Gulf Oil Corporation Limited

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Press Release **for Immediate Publication**

Hyderabad, October 4, 2010: Gulf Oil Corporation Limited, a Hinduja Group Company, has announced a restructuring of the Explosives business of the Company.

Gulf Oil Corporation Limited (formerly known as IDL Industries Limited) has been in business for 50 years. Over these years it has diversified organically and inorganically.

Currently the Company has 4 autonomously managed Divisions namely Lubricants (53% of the revenue), Explosives (29% of the revenue) and Contract Mining (21% of the revenue) while the Real Estate segment is now being developed into a major revenue earner for the future.

Last year the Company had a total turnover of Rs. 1066 crores and it was felt that the business model of the Company needed to be reviewed to allow growth for the various business segments.

In the mining industry in India there is a definite transition towards operation of larger mines with more technological inputs and emphasis on safety. At the same time, the market for bulk and packaged explosives have also become extremely competitive and require highly customer centric, cost optimised supply chain. It was, therefore, decided that the Industrial Explosives comprising of packaged explosives, bulk explosives and metal cladding business be demerged into a wholly owned subsidiary of Gulf Oil Corporation Limited, named IDL Explosives Limited. The turnover of the planned demerged business areas last year was around Rs. 220 crores from 7 manufacturing plants located at Rourkela, Singrauli, Korba, Rajrappa, Ramagundam, Dhanbad and Udaipur.

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Steps for the Scheme of Demerger of the business into a 100% wholly owned subsidiary along with necessary approvals are being taken and will be completed over the next few months. The subsidiarisation of the packaged and bulk explosives business will allow the Company to have a level playing field with majority of competition who are focused on the explosives business.

For further information please visit www.gulfoilcorp.com or contact:

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