

ESSAR OIL LIMITED

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E-mail : eoinvestors@essar.com, Corporate identity number - L11100GJ1989PLC032116



PART I (₹ in Crore)

Statement of standalone unaudited financial results for the Quarter and Six months ended on September 30, 2014

| Sr. No. | Particulars | Quarter ended on | | | Six months ended on | | Year ended on |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 30-09-2014 (Unaudited) | 30-06-2014 (Unaudited) | 30-09-2013 (Unaudited) | 30-09-2014 (Unaudited) | 30-09-2013 (Unaudited) | 31-03-2014 (Audited) |
| 1 | Income from operations | | | | | | |
| | a) Net sales / income from operations (Net of excise duty & VAT) | 22,371 | 24,811 | 25,695 | 47,182 | 48,053 | 98,353 |
| | b) Other operating income | 77 | 44 | 41 | 121 | 144 | 249 |
| | Total income from operations (net) | 22,448 | 24,855 | 25,736 | 47,303 | 48,197 | 98,602 |
| 2 | Expenses | | | | | | |
| | a) Cost of raw materials consumed | 21,125 | 22,298 | 23,767 | 43,423 | 43,961 | 88,824 |
| | b) Purchase of traded goods | 508 | 405 | 288 | 913 | 598 | 1,276 |
| | c) (Increase) / Decrease in stock of finished goods, work-in-progress and stock-in-trade | (1,010) | (22) | (723) | (1,032) | (736) | 148 |
| | d) Consumption of fuel | 191 | 162 | 188 | 353 | 412 | 756 |
| | e) Employee benefits expenses | 61 | 59 | 59 | 120 | 116 | 225 |
| | f) Selling and marketing expenses | 140 | 153 | 188 | 293 | 363 | 687 |
| | g) Depreciation / Amortisation | 243 | 242 | 338 | 485 | 670 | 1,355 |
| | h) Other expenses | 405 | 410 | 374 | 815 | 791 | 1,629 |
| | Total expenses | 21,663 | 23,707 | 24,479 | 45,370 | 46,175 | 94,900 |
| 3 | Profit / (Loss) from operations before foreign exchange loss / (gain), other income, finance cost and exceptional items (1-2) | 785 | 1,148 | 1,257 | 1,933 | 2,022 | 3,702 |
| 4 | Other income | 286 | 232 | 211 | 518 | 442 | 871 |
| 5 | Profit / (Loss) from ordinary activities before foreign exchange loss / (gain), finance cost and exceptional items (3+4) | 1,071 | 1,380 | 1,468 | 2,451 | 2,464 | 4,573 |
| 6 | Finance cost | 556 | 647 | 766 | 1,203 | 1,712 | 3,218 |
| 7 | Profit / (Loss) from ordinary activities before foreign exchange loss / (gain) and exceptional items, and after finance cost (5-6) | 515 | 733 | 702 | 1,248 | 752 | 1,355 |
| 8 | Foreign exchange loss / (gain) | 289 | 49 | 773 | 338 | 1,686 | 1,226 |
| 9 | Exceptional items | - | - | - | - | - | - |
| 10 | Profit / (Loss) from ordinary activities before tax (7-8-9) | 226 | 684 | (71) | 910 | (934) | 129 |
| 11 | Tax expense | - | - | - | - | - | 3 |
| 12 | Net profit / (Loss) from ordinary activities after tax (10-11) | 226 | 684 | (71) | 910 | (934) | 126 |
| 13 | Paid up equity share capital (Face value : ₹ 10/- per share) | 1,450 | 1,450 | 1,366 | 1,450 | 1,366 | 1,450 |
| 14 | Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year | | | | | | 965 |
| 15 | Earnings per share before and after extraordinary items (in ₹) | | | | | | |
| | - Basic (Not Annualised)* | 1.56* | 4.72* | (0.52)* | 6.28* | (6.84)* | 0.90 |
| | - Diluted (Not Annualised)* | 1.49* | 4.71* | (0.52)* | 6.12* | (6.84)* | 0.87 |



