August 06, 2026

To **Corporate Relationship Department** **BSE Limited** Department of Corporate Services, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 **Scrip Code: 532543**	To **Listing Department** **National Stock Exchange of India Ltd.** Exchange Plaza, 5th Floor, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 **Scrip Symbol: GULFPETRO**

Dear Sir/Ma'am,

Sub.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Credit Rating

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that India Ratings and Research (Ind-Ra) has affirmed GP Petroleums Limited (GPPL) a Long-Term/Short Term Issuer Rating of 'IND BBB-'. The Outlook is Stable. The instrument-wise rating is given below:

Instrument type	Size of Issue (million)	Rating/Outlook	Rating Action
Bank loan facilities	INR 1000	IND BBB-/Stable /IND A3	Affirmed

Kindly take this on your record and disseminate the same on your website.

Thanking you,

Yours' Sincerely,
For GP Petroleums Limited

KANIKA YOGI SADANA
Digitally signed by KANIKA YOGI SADANA
Date: 2026.08.06 19:37:59 +05'30'

Kanika Sehgal Sadana
Company Secretary and Compliance Officer

India Ratings Affirms GP Petroleums's Bank Loan Facilities at 'IND BBB-'; Outlook Stable

Aug 06, 2026 | GP Petroleums Limited | Lubricants

India Ratings and Research (Ind-Ra) has affirmed the rating on GP Petroleums Limited's (GPPL) bank loan facilities as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	RBI	-	-	-	1,000	IND BBB-/Stable/IND A3	Affirmed

Analytical Approach

Ind-Ra continues to assess GPPL's standalone credit profile, as the agency has received a management undertaking stating that the reorganisation and restructuring of business operations and financial resources of its promoters—GP Global APAC Pte. Ltd. (GPGAPL; 36.84% shareholding) or any GP group company—will not negatively impact GPPL's financial and business activities.

Detailed Rationale of the Rating Action

The affirmation reflects GPPL's medium scale of operations, with revenue largely driven by the manufacturing segment, particularly the industrial lubricants sub-segment. Ind-Ra notes that GPPL's 1QFY27 performance was significantly stronger than in the preceding quarters, driven by inventory gains from the timely procurement of base oil ahead of the Middle East geopolitical disruptions and higher end-product realisations linked to crude oil prices. However, the management has indicated that these elevated margins are not sustainable and are likely to moderate over the near term. Nevertheless, the management expects the margins to remain in the range of 5.5%–6.5%. Any sharp correction in end-product prices over the remaining period of FY27 could exert pressure on the margins, if GPPL is unable to liquidate its present higher-cost inventory at a commensurate pace. GPPL reported a minimal net debt position of INR33 million in FY26, while its credit metrics remained comfortable, with net leverage of 0.1x (FY25: net cash position; FY24: net cash position).

The ratings continue to factor in the stake sale by the majority promoter, GPGAPL, which has divested an aggregate 13.89% stake in GPPL to Incubit Energy Singapore Pte. Ltd. (IESPL), a Singapore-based investor. Ind-Ra also notes the induction of Mr. Harshavardhan Sinha, Promoter of IESPL, and Mr. Dilip Vaswani, an industry veteran with extensive experience, onto GPPL's board as non-executive, non-independent directors, along with the onboarding of other senior key management personnel. Ind-Ra believes that these management and board-level additions could support GPPL's direct management oversight, business growth initiatives and new business opportunities over the medium term. The agency also expects IESPL to further increase its stake in GPPL in the near term and notes the possibility of greater strategic and operational linkages with IESPL's global businesses. GPPL's management expects that this transaction is likely to complete by FY27.

Ind-Ra draws comfort from GPPL's stable operating and financial performance, along with its largely independent cash flow profile, which continues to insulate the company's credit profile from any potential stress at the GP group level.

Ind-Ra will track the stake sale, prospective change in the management, and the overall strategic and operational linkages of the company with its prospective controlling stakeholder. Ind-Ra will continue to monitor the same.

