and we expect that we should be in a position to get it ready for design and all that by the end of this year. So that development work is also being started. But it has every chance of being developed on our own.

Now overall, the status of our financials has improved over the year and we have a very strong balance sheet now and for this reason I will hand it over to Mr. Ravi Jain, our CFO who will then discuss what are the financial issues which would be of interest to you. So I am handing it over to Mr. Ravi Jain.

**Ravi Jain:**

Good afternoon everyone. Our MD as Mr. Pramanik has highlighted some of the financial details. I will give you some more details. As you all know that from 1<sup>st</sup> April 2014, Lubricant business has been demerged to a separate company and if you review the financials of rest of the business, this year we have achieved a turnover of 24.41 crores; these figures are all standalone basis, we have not considered our subsidiary turnover or financials over here, compared to last year 21.76 crores which is 16% higher on year-on-year basis. PBT level, we have achieved 9.74 crores positive in Q1 compared to loss of 8.06 crores last year. Basically we have impaired all our consult assets and the depreciation cost has come down by around 3 crores 32 lakhs only and since we have paid all our long-term liability, the interest cost has also reduced from 4.04 crores to only 48 lakhs. After provision of tax around 1.65 crores, we have achieved a PAT of 8.09 crores. Last quarter we have paid advance tax of around 90 lakhs.

Coming to the segment results, Explosive segment we have achieved a turnover of 22.95 crores Energetic division and PBT of around 2.25 crores and in Consult, PBIT is around 1.54 crores. The long-term liability of the company is nil as on date and whereas we have further reduced the short-term liability in this quarter. This quarter we have also reduced our inventory by 2.05 crores and the current liability by 25 crores as we have paid the dividend which we have announced last year. Similarly the corresponding current asset is also reduced as the cash and bank balance has been reduced and paid accordingly. We have added 7 crores in our shareholders fund by the PAT of the last quarter and there is no other major movement in our balance sheet figures. This is all from my side.

**Subhas Pramanik:**

I think now we can take questions from our participants.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Rajiv Rupani. He is an Individual Investor. Please go ahead.

**Rajiv Rupani:**

Sir Congratulations on good listing of both these companies and unlocking part value for your shareholders.



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**Subhas Pramanik:** I suppose we have been saying this for the last two years and now it has happened. So I think we have kept our side of the discussions.

**Rajiv Rupani:** Yes, thank you. Sir my question is regarding the Houghton stake. Sir what is the current value and sir in the press release you mentioned that you are looking to unlock value. So how do you propose to unlock value for the shareholders? Will it be, you planned to sell the stake back to the parent company? Will it be this year or what? Can you give some details please?

**Subhas Pramanik:** I could not get your focus of your question. I mean if you can just repeat the operative parts?

**Rajiv Rupani:** Sir our company has 10% stake in Houghton. So in the press release, you have mentioned about maximizing value for the shareholders and selling the stake. So what is the plan, do we plan to sell the stake back to the parent this year and what is the value of the stake right now, approximately?

**Subhas Pramanik:** See, as of now the figures are not yet final. What is going on is basically that Houghton and Gulf Oil International are liking out a method of doing global marketing and development of the strengths of each of the companies and AGHL will get the benefit of whatever is finalized between the two big entities. So as of now, the valuation, etc., is not come to any kind of point where I can give you a sale firm figure. But the point we have made here is that 10% is our holding there. So whatever be the figure, this company gets to enjoy 10% of that value. Now how we take a decision about disinvestments and, etc., will all depend on how the value is getting created and the board has to really take a view point on that. As of now, the board has not taken a view point. It is just that we know it is like an investment line there with good value and that is all we have said because we felt that investors would want to know what is happened to the AGHL investment. So as of now, please keep it as a statement that we have made. I cannot give you any value just now. But I must say that it will be substantial.

**Rajiv Rupani:** Okay. Do we plan to sell the stake in current year or it will be a longer term 2-3 year view, any idea?