| PART II | | | | | | | |
|---------|----------------------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| Sr. No. | Particulars | Quarter ended on | | | Six months ended on | | Year ended on |
| | | 30-09-2014 (Unaudited) | 30-06-2014 (Unaudited) | 30-09-2013 (Unaudited) | 30-09-2014 (Unaudited) | 30-09-2013 (Unaudited) | 31-03-2014 (Audited) |
| (A) | PARTICULARS OF SHAREHOLDING | | | | | | |
| 1 | Public shareholding: | | | | | | |
| | Number of shares | 13,71,23,373 | 13,71,23,373 | 13,71,23,373 | 13,71,23,373 | 13,71,23,373 | 13,71,23,373 |
| | Percentage of shareholding excluding shares represented by Global Depository Shares | 27.53% | 27.53% | 33.11% | 27.53% | 33.11% | 27.53% |
| | Percentage of shareholding including shares represented by Global Depository Shares | 9.46% | 9.46% | 10.04% | 9.46% | 10.04% | 9.46% |
| 2 | Promoters and promoter group shareholding including shares represented by Global Depository Shares | | | | | | |
| | a) Pledged / Encumbered | | | | | | |
| | - Number of shares | 25,82,22,080 | 25,82,22,080 | 18,53,38,627 | 25,82,22,080 | 18,53,38,627 | 25,82,22,080 |
| | - Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 19.68% | 19.68% | 15.09% | 19.68% | 15.09% | 19.68% |
| | - Percentage of shares (as a % of the total share capital of the company) | 17.81% | 17.81% | 13.57% | 17.81% | 13.57% | 17.81% |
| | b) Non-encumbered | | | | | | |
| | - Number of shares | 1,05,41,71,447 | 1,05,41,71,447 | 1,04,32,05,086 | 1,05,41,71,447 | 1,04,32,05,086 | 1,05,41,71,447 |
| | - Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 80.32% | 80.32% | 84.91% | 80.32% | 84.91% | 80.32% |
| | - Percentage of shares (as a % of the total share capital of the company) | 72.73% | 72.73% | 76.39% | 72.73% | 76.39% | 72.73% |

| Particulars | Quarter ended on 30-09-2014 |
|------------------------------------------------|-----------------------------|
| (B) INVESTOR COMPLAINTS | |
| Pending at the beginning of the Quarter | 1 |
| Add: Received during the Quarter | 44 |
| Less: Disposed of during the Quarter | 42 |
| Remaining unresolved at the end of the Quarter | 3 |

Segment wise Revenue, Results & Capital Employed :

| | | | | | | | (₹ in Crore) |
|---------|----------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| Sr. No. | Particulars | Quarter ended on | | | Six months ended on | | Year ended on |
| | | 30-09-2014 (Unaudited) | 30-06-2014 (Unaudited) | 30-09-2013 (Unaudited) | 30-09-2014 (Unaudited) | 30-09-2013 (Unaudited) | 31-03-2014 (Audited) |
| 1 | Segment Revenue | | | | | | |
| | Refining and marketing | 22,515 | 24,911 | 25,793 | 47,426 | 48,318 | 98,823 |
| | Exploration and production activities | 5 | 4 | 2 | 9 | 6 | 12 |
| | Unallocated | 7 | 10 | 10 | 17 | 17 | 24 |
| | Total | 22,527 | 24,925 | 25,805 | 47,452 | 48,341 | 98,859 |
| | Less : Inter-segment revenue | - | - | - | - | - | - |
| | Total Segment revenue | 22,527 | 24,925 | 25,805 | 47,452 | 48,341 | 98,859 |
| 2 | Segment Results Profit / (Loss) before interest and tax | | | | | | |
| | Refining and marketing | 602 | 1,139 | 431 | 1,741 | 219 | 2,211 |
| | Exploration and production activities | 3 | (1) | (1) | 2 | (2) | (1) |
| | Unallocated | (76) | (75) | (31) | (151) | (92) | (244) |
| | Total | 529 | 1,063 | 399 | 1,592 | 125 | 1,966 |
| | Less: Interest expenses | 510 | 541 | 612 | 1,051 | 1,357 | 2,451 |
| | Add : Interest income | 207 | 162 | 140 | 369 | 294 | 603 |
| | Add : Profit on sale of Investments | 0 | 0 | 2 | 0 | 4 | 9 |
| | Add : Credit balances written back | (0) | 0 | 0 | (0) | 0 | 2 |
| | Total Profit / (Loss) before tax | 226 | 684 | (71) | 910 | (934) | 129 |
| 3 | Capital employed (Segment assets - Segment liabilities) | | | | | | |
| | Refining and marketing | 24,465 | 25,123 | 26,108 | 24,465 | 26,108 | 22,899 |
| | Exploration and production activities | 3,345 | 3,223 | 2,571 | 3,345 | 2,571 | 2,945 |
| | Unallocated | 364 | 349 | 601 | 364 | 601 | 416 |
| | Total Capital employed | 28,174 | 28,695 | 29,280 | 28,174 | 29,280 | 26,260 |

