

ESSAR OIL LIMITED

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PART I

(₹ in Crore)

Statement of standalone unaudited financial results for the Quarter and Nine months ended on December 31, 2014

Sr. No.	Particulars	Quarter ended on			Nine months ended on		Year ended on
		31-12-2014 (Unaudited)	30-09-2014 (Unaudited)	31-12-2013 (Unaudited)	31-12-2014 (Unaudited)	31-12-2013 (Unaudited)	31-03-2014 (Audited)
1	Income from operations						
	a) Net sales / income from operations (Net of excise duty & VAT)	20,238	22,371	25,089	67,420	73,142	98,353
	b) Other operating income	57	77	42	178	186	249
	Total income from operations (net)	20,295	22,448	25,131	67,598	73,328	98,602
2	Expenses						
	a) Cost of raw materials consumed (See Sr. No. 9 below)	15,871	21,125	22,217	59,294	66,178	88,824
	b) Purchase of traded goods	862	508	335	1,775	933	1,276
	c) (Increase) / Decrease in stock of finished goods, work-in-progress and stock-in-trade	1,468	(1,010)	926	436	190	148
	d) Consumption of fuel	163	191	162	516	574	756
	e) Employee benefits expenses	48	61	58	168	174	225
	f) Selling and marketing expenses	135	140	185	428	548	687
	g) Depreciation / Amortisation (Refer note 4)	58	235	338	529	1,008	1,355
	h) Other expenses	398	405	416	1,213	1,207	1,629
	Total expenses	19,003	21,655	24,637	64,359	70,812	94,900
3	Profit / (Loss) from operations before foreign exchange loss / (gain), other income, finance cost and exceptional items (1-2)	1,292	793	494	3,239	2,516	3,702
4	Other income	259	286	224	777	666	871
5	Profit / (Loss) from ordinary activities before foreign exchange loss / (gain), finance cost and exceptional items (3+4)	1,551	1,079	718	4,016	3,182	4,573
6	Finance cost	553	556	812	1,756	2,524	3,218
7	Profit / (Loss) from ordinary activities before foreign exchange loss / (gain) and exceptional items, and after finance cost (5-6)	998	523	(94)	2,260	658	1,355
8	Foreign exchange loss / (gain)	354	289	(146)	692	1,540	1,226
9	Exceptional items (Refer note 5)	592	-	-	592	-	-
10	Profit / (Loss) from ordinary activities before tax (7-8-9)	52	234	52	976	(882)	129
11	Tax expense	-	-	-	-	-	3
12	Net profit / (Loss) from ordinary activities after tax (10-11)	52	234	52	976	(882)	126
13	Paid up equity share capital (Face value : ₹ 10/- per share)	1,450	1,450	1,450	1,450	1,450	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)*	0.36*	1.61*	0.38*	6.73*	(6.43)	0.90
	- Diluted (Not Annualised)*	0.34*	1.54*	0.36*	6.48*	(6.43)	0.87

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PART II							
Sr. No.	Particulars	Quarter ended on			Nine months ended on		Year ended on
		31-12-2014 (Unaudited)	30-09-2014 (Unaudited)	31-12-2013 (Unaudited)	31-12-2014 (Unaudited)	31-12-2013 (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%	27.53%	27.53%	27.53%	27.53%
	Percentage of shareholding including shares represented by Global Depository Shares	9.46%	9.46%	9.46%	9.46%	9.46%	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%	14.12%	19.68%	14.12%	19.68%
	- Percentage of shares (as a % of the total share capital of the company)	17.81%	17.81%	12.79%	17.81%	12.79%	17.81%
	b) Non-encumbered						
	- Number of shares	1,05,41,71,447	1,05,41,71,447	1,12,70,54,900	1,05,41,71,447	1,12,70,54,900	1,05,41,71,447
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	80.32%	80.32%	85.88%	80.32%	85.88%	80.32%
	- Percentage of shares (as a % of the total share capital of the company)	72.73%	72.73%	77.75%	72.73%	77.75%	72.73%

Particulars	Quarter ended on 31-12-2014
(B) INVESTOR COMPLAINTS	
Pending at the beginning of the Quarter	3
Add: Received during the Quarter	95
Less: Disposed of during the Quarter	93
Remaining unresolved at the end of the Quarter	5

Segment wise Revenue, Results & Capital Employed :