**Subhas Pramanik:** Yes, it will be 2-3 years because if you have got to unlock value, we have got to allow that company to or the new structure to stabilize itself and gain confidence there on the markets. One time disinvestment may not be a great idea.

**Rajiv Rupani:** Okay. Sir regarding the Bhiwandi 80 acres, you have said the plans will be finalized by the end of this year. So will it be by March or by December or what?

**Subhas Pramanik:** March. I mean we are talking of financial year.



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**Rajiv Rupani:** Okay. Sir I just hope that for the Hyderabad property, it has been more than two years. We are trying the JV agreement in August 2012. So let us hope that the development work starts as quickly as possible because it has been a long time.

**Subhas Pramanik:** The problem why this delay has taken place is not from our side. It is because of the uncertainty in the way the state reorganization was going a), but now that the state reorganization has gone through we are getting a little bit more clarity. But still I think there is a lot required by the government to give investor confidence to everybody in Hyderabad especially. So we are working, we are moving in that direction. But I cannot tell you that everything will move as we are talking or the way we are planning it. Some we are allowing for certain plus-minuses to take place to accommodate government policy as is coming up.

**Rajiv Rupani:** Sir you mentioned that the plan will be finalized by October, so can we expect to get all the approvals?

**Subhas Pramanik:** That is the first block which will be about 5-7 acres is what we are now thinking off. So once that is done and we move for starting development, then many things fall into place as soon as we are now in the first block. So we start getting ideas for the second and the third blocks. So we will do it in a progressive manner. So start is with this first development.

**Rajiv Rupani:** So can we expect the work to start by let us say January if all the plans are ready by October?

**Subhas Pramanik:** No, as I said the first draft is ready. We are discussing the draft plan and we should be in a position to finalize the plan in another 2-3 months' time and then by that time, finalize, get the approval from the government,, etc., So that is the timeframe which we require. About 3-4 months will be required before we can announce that exactly this has been approved and this is what we are doing.

**Rajiv Rupani:** And sir my last question is that the 100 crores which we are going to receive for the land, the road which is passing through a property we will be getting in this calendar year?

**Subhas Pramanik:** Well, we are expecting that, but then it may be in a phase manner. It may not come as a block, but that is a receivable which we should get and it depends on how the government values the land and all that for which they have acquired for this road. I would say not acquired, they have surrendered for this road. That is the right word actually.

**Moderator:** Thank you. The next question is from the line of Naresh Kumar. He is an individual investor. Please go ahead.

**Naresh Kumar:** So my question is on the Bangalore project sir. I was passing by few weeks back and I saw that there still kind of at least visibly still some work to be done. But I heard that November timeframe we should start getting these revenues. So could you throw some light on how many



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square feet would be our share out of the first building and have we signed up with any people for lease and just some visibility on what revenues we should expect in December and also the full quarter which is January-February-March?

**Subhas Pramanik:** First of all, I must tell you that the building, exterior, the construction work is completed. Now the façade work is going on and the internal work. So you may not see much of scaffolding and all that there now. We are going to lease these as warmshells. So as a result all we will be doing is now the interior utilities, the staircases, lifts, the electrical systems, the toilets, sanitary, etc., those are the jobs that we are working on now. So from the outside you will not see much activity. The other thing is that there is a special access here which we are creating now for this building because this building is in the corner of our plot. So that work is also on. Other than that, work on marketing, I mean the electricals, air conditioning, the water systems, plumbing, etc., all are on schedule. So we are absolutely clear that we should be in a position to end all activity by October and start marketing. I mean, marketing is already on and we should be started to get our customers log in from November-December that is what we expect.

**Naresh Kumar:** So do we have any kind of customers who have signed up or about to sign up and what is the lease rental we would expect per square feet and how many square feet is there?