*0" represents amount less than ₹ 1 crore



| Standalone statement of assets and liabilities | | (₹ in Crore) | |
|------------------------------------------------------------|------------------------------------|----------------------------------|--|
| Particulars | As at 30-09-2014 (Unaudited) | As at 31-03-2014 (Audited) | |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| a) Share capital | 1,466 | 1,466 | |
| b) Reserves and surplus | 1,841 | 965 | |
| Sub-total - Shareholders' funds | 3,307 | 2,431 | |
| 2 Advance received towards Global Depository Shares | 839 | - | |
| 3 Non-current liabilities | | | |
| a) Long-term borrowings | 13,548 | 14,285 | |
| b) Deferred tax liabilities (Net) | - | - | |
| c) Other long term liabilities | 143 | 239 | |
| d) Long-term provisions | 5 | 5 | |
| Sub-total - Non-current liabilities | 13,696 | 14,529 | |
| 4 Current liabilities | | | |
| a) Short-term borrowings | 8,623 | 6,757 | |
| b) Trade payables | 22,839 | 19,815 | |
| c) Other current liabilities | 8,625 | 8,489 | |
| d) Short-term provisions | 47 | 44 | |
| Sub-total - Current liabilities | 40,134 | 35,105 | |
| TOTAL - EQUITY AND LIABILITIES | 57,976 | 52,065 | |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| a) Fixed assets | 24,547 | 24,372 | |
| b) Non-current investments | 103 | 103 | |
| c) Long-term loans and advances | 959 | 980 | |
| d) Other non-current assets | 1,649 | 1,660 | |
| Sub-total - Non-current assets | 27,258 | 27,115 | |
| 2 Current assets | | | |
| (a) Current Investments | 1,195 | 495 | |
| (b) Inventories | 10,040 | 9,310 | |
| (c) Trade receivables | 10,152 | 7,100 | |
| (d) Cash and bank balances | 2,549 | 3,632 | |
| (e) Short-term loans and advances | 4,793 | 2,815 | |
| (f) Other current assets | 1,989 | 1,598 | |
| Sub-total - Current assets | 30,718 | 24,950 | |
| TOTAL - ASSETS | 57,976 | 52,065 | |

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Notes to standalone unaudited financial results for the Quarter and Six months ended on September 30, 2014

1 The above results have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meetings held on November 06, 2014 and November 07, 2014 respectively, at Mumbai.