List of Key Rating Drivers

Strengths

- GPPL operations remain unaffected by ongoing stress in group companies
- Moderate scale of operations
- Comfortable credit metrics

Weaknesses

- Margins likely to remain within range
- Exposure to forex risks

Detailed Description of Key Rating Drivers

GPPL Operations Remain Unaffected by Ongoing Stress in Group Companies: The parent company, GPGAPL, holds 36.84% shareholding in GPPL as of March 2026 and is undergoing restructuring and reorganisation. The management has provided an undertaking that the ongoing reorganisation and restructuring of the business operations and financial resources of GPGAPL or any other group company will not have any negative impact on GPPL's operations and activities. As per the management, GPPL's operations will continue on a going-concern basis, without any risk of consolidated restructuring/bankruptcy filing. There are no loans/guarantees outstanding between GPPL and other group companies, including the parent companies. There is no cross charge on any assets of GPPL in any other group companies. Also, the only financial interest of GPPL's promoters in the company is in the form of their respective shareholding.

Additionally, as part of the restructuring, the promoters have sold 13.89% stake to IESPL, a Singapore-based investor, and as per management, it might consider divesting the entire equity stake in GPPL. Ind-Ra will assess the impact post complete stake of the promoter group, if and when such a change in shareholding takes place, the agency might reassess the ratings at that time.

Ind-Ra notes that the company is undertaking capex with related-party vendors, that amounted to INR300 million in FY26 and is likely to take another nearly INR340 million in FY27. While Ind-Ra notes that the same has resulted in asset creation on GPPL's balance sheet, the agency will monitor any major capex-related outflows leading to substantial leverage at GPPL. During FY26, the company also engaged in the trading activities with its group companies, which had low impact on the financial performance. The company has four independent members on the board out of the total eight members, and has a professional management team.

Moderate Scale of Operations: GPPL recorded revenue of INR2,302 million in 1QFY27 (FY26: INR6,426 million; FY25: INR6,098 million), with major contribution from the manufacturing segment at 79% (84%; 84%) and the balance from trading activities. GPPL's has reduced its reliance on the trading of base oils due to price volatility. However, the company continues to trade in Bitumen as and when the market is viable. In 1QFY27, the combined manufacturing volume recorded 13,733 Kilolitre (kl) (FY26: 57,958kl; FY25: 53,689kl), with major contribution from industrial lubricants and rubber process oils. Management has indicated that the strong 1QFY27 revenue growth was largely driven by higher realisations, supported by elevated crude oil prices amid the Middle East geopolitical disruptions, rather than volume growth. The management has articulated that it has higher inventory holding at the end of 1QFY27, and inventory availability is not a challenge. Any negative movement in end-product prices and GPPL's ability to liquidate the current high-cost inventory will be monitorable for the agency. Further, as per the management, GPPL will continue to focus largely on the manufacturing segment, while trading in bitumen would be undertaken, only if it is highly viable. Ind-Ra expects the EBITDA margins to remain stable in the medium term, with the company's higher reliance on the manufacturing segment.

Comfortable Credit Metrics: GPPL's debt profile comprises working capital cycle-dependent short-term borrowings, along with vehicle loans and lease liabilities. The company has sanctioned fungible fund-based and non-fund-based facilities of INR428.8 million, which includes facilities of INR150 million, which are backed by liquid investments of INR170 million. This will be monitored by Ind-Ra for its utilisation and addition of further limits by GPPL. The gross debt (including lease liabilities) stood at INR233 million at FYE26 (FYE25: INR333 million; FYE24: INR176 million). Despite reporting a net debt position of INR33 million in FY26 due to capex towards warehouse expansion, GPPL's credit metrics remained comfortable, with gross interest coverage (EBITDA/Interest expense excluding forex gains) of 22.0x (FY25: 22.0x; FY24: 18.0x). Ind-Ra expects the company's credit metrics to remain comfortable over the medium term, supported by healthy profitability and moderate leverage, although any sustained increase in debt or lower-than-expected EBITDA generation could weaken the credit profile.

Margins Likely to Remain Within Range: GPPL's EBITDA margins have remained rangebound at 5.5%-6.5%, reflecting the mix of its manufacturing and trading operations. Margins improved to 12% in 1QFY27 (FY26: 6.1%; FY25: 6.5%), supported by inventory gains arising from the timely procurement of base oil ahead of the Middle East geopolitical disruptions and higher product realisations linked to elevated crude oil prices. Management has indicated that, although FY27 margins are expected to exceed FY26 levels, the elevated 1QFY27 margins are unlikely to be sustained. EBITDA margins in FY26 were also impacted by additional provisioning related to changes in labour regulations and higher employee costs following the induction of senior management personnel. Ind-Ra expects the company's margins to remain stable over the medium term.