**Subhas Pramanik:** Lease rentals, we are still on that Rs. 50-51 plan and yes, there is a lot of enquiries going on just now. We are working with CB Richard Ellis and Knight Frank and we should be in a position to firm up as soon as we are nearing completion. The other point is we do not want to rush this signing up because the rates may improve slowly now that the Modi factor has come in and Bangalore as you know is already on the upswing. Demand is good. There is good absorption rate. So we do expect things to be much better there.

**Naresh Kumar:** How many square feet would be our share in the...

**Subhas Pramanik:** The total development is 10.46 lakhs square feet. So 30% of this will be with us.

**Naresh Kumar:** Okay. Roughly 3 lakhs square feet.

**Subhas Pramanik:** Yes.

**Naresh Kumar:** What about the SEZ versus, this is I think non-SEZ?

**Subhas Pramanik:** This is in that.

**Naresh Kumar:** SEZ?

**Subhas Pramanik:** Yes.





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- Naresh Kumar:** I think you are planning to sell the non-SEZ. So when will those things start from the non-SEZ?
- Subhas Pramanik:** Our next objective is to develop the two buildings on the side of, see we started from a corner. Now the two adjacent buildings are what is the target and these two buildings, one we are going to start next month construction, already our basement levels, excavation and all are coming to a completion. So work has been started on the second building now and this is called building No. 3, the one we have developed already and building No. 2 is what work has started on the excavation and basement and all that, after that building No. 4 will be taken up. So this is what we have planned. So from the corner we are going out. Now your question on non-SEZ, now this is something which we are still debating because the way these things laid out is that the non-SEZ area is in front, on the highway. So with this development of this, as I said the main road leading to the corner building, once that comes up, then I think we would be in a position to handle non-SEZ and SEZ portions simultaneously. So that is under discussion just now. But once we get this thing moving from building No. 3 as I call it, then this will create a different kind of atmosphere there and investors and people who would like to take on lease would then start giving a serious attention. So we are waiting for that position to take place. November-December we should be in a position to even firm up how we are going to proceed on the non-SEZ block of 10 acres.
- Naresh Kumar:** So building numbers 2, 3, and 4 will all be SEZ and post that I think we will contemplate, we will plan for?
- Subhas Pramanik:** It is called SEZ block. SEZ block as you know is 30 acres. The non-SEZ is 10 acres.
- Naresh Kumar:** And SEZ we are not planning to sell or are we also planning to sell part of our share in SEZ or will it all be on lease?
- Subhas Pramanik:** Based on the new SEZ rules that the new government is advocating.
- Naresh Kumar:** Okay. See my other question was also broadly on the kind of sustainability of our business growth perception, how investors see and we are primarily going to be viewed now as a real estate company with of course we have now Energetics and Consult is doing well. So I think as investors I am just looking for some clarity on, of course you have provided clarity on what will happen in terms of cash flows which will come in from the current building which is ongoing now and then the other building to and fro. But in terms of our run rate of most of our properties either being on lease or at least under construction that there is a 2-3-4 year visibility. When I talk to other investors, there is still some kind of I would say anxiety or lack of confidence. Just wanted to share my thought of what market perception is and how we are, I think we need to probably speed up is my suggestion. I am sure we are trying in speed up in terms of visibility of how all of these real estate plans will come through.



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**Subhas Pramanik:**

Now on this Naresh bhai, I must say one thing that you see we have been advising investors at the AGM and in these con calls and other interactions that we have been having that what is the direction which we are moving. Now there has been a lot of issue which is related to the slowdown in the economy which took place. Now frankly investors, I am talking about our investments, that confidence level also needs to be boosted to be able to put in more money. Now other angles which you were trying to say something about this inflows which are going to take place from Realty. Now yes, we are also working on how to utilize these inflows and I must say that this is all going to be to the growth of the company and therefore additional value to the investors. So it is going to work in that way. In fact I made a statement a little earlier is that we are also looking at own development. Now if that own development idea is able to be put into action which we expect it will, then lot of the funds that we are coming in, some of it would be diverted for that instead of increasing our loans. The other part is that once we have said that our focus areas are infra, mining and realty, then a lot of new development ideas will also come up in those blocks. So I think investors need not worry about that. It will all depend on how the economy gives us more confidence in supporting our plans that we are making.

