Gulf Oil Corporation Limited

Corporate Office

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25th June, 2014

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001
Fax: 022-22723121/2027/2041/2061/
2037/2039/3719

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E), Mumbai- 400 051.
Fax: 022-2659 8237/38, 2659 8347/48

Dear Sir/Madam,

Sub: Shareholders/Investors communication.
Ref: BSE Scrip code-506480, NSE Scrip Symbol- GULFCORP

Please find enclosed herewith Shareholders/Investors communication of the Company dated 25th June, 2014.

This is for your information and records.

Thanking You,

Yours Faithfully
For Gulf Oil Corporation Limited

A.Satyanarayana
Company Secretary

Encl: a/a

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CIN: L24292AP1961PLC000876

COMMUNICATION TO SHAREHOLDERS / INVESTORS

1. **Shares issued / allotted under the Scheme of Arrangement**
2. **Clarification on Businesses in residual Company – Gulf Oil Corporation Ltd.**

Re-listing of GOCL Shares on BSE and NSE.

Further to our communication of 2nd June 2014, Shareholders of the Company (GOCL) have been allotted shares in Gulf Oil Lubricants India Limited (GOLIL) and effect has been given to capital reduction / reorganization in the Company (GOCL). New shares of GOCL have also been issued. These GOCL and GOLIL shares have been issued / allotted to the Shareholders as on the Record Date, 5th June 2014.

The Company has received Listing Approvals of BSE and NSE in regard to the new shares of GOCL issued by the Company (after giving effect to the capital reduction / reorganization).

New Share Certificates have been sent to all the Shareholders on 18th June'14 and Demat shares have been credited to the demat accounts of the shareholders by CDSL / NSDL on 20th / 21st June 2014. The Trading on the Stock Exchanges (BSE and NSE) for the new shares of GOCL will commence from Thursday, 26th June, 2014.

ISIN of new shares of GOCL is **INE077F01035** and ISIN of shares allotted by GOLIL is **INE635Q01029**.

As far as the listing of shares of Gulf Oil Lubricants India Limited (GOLIL) is concerned, GOLIL has submitted the necessary listing applications to BSE and NSE. The process for a new listing is underway and necessary steps are being taken for follow up for listing of the shares in about a month's time.

Bifurcation of cost of acquisition and date of acquisition of GOCL shares for tax purposes

The cost of GOCL shares acquired prior to the Record Date ie., 5th June 2014 (in lieu of which the new shares of GOCL and GOLIL have been issued / allotted), will have to be bifurcated between GOCL and GOLIL shares for tax purposes as under :

Gulf Oil Corporation Limited (GOCL)	69%
Gulf Oil Lubricants India Limited (GOLIL)	31%

Date of acquisition of these new shares for the purpose of capital gains, will be the date on which the pre-demerger shares were acquired by the shareholders.

Individual communication to this effect, has been / being sent to the shareholders, along with the allotment advice of the new shares.

Business Mix of GOCL

With the Demerger of the Lubricants business to GOLIL, the Company w.e.f. 1st April, 2014 has the following business segments:

a) **Energetics** (Detonators and Explosive Accessories), having its manufacturing unit at Hyderabad. With the change in Government policies on mining and infrastructure and defense, the volumes are expected to increase along with demand by customers in the coal, iron ore, cement, and bauxite sectors and Special Products Division.

b) **Property Development** (having properties under development at Yelahanka, Bengaluru - 40 acres and at Kukatpally, Hyderabad 77 acres. The revenues from the current development of 40 acres at Bangalore would start from the current year and certain inflows from the development action at Hyderabad are also planned. The Hyderabad development of 77 acres would be finalised in another few months by the Developer based on the Master Plans being prepared by the Architects, DSA Architects International in Dubai.

c) **Contract Mining and Infrastructure.** This business is also linked to the Government policy on mining and infrastructure. It may be noted that in view of the extremely dull mining and infrastructure environment since 2011 – 12, the business in this segment had reduced considerably, and, therefore it was decided in Q3 of 2013 – 14 to impair all assets. Some of the older equipment have also been disposed off. Currently a lot of interest restarted and our major customers are reverting back to us for our restarting their projects. As of date, we have received contract from Tata Steel Limited for a project of about Rs. 40 crores to be executed over the next 2 years.

In the light of these developments, the Board of GOCL has approved undertaking mining and infrastructure projects with the operating 150 odd equipment at its disposal which have been fully impaired in the books. As more jobs are awarded, the Board would decide on augmenting the equipment Bank of the Division appropriate for the projects.

Regarding the business activities of GOCL, in addition to the revenue from the above 3 business verticals, after the demerger the following subsidiaries and investments will continue to be with GOCL :

1. IDL Explosives Limited, a wholly owned subsidiary is engaged in manufacture and marketing of cartridged large and small dia explosives from Rourkela, and 7 manufacturing bulk matrix for conversion of bulk explosives at customer mine heads located at Ramagundam, Udaipur, Singrauli, Korba, Dhanbad, Rajarappa and Rourkela. These bulk matrix explosives units are being supported by 7 silos and 62 pumpable explosive vans at different customer locations throughout India. The change in Government policy with regard to mining, the demand patterns are expected to improve and this would give high growth rate to the business. In view of the large factory lands available with IDL Explosives Ltd., certain projects linked to the revised Government Policy on FDI in defence is being awaited for better utilization of the available factory lands.

2. IDL Buildware Limited, a wholly owned subsidiary with factory and properties at Vizag is currently engaged in providing warehousing and logistics support to the business of GOCL and IDL Explosives at Vizag. It has substantial properties which are planned to be developed over time. Vizag is likely to become a major industrial / business growth centre for the new State of Andhra Pradesh, and, therefore, the Company resources are well placed for growth and expansion of the Company.

3. Although the Company has divested its stake in Houghton International Inc., USA, the Global manufacturer of industrial and metal working fluids, through the Company's wholly owned subsidiary in the UK, 10% of the stake continues to be with GOCL. As has been advised, USD 300 mn was borrowed for the purpose of acquisition in December 2013. USD 120 mn was repaid on 21st June, 2013. The obligation to pay the USD 180 mn has been taken over by Gulf International, and, therefore, there will be no obligation for repayment of the balance amount by GOCL. However, the security given by GOCL for the loan will continue, and GOCL will receive Guarantee Commission on regular basis from Gulf International till repayment of the balance is completed.

4. Other investments held by GOCL will continue.

5. The compensations payable for lands surrendered at Hyderabad for development of the 100 ft road will be accounted for as the amounts are received.

Summary

GOLIL, which will be a Company with pure lubricants play, will be expanding its immediate capacity at Silvassa and is also poised for creating a second manufacturing unit at Chennai in the next 2 years. The land for this project has already been acquired. Growth of the lubricants business, which has been having a CAGR of 18% will improve along with its market shares over the next year with support from the growing economy.

GOCL and its 100% subsidiary, IDL Explosives Limited is focused on the mining and infrastructure sectors of the economy which have now entered a growth phase after 3 years of stagnation. GOCL will also be gaining large inflows from its property development at Bangalore and Hyderabad. The consolidated turnover is expected to exceed Rs. 400 crores. The EBITDA (Operating Profit) from the 3 verticals of the Company, therefore, on standalone basis is expected to improve YoY and fully justify the demerger.

25th June, 2014

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