Sr. No.	Particulars	Quarter ended on			Nine months ended on		Year ended on
		31-12-2014 (Unaudited)	30-09-2014 (Unaudited) {Refer note 4(b)}	31-12-2013 (Unaudited)	31-12-2014 (Unaudited)	31-12-2013 (Unaudited)	31-03-2014 (Audited)
(₹ in Crore)							
1	Segment Revenue						
	Refining and marketing	20,339	22,515	25,182	67,765	73,500	98,823
	Exploration and production activities	5	5	3	14	9	12
	Unallocated	16	7	10	33	27	24
	Total	20,360	22,527	25,195	67,812	73,536	98,859
	Less: Inter-segment revenue	-	-	-	-	-	-
	Total Segment revenue	20,360	22,527	25,195	67,812	73,536	98,859
2	Segment Results Profit / (Loss) before interest and tax						
	Refining and marketing	425	610	554	2,181	773	2,211
	Exploration and production activities	1	3	3	3	1	(1)
	Unallocated	(61)	(76)	(63)	(213)	(155)	(244)
	Total	365	537	494	1,971	619	1,966
	Less: Interest expenses	507	510	602	1,558	1,959	2,451
	Add: Interest income	192	207	157	561	451	603
	Add: Profit on sale of Investments	1	0	3	1	7	9
	Add: Credit balances written back	1	(0)	(0)	1	0	2
	Total Profit / (Loss) before tax	52	234	52	976	(882)	129
3	Capital employed (Segment assets - Segment liabilities)						
	Refining and marketing	24,694	24,479	22,487	24,694	22,487	22,899
	Exploration and production activities	3,464	3,345	2,719	3,464	2,719	2,945
	Unallocated	400	364	534	400	534	416
	Total Capital employed	28,558	28,188	25,740	28,558	25,740	26,260

0 represents amount less than ₹ 1 crore



Notes to standalone unaudited financial results for the Quarter and Nine months ended on December 31, 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 February 09, 2015 and February 10, 2015 respectively, at Mumbai.
- 2 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.
- 3 The Company achieved a throughput of 5.19 MMT (Million Metric Tonnes) and 15.37 MMT (Million Metric Tonnes) of crude during the quarter and nine months respectively. The throughput for various periods are as under:

Particulars	Quarter ended on			Nine months ended on		Year ended on
	31-12-2014	30-09-2014	31-12-2013	31-12-2014	31-12-2013	31-03-2014
Throughput (in MMT)	5.19	5.04	4.86	15.37	15.18	20.23

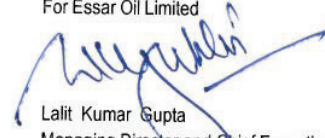
- 4 (a) With effect from April 01, 2014, the Company has provided for depreciation on its refinery and other assets in accordance with Schedule II to the Companies Act 2013. The Company expects the useful lives of its assets to be higher than that prescribed under Schedule II and has initiated a separate assessment of the useful lives of its assets. Adjustment to the depreciation charge will be made in the coming quarter on completion of the assessment.
- (b) With effect from October 01, 2014 the Company has changed its method of calculating depreciation, on fixed assets, (other than plant and machinery which is being depreciated by the Straight Line method(SLM)), from the Written Down Value method to the SLM, in line with industry practice, which will result in a more appropriate presentation of the financial results. In accordance with the requirements of Accounting Standard 6 on Depreciation Accounting read with Accounting Standard 25 on Interim Financial Reporting, depreciation has been recalculated according to the new method from the dates the assets came to use and the surplus arising from the retrospective re-computation adjusted in the results of the current and prior interim periods of the current financial year. Consequently, the impact of the foregoing on the periods reported in the Results is as follows:

Particulars	Quarter ended on			Nine months ended on		Year ended on
	31-12-2014	30-09-2014	31-12-2013	31-12-2014	31-12-2013	31-03-2014
Surplus on retrospective re-computation	176	8	-	191*	-	-
Impact of change for the quarter	8	-	-	8	-	-
Increase in profits as a result of the change	184	8	-	199	-	-

*Includes ₹ 7 crore being impact of change for the Quarter ended June 30, 2014.

- 5 Exceptional item comprises of inventory losses of ₹ 592 crore, consequent upon the month on month steep and unprecedented fall in the global prices of crude oil during the quarter ended December 31, 2014.
- 6 During the quarter, the Company received ₹ 407 crore (USD 65.70 million), in addition to the amount of ₹ 839 crore (USD 139.80 million) received earlier, as advance towards Global Depository Shares from Essar Energy Holding Ltd., a Promoter Company. The Company is in process of completing relevant formalities for allotment of the securities.
- 7 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). These shares have since been transferred in the name of the Company.
 - b) Equity and participating preference shares of Vadinar Power Company Limited (VPCL), for an amount not exceeding ₹ 2,100 crore from EPoL. During the nine months ended December 31, 2014, the Company had 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 acquisition of these shares.
- 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 : February 10, 2015

Please register your e-mail address with the Company to receive communications including Annual Reports electronically. To register, kindly visit the Company's website at www.essaroil.co.in or write to eolinvestors@dfssl.com



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 nine months ended on December 31, 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 ₹ 3,180 crores is predicated on the acquisition of shares (referred to in Note No. 7 of the Statement) and receipt of ₹ 1,530 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 nine months ended December 31, 2014
of the Statement, from the details furnished by the Registrars.