Exposure to Forex Risks: GPPL is exposed to forex risks, given its import-based purchases. The company hedges its import foreign exchange exposure through exports, and depending upon the market situations. The company reported a forex gain of INR1.87 million in Q1FY27 (FY26: INR9 million; FY25:5.79 million). However, since the company has a dynamic hedging strategy as against a fixed hedging policy; this leaves GPPL open to forex fluctuations.

Liquidity

Adequate: GPPL has sufficient cash and free liquid investments in the form of mutual funds at INR200 million at FYE26 (FYE25: INR340 million; FYE24: INR277 million). This decline was due to the deployment of cash towards capex and about INR170 million have been lien marked against overdraft against security facilities.

GPPL made a capex of INR300 million to purchase a warehouse in Raliwas, Haryana, from a related party. This purchase is likely to lower the operating costs, as the warehouse used to be leased by the company previously; however, currently, a section of the warehouse is leased out for generating rental income. In addition, the board has approved the purchase of an adjoining land parcel for INR190 million, and the company has also signed an agreement to acquire plant and machinery for its Savli facility for INR157.6 million for which INR137.9 has been paid as advance towards this acquisition, both these capex are from related parties. While Ind-Ra notes that the same has resulted in asset creation on GPPL's balance sheet, the agency will monitor any major capex-related outflows leading substantial leverage on GPPL.

GPPL's cash flow from operations improved to INR430 million in FY26 (FY25: negative INR89.70 million; FY24: INR550 million) due to a decline in receivables in FYE26. The company recorded inventory holding period of 61 days in FY26 (FY25: 58 days; FY24: 52 days), with receivable days of 82 (94; 80) and payable days of 19 (16; 15). The company's monthly maximum utilisation, for both, the fund-based and non-fund-based working capital limits, was low 35% over the 12 months ended June 2026, with sanctioned limits of INR428.8 million, as the company relied majorly on the domestic market for base oil procurement.

The company's minimal debt repayment towards vehicle loans and does not have any major long-term debt repayments. It utilises fund-based limits to meet the advance payments for procurements from domestic refineries. Ind-Ra believes that the available fund-based limits offer sufficient flexibility for domestic procurements. The company has been purchasing base oils from the domestic market as well as from international refineries on advance payments.

Rating Sensitivities

Positive: A significant improvement in the scale of operations and EBITDA levels, leading to the interest coverage remaining above 4.0x on a sustained basis, along with the maintenance of sufficient liquidity, could lead to a positive rating action.

Negative: The following factors could, individually or collectively, lead to a negative rating action:

- further decline in EBITDA generation; higher short-term debt, leading to a decline in the gross interest coverage below 1.5x, on a sustained basis
- any cash outflows to support the group-level restructuring
- a significant change in management strategy, in case the parent's share is sold to another party

Any Other Information

Not applicable

About the Company

Incorporated in 1983, GPPL is a listed company and primarily manufactures lubricants and greases in India. The company also trades in base oils and coal and fuel oils, whenever the market provides an opportunity. It specialises in the formulation, manufacturing and marketing of automotive and industrial lubricants, process oils, transformer oils, greases and other specialty products under its brand name, IPOL. GPPL has exclusive rights to manufacture and sell REPSOL automotive lubricants, a brand Repsol S.A, of Spanish oil major, in India.

Key Financial Indicators

Particulars (INR million)	FY26	FY25
Revenue	6,426	6,098
EBITDA	389.82	393.94
EBITDA margins (%)	6.0	6.5
Interest coverage (excluding forex gains)(x)	21.7	22.0
Net leverage (x)	0.09	NM
Source: GPPL, Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (INR million)	Current Rating	7 May 2025	8 February 2024	20 October 2023
Bank loan facilities	Long-term/Short-term	1,000	IND BBB-/Stable/IND A3	IND BBB-/Stable/ IND A3	IND BBB-/Stable/ IND A3	-
Issuer rating	Long-term	-	-	-	-	WD

Bank wise Facilities Details

The details are as reported by the issuer as on (06 Aug 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Axis Bank Limited	Fund/Non-Fund Based Working Capital Limit	250	IND BBB-/Stable / IND A3
2	NA	Fund/Non-Fund Based Working Capital Limit	750	IND BBB-/Stable / IND A3

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

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