2 The Company achieved a throughput of 5.04 MMT (Million Metric Tonnes) of crude during the quarter. There was a planned shutdown of 7 days of Crude Distillation Unit II. The throughput for various periods are as under:

| Particulars | Quarter ended on | | | Six months ended on | | Year ended on |
|---------------------|------------------|------------|------------|---------------------|------------|---------------|
| | 30-09-2014 | 30-06-2014 | 30-09-2013 | 30-09-2014 | 30-09-2013 | 31-03-2014 |
| Throughput (in MMT) | 5.04 | 5.14 | 5.18 | 10.18 | 10.32 | 20.23 |

3 With effect from April 01, 2014, the Company has provided for depreciation on its refinery and other assets in accordance with Schedule II to the Companies Act 2013. The Company expects the useful lives of its assets to be higher than that prescribed under Schedule II and has initiated a separate assessment of the useful lives of its assets. Adjustment to the depreciation charge will be made in the coming quarters on completion of the assessment.

4 On August 06, 2014, the Company's shareholders approved delisting of the Company's equity shares from stock exchanges and the Company is awaiting in-principle approval from stock exchanges.

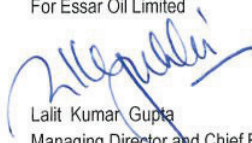
5 During the previous quarter, the Company received ₹ 839 crore (USD 139.80 million) as advance towards Global Depository Shares from Essar Energy Holding Ltd., Promoter Company. The Company is in process of completing the relevant formalities for allotment of the securities.

6 The shareholders of the Company, on May 06, 2014, have approved the following acquisitions:
a) 10.25% Cumulative Redeemable Preference shares of Essar Power Limited (EPoL) of the face value of ₹ 1,025 crore from Essar House Limited (EHL).
b) Equity and participating preference shares of Vadinar Power Company Limited (VPCL), for an amount not exceeding ₹ 2,100 crore from EPoL. During the quarter, the Company has made advance payment of ₹ 1,400 crore to EPoL towards the acquisition of these shares.
The Company is in the process of completing relevant formalities for the acquisition of the shares.

7 The Company has not recognised Deferred Tax Assets (net) of ₹ 1,610 crore as on September 30, 2014 on unabsorbed depreciation / loss in view of the concept of "Virtual Certainty Supported by Convincing Evidence" as required under Accounting Standard (AS) 22 - Accounting for Taxes on Income.

8 Previous periods' figures have been regrouped / rearranged, wherever considered necessary.

By Order of the Board
For Essar Oil Limited



Lalit Kumar Gupta
Managing Director and Chief Executive Officer

Place : Mumbai
Date : November 07, 2014

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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF ESSAR OIL LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ESSAR OIL LIMITED** ("the Company") for the quarter and half year ended on September 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. The settlement of dues from Essar House Limited (EHL) and Vadinar Power Company Limited (VPCL) aggregating to ₹ 3,042 crores is predicated on the acquisition of shares (referred to in Note No. 6 of the Statement) and receipt of ₹ 1,392 crores. These transactions, we are informed, are expected to be completed before the end of the financial year.

Our report is not qualified in respect of these matters.
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints



Deloitte Haskins & Sells

disclosed in Part II - Select Information for the quarter and half year ended September 30, 2014 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.117365W)

P. B. Pardiwalla 119

Porus Pardiwalla
Partner
Membership No. 040005

Mumbai, November 07, 2014



For Immediate Release

Q2FY15 Highlights

- Gross revenues at Rs 24,194 crore, vs Rs 27,392 crore in Q2FY14
- Throughput at 5.04 MMT; refinery consistently operating above its rated capacity
- Current Price Gross Refining Margin (CP GRM) at \$7.03/bbl Vs \$6.93/bbl in Q2FY14
- EBITDA at Rs 1,025 crore vs Rs 1,033 crore in Q2FY14
- PAT at Rs 226 crore Vs a loss of Rs 71 crore in Q2FY14
- EOL makes entry into Global A List of CDP Climate Performance Leadership Index (CPLI) 2014; is the only Indian Oil & Gas company in the list

Mumbai, Nov 07, 2014: Essar Oil, India's second largest private refiner, today reported gross revenues of Rs 24,194 crore for the July – September 2014 (Q2FY15) quarter, which was down 12% as compared Rs 27,392 crore reported in Q2FY14. The dip in revenues is mainly due to lower crude oil price during the quarter.