**Naresh Kumar:**

Sure and my last question is on the other land we had I think which we also mentioned in the note we prepared before the demerger is on Vizag. So Bhiwandi, you mentioned we have 80 acres and possibly we may plan to do own development. How much do we have in Vizag and also heard there are some properties in Bombay, can you please throw some light on that?

**Subhas Pramanik:**

Properties in Bombay are basically flats and office premises. So which we are leasing out and as the tenures are getting over, we are trying to either negotiate a better rent or utilize it in our way if possible. So anyway that is all flats and office premises in Bombay. In Vizag what we have is with a 100% subsidiary company, we have approximately 7 acres of factory land and we have some residential plots. So that is what we have just now. Now actually the way we are working is like this that as GOCL gets liquidity, we would slowly may be take over some of the properties from this subsidiary and you would have noticed that, I mean, this quarter we had some liquidity. So we have been able to take over three of the five residential plots from the subsidiary company. Basically, the focus as I said is the important thing. Now that we have announced the focus that is going to be Realty, then all our actions are moving towards that. So whether we are getting opportunity, looking at the future we are consolidating our land banks, we are getting ready for further development as we can see it.

**Naresh Kumar:**

Sure sir. Thanks a lot, that helps. My final thing is if there are not too many people behind me is on dividend. So what would be your dividend policy sir? Previously we have been getting dividends obviously because we were a conglomerate. Now that bulk of the cash flow has moved out to Gulf Oil Lubricants. What should investors expect in terms of a dividend policy this year or in general going forward?

**Subhas Pramanik:**

Of GOCL?



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- Naresh Kumar:** GOCL, yes, our current company.
- Subhas Pramanik:** It would continue because we have a payout of about 48%-51%. I expect the board to be able to stay with that policy. As of now there is no indication that there would be a change from that policy.
- Naresh Kumar:** Sure and that would be based on the real estate cash flows or Energetics or Consult.
- Subhas Pramanik:** Cash flows and what you call transfer to deserve rules being maintained, etc., But payout ratio is the main thing. These are all processes in between.
- Moderator:** Thank you. The next question is from the line of Hitesh Doshi. He is an individual investor. Please go ahead.
- Hitesh Doshi:** Sir as you said, can we ourselves develop some part of total Hyderabad land of 800 acres?
- Subhas Pramanik:** That is a difficult proposition because we have already signed the agreement.
- Hitesh Doshi:** It is a master agreement.
- Subhas Pramanik:** We need to honor all our agreements.
- Hitesh Doshi:** So it is for entire Hyderabad land we have.
- Subhas Pramanik:** Not entire. 76 acres now is up for development.
- Hitesh Doshi:** No, after that. I am talking after that first.
- Subhas Pramanik:** That I have made a statement which I have linked as of now to Bhiwandi, but that could be also extended to the balance Hyderabad land.
- Hitesh Doshi:** And can you throw some light on this Bhiwandi land parcel like is it, are we planning residential and what kind of FSI and what can be the selling price, a very broad picture?
- Subhas Pramanik:** We have not gone to that detail as yet Hitesh. The main thing is what I would like to say is that being near to Bombay, it gives us a lot of opportunities to really get good value from that land.
- Hitesh Doshi:** But is it residential or?
- Subhas Pramanik:** The land is just abutting the forest area. So it has got immense possibilities of growth looking at the lifestyle of the Bombay.
- Hitesh Doshi:** But is going to be a residential development?



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**Subhas Pramanik:** Well as of now I cannot give you a full, but evidently our discussions are now going on that basis that how do we really get value out of it and what would be the kind of lifestyle support we can give the Mumbai so being just about 80 KM out of Bombay.

**Hitesh Doshi:** And anything on defense products in our Energetics division, can we develop on the lines of some other listed players which are talking big on future in defense?