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

P. B. Pardiwalla
Porus Pardiwalla
Partner
Membership No. 040005

Mumbai, February 10, 2015



For Immediate Release

Q3FY15 Highlights

- Gross revenues at Rs 22,220 crore, vs Rs 27,385 crore in Q3FY14
- Throughput at 5.19 MMT Vs 4.86 MMT in Q3FY14
- Current Price Gross Refining Margin (CP GRM) at \$7.00 /bbl Vs \$7.93/bbl in Q3FY14
- EBITDA at Rs 1,255 crore vs Rs 1,202 crore in Q3FY14
- PAT at Rs 52 crore Vs Rs 52 crore in Q3FY14

Mumbai, Feb 10, 2014: Essar Oil, India's second largest private refiner, today reported gross revenues of Rs 22,220 crore for the October – December 2014 (Q3FY15) quarter, which was down 19% as compared to Rs 27,385 crore reported in Q3FY14. The dip in revenues is mainly due to lower crude oil price, which fell by over 40% during the quarter.

Current Price Gross Refining Margin (CP GRM) for Q3FY15 was \$7.00/bbl, as compared to \$7.93/bbl in Q3FY14.

EBITDA during the quarter stood at Rs 1,255 crore, up 4% against Rs 1,202 crore in Q3FY14. Profit after Tax (PAT) for the quarter was at Rs. 52 crore, same as in Q3FY14.

During the quarter, Vadinar Refinery processed 5.19 MMT of crude, vs 4.86 MMT during the same period last year, up 7%.

Talking on the results, **Mr. L.K. Gupta, Managing Director and CEO, Essar Oil**, said: "Vadinar Refinery continues to operate in a highly optimized manner, exceeding its rated capacity. Our operational performance continues to be excellent with improvement in all major parameters."

Mr. Suresh Jain, CFO, Essar Oil, said, "Financials for the quarter were impacted on account of sharp decline in oil prices. Equity of Rs 1,500 crore has been bought in by Essar Energy, thereby strengthening our balance sheet. Our dollarization programme is progressing well and we added \$180 million under EPBG route, resulting in overall reduction in interest cost."

Essar Oil Limited:

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Operating and Financial Performance: Key Indicators

	Q3FY15	Q3FY14	% change	9MFY15	9MFY14	% change
Throughput (in MMT)	5.19	4.86	7	15.37	15.18	1
Gross Revenue (in Rs crore)	22,220	27,385	(19)	73,731	79,498	(7)
CP GRM (in \$/bbl)	7.00	7.93	(12)	7.69	7.27	6
EBIDTA (in Rs crore)*	1,255	1,202	4	3,853	2,650	45
Profit After Tax (in Rs crore)	52	52	0	976	(882)	-

* EBIDTA includes forex variations

Marketing Operations

During the quarter, Essar Oil realized 43% of its revenues from the domestic market against 58% in Q3FY14. Exports were higher at 57% (vs 42% in Q3FY14) due to sluggish domestic demand and increased production from the newly commissioned PSU refineries. Essar Oil has over 1400 retail outlets nationwide, with another 600 in various stages of commissioning. With the government announcing deregulation of diesel prices on 19th Oct 2014, diesel retail sales from Essar Oil's outlets is gradually picking up.

Exploration & Production

At our flagship Raniganj CBM block, current gas production has achieved open flow production potential of 5,20,000 scm/d (standard cubic meters per day). We have drilled 254 wells and built requisite infrastructure including pipelines to supply CBM Gas to end consumers. Three Gas Gathering Stations (GGS) are complete and one more is under construction.

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About Essar Oil

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 1,800 Essar-branded oil retail outlets in various parts of India.

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About Essar

Essar Global Fund Limited is an investment fund managed by its investment manager, Essar Capital Limited. The Fund is a global investor, controlling a number of world-class assets diversified across the core sectors of Energy, Metals & Mining, Infrastructure (comprising ports and EPC businesses) and Services (primarily comprising shipping and BPO businesses). The aggregated revenues of the Fund's portfolio companies total US\$35 billion. The Fund's portfolio companies employ over 60,000 people across 29 countries, and have adopted international standards of health, safety, environmental protection and corporate governance.

Media Contacts:

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