Current Price Gross Refining Margin (CP GRM) for Q2FY15 was \$7.03/bbl, as compared to \$6.93/bbl in Q2FY14.

EBITDA during the quarter stands at Rs 1,025 crore, against Rs 1,033 crore in Q2FY14. Profit after Tax (PAT) for the quarter was at Rs. 226 crore against a loss after tax of Rs 71 crore during the same period last year.

During the quarter, Vadinar Refinery processed 5.04 MMT of crude, vs 5.18 MMT during the same period last year. Throughput during the quarter was lower by 3% due to seven days planned shutdown and five days of capacity slowdown.

Talking on the results, **Mr. L.K. Gupta, Managing Director and CEO, Essar Oil**, said: "In spite of a partial planned shutdown of seven days, Vadinar Refinery's throughput continues to be above its rated capacity, demonstrating strong ability of the company to sweat its assets in the most optimized yet safe manner. We remain focused towards achieving operational and performance excellence."

Mr. Suresh Jain, CFO, Essar Oil said, "Financials for the quarter were impacted on account of decline in cracks of key products and weakness in oil prices which is partly offset by operational efficiency and reduction in interest and financial charges due to part dollarization of our debt. We expect to complete our balance dollarization programme by end of FY15 to further reduce our overall cost of debt."

Essar Oil Limited:

CIN : L11100GJ1989PLC032116

Registered Office: Khambhaliya Post, P O Box 24, District Devbhumi Dwarka, Gujarat – 361305, India.

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Operating and Financial Performance: Key Indicators

| | Q2FY15 | Q2FY14 | % change | H1FY15 | H1FY14 | % change |
|--------------------------------|--------|--------|-------------|--------|--------|-------------|
| Throughput (in MMT) | 5.04 | 5.18 | (3) | 10.18 | 10.32 | (1) |
| Gross Revenue (in Rs crore) | 24,194 | 27,392 | (12) | 51,511 | 52,113 | (1) |
| CP GRM (in \$/bbl) | 7.03 | 6.93 | 1 | 8.05 | 6.97 | 15 |
| EBIDTA (in Rs crore)* | 1,025 | 1,033 | (1) | 2,597 | 1,447 | 79 |
| Profit After Tax (in Rs crore) | 226 | (71) | - | 910 | (934) | - |

** EBIDTA includes forex variations

Marketing Operations

During the quarter, Essar Oil realized 52% of its revenues from the domestic market against 44% in Q2FY14. Essar Oil has over 1,400 retail outlets across the nation, with about 300 in various stages of commissioning. With the government announcing deregulation of diesel prices, Essar Oil has begun retail sales of diesel through its retail outlets.

Exploration & Production

At our flagship Raniganj CBM block, current gas production is around 250,000 standard cubic metres per day (scm/d), which is being sold locally through pipeline and cascades. We have drilled 229 wells and laid requisite infrastructure including pipelines to supply CBM Gas to end consumers. Three Gas Gathering Stations (GGS) are complete and one more is under construction.

CPLI 2014

In its best performance till date, EOL, with a score of 98 out of possible 100, has moved from National to Global top performer category this year in the CDP Climate Performance Leadership Index (CPLI) 2014 and is ranked in the Global league of A-List companies. From India, EOL it is the only Chemical / Energy / Oil & Gas sector company on the list.

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About Essar Oil

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Essar Oil is a fully integrated oil & gas company of international scale with strong presence across the hydrocarbon value chain from exploration & production to refining and oil retail. Essar Oil owns India's second largest single site refinery having a capacity of 20 MMTPA and complexity of 11.8, which is amongst the highest globally. It has a portfolio of onshore and offshore oil & gas blocks with about 1.7 billion barrels of oil equivalent in reserves & resources. There are more than 1,700 Essar-branded oil retail outlets in various parts of India.

About Essar

Essar is a US\$ 39-billion multinational corporation with investments in Steel, Energy, Infrastructure and Services. With operations in more than 25 countries, it employs over 73,000 people.

Media Contacts:

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