**Subhas Pramanik:** On defense, we are actually very positive. We have been with this new government having given the go-ahead for private public partnership etc., we feel that there is a possibility because we are already working but in a small way with the DRDO, DRDL, BDL, ISRO and various paramilitary forces etc., then with Army, Navy and all that. Now these are still on the smaller scale mainly because the Ordnance Factory Board is not allowing anybody to come into that space and they are blocking development although they do not have the product of the same quality that we are supplying or able to develop, but they are still behaving as dog in the manger.

**Hitesh Doshi:** But are we like in line with the competition of private sector peers or?

**Subhas Pramanik:** Now there are two different areas. You see, the competition has announced lot of energetic materials, high energy materials and they are setting up plants for that kind of products. Ours is on very precise timing devices and control systems. So we are working also on as I said various areas including certain systems for missiles, etc. So all those things are going on. But it is a bit different from the area that other competitors who are listed us are actually talking about. Commodity type product, we are not. We are talking about niche, control, and timing systems.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints we will take our last question which is from the line of Rajiv Rupani. He is an individual investor. Please go ahead.

**Rajiv Rupani:** Sir just a follow up question on Bangalore property. Originally it was supposed to be completed by 2017-18.

**Subhas Pramanik:** In '17-18.

**Rajiv Rupani:** So will both SEZ and non-SEZ, all will be totally completed by 17-18?

**Subhas Pramanik:** Yes, we are moving. As I said a little earlier, you see we will get an impetus as soon as the first building comes up and we start getting our first customer. Now that will create a kind of a ripple effect on various other customers who have been looking at it, but not taking the first move. So once that starts up, then we have no problem. All our loans are tied up. Our loans means our developers loans are all tied up. Funds are not an issue. SEZ notifications, etc., on which we have taken approvals are all in place. So there is nothing which will hamper us. It is only that our assessment of the demand side is what we have to have a look which will actually push us to for fast completion.



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**Rajiv Rupani:** And just one last question. In Hyderabad out of the total 800 acres, 300 acres is self-owned. Sir regarding the balance 500 acres which is on a long term lease that is still under our control right? There is no issue regarding that?

**Subhas Pramanik:** Control is with us. There are certain points on which we have gone to the Supreme Court and Supreme Court has admitted our case and also given a stay.

**Rajiv Rupani:** So far it means it is ours only. As of now there are no issues?

**Subhas Pramanik:** Full control. There is nothing to worry about. It is only an issue that once the Supreme Court decides, then we could be able to take it forward and also give you a better picture of the situation.

**Rajiv Rupani:** And sir by when can we expect the judgment, any idea?

**Subhas Pramanik:** That now you are asking me a million dollar question. I do not have any idea on the Supreme Court. But the indication because this is before the bench No. 1. So the indication is that they should be able to complete in a years' time.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints that was the last question. I would now like to hand the floor over to the management for closing comments.

**Subhas Pramanik:** Thank you very much. I would like to say that this has been a very constructive discussion because well, while we have been moving in a particular direction I think it has not been possible to really articulate all the issues earlier because Lubricants was a dominant division and most of the focus was on Lubricants and now that the focus has changed, I think you would be seeing a lot of new activities or maybe you would be becoming more aware of these new activities and to that end I have made certain kind of comments on what we expect Q-on-Q to be and I repeat again that our Q-on-Q, we are expecting improvement in our PAT by 25%-30% every quarter. So that is the view point of this current year. We are working on a five-year plan, a perspective plan keeping the focus on Realty and on the Infrastructure and Mining areas. So that is our focus areas now. The other part is that as of now we are totally debt free. There are no long-term debts and we expect that our cash flows, etc., which are now going to slowly start coming in from this year from the Realty side will strengthen our position and we should be able to deliver more investor value in future. Thank you very much for joining us for this discussion.

**Moderator:** Thank you sir. On behalf of Axis Capital Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.