

EOL/SEC/7207

12th May, 2012



Bombay Stock Exchange Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400001 (Stock code – 500134)

Essar Oil Limited
Essar House
11 K. K. Marg
Mahalaxmi
Mumbai - 400 034
India

National Stock Exchange of India Limited
Exchange Plaza, Plot no.C/1, G. Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400051 (Stock code – ESSAROIL)

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Sir/s,

Sub.: Outcome of the Board Meeting held on 12th May, 2012

This is to inform you that at a meeting of the Board of Directors of the Company held today, 12th May, 2012, the following business was transacted:

1. Audited Financial Results for the quarter and year ended 31st March, 2012

The Audited Financial Results for the quarter and year ended on 31st March, 2012, were adopted. The advertisement to be published in this regard is enclosed.

2. Resignation of Shri Prashant S Ruia, Director

The resignation of Shri Prashant S Ruia, Non Executive Director from the Board of Directors of the Company was accepted with effect from 23rd April, 2012.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully
for **ESSAR OIL LIMITED**

SHEIKH S SHAFFI
COMPANY SECRETARY

Encl.: As above

- cc: 1) National Securities Depository Ltd.
2) Central Depository Services (India) Ltd.
3) IDBI Trusteeship Services Ltd., Debenture Trustee
4) Overseas Depository to GDS, The Bank of New York Mellon
5) Datamatics Financial Services Ltd., Transfer Agent.

ESSAR OIL LIMITED



Regd. Office : Khambhalia Post, Post Box No. 24, Dist. Jamnagar - 361 305, Gujarat. E-mail : eolinvestors@essar.com

Standalone audited financial results for the quarter and year ended on March 31, 2012

(₹ in Crore)

Sr. No.	Particulars	Quarter ended on			Year ended on	
		31-03-2012 (Unaudited)	31-12-2011 (Unaudited)	31-03-2011 (Unaudited)	31-03-2012 (Audited)	31-03-2011 (Audited)
		(refer note 6)		(refer note 6)		
1	Income from operations					
	a) Net sales / income from operations (Net of excise duty)	17,514	12,851	13,315	58,248	46,988
	b) Other operating income	29	18	24	88	73
	Total income from operation (net)	17,543	12,869	13,339	58,336	47,061
2	Expenses					
	a) Cost of crude consumed	17,171	10,962	12,290	52,748	42,129
	b) Purchase of traded goods	87	615	196	1,957	1,964
	c) (Increase) / Decrease in stock of finished goods and work-in-progress	(732)	137	(484)	(988)	(1,158)
	d) Consumption of fuel	274	8	114	591	262
	e) Employee benefits expenses	31	37	30	134	120
	f) Selling and marketing expenses	99	95	115	400	409
	g) Depreciation / Amortisation	209	189	181	762	731
	h) Foreign exchange loss / (gain)	(95)	252	(20)	626	(94)
	i) Other expenses	328	345	229	1,192	837
	Total expenses	17,372	12,640	12,651	57,422	45,200
3	Profit from operations before other income, finance cost and exceptional items (1-2)	171	229	688	914	1,861
4	Other income	64	72	43	430	187
5	Profit from ordinary activities before finance cost and exceptional items (3+4)	235	301	731	1,344	2,048
6	Finance cost	455	354	315	1,411	1,220
7	Profit / (Loss) from ordinary activities after finance cost but before exceptional items (5-6)	(220)	(53)	416	(67)	828
8	Exceptional items (refer note 4)	295	4,015	-	4,310	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(515)	(4,068)	416	(4,377)	828
10	Tax expense	-	(82)	95	(178)	174
11	Net profit / (Loss) from ordinary activities after tax (9-10)	(515)	(3,986)	321	(4,199)	654
12	Paid up equity share capital (Face value : ₹ 10/- per share)	1,366	1,366	1,366	1,366	1,366
13	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year					5,156
14	Earnings per share before and after extraordinary items (in ₹)					
	-Basic (Not Annualised)*	(3.77)*	(29.19)*	2.35*	(30.75)	4.85
	- Diluted (Not Annualised)*	(3.77)*	(29.19)*	2.21*	(30.75)	4.47

Sr. No.	Particulars	Quarter ended on			Year ended on	
		31-03-2012 (Unaudited)	31-12-2011 (Unaudited)	31-03-2011 (Unaudited)	31-03-2012 (Audited)	31-03-2011 (Audited)
15	Public shareholding:					
	Number of shares	137,123,373	137,123,373	137,123,373	137,123,373	137,123,373
	Percentage of shareholding	10.04%	10.04%	10.04%	10.04%	10.04%
16	Promoters and promoter group shareholding					
	a) Pledged / Encumbered					
	- Number of shares	452,527,407	444,661,495	444,661,495	452,527,407	444,661,495
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	36.83%	36.19%	36.19%	36.83%	36.19%
	- Percentage of shares (as a % of the total share capital of the company)	33.14%	32.56%	32.56%	33.14%	32.56%
	b) Non-encumbered					
	- Number of shares	776,016,306	783,882,218	783,882,218	776,016,306	783,882,218
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	63.17%	63.81%	63.81%	63.17%	63.81%
	- Percentage of shares (as a % of the total share capital of the company)	56.82%	57.40%	57.40%	56.82%	57.40%

Segment wise Revenue, Results & Capital Employed :

(₹ in Crore)						
Sr. No.	Particulars	Quarter ended on			Year ended on	
		31-03-2012 (Unaudited)	31-12-2011 (Unaudited)	31-03-2011 (Unaudited)	31-03-2012 (Audited)	31-03-2011 (Audited)
		(refer note 6)		(refer note 6)		
1	Segment Revenue					
	Refining including expansion and marketing	17,537	12,871	13,362	58,333	47,159
	Exploration and production activities	4	2	1	13	10
	Unallocated	4	0	(0)	4	28
	Total	17,545	12,873	13,363	58,350	47,197
	Less : Inter-segment revenue	-	-	-	-	-
	Net Sales / Income from operations	17,545	12,873	13,363	58,350	47,197
2	Segment Results Profit / (Loss) before interest and tax					
	Refining including expansion and marketing	77	(3,794)	657	(3,213)	1,743
	Exploration and production activities	(1)	(2)	(2)	(6)	1
	Unallocated	(57)	(52)	(49)	(210)	(153)
	Total	19	(3,848)	606	(3,429)	1,591
	Less: Interest expenses	596	288	229	1,364	908
	Add : Interest income	61	68	37	381	141
	Add : Profit on sale of Investments	1	0	2	6	4
	Add : Reversal of old liabilities / excess accrual	0	-	0	29	0
	Total Profit / (Loss) before Income tax	(515)	(4,068)	416	(4,377)	828
3	Capital employed (Segment assets - Segment liabilities)					
	Refining including expansion and marketing				18,147	18,653
	Exploration and production activities				1,220	840
	Unallocated				862	1,619
	Total Capital employed				20,229	21,112

"0" represents amount less than ₹ 1 crore

Statement of assets and liabilities as at March 31, 2012 (Audited)

(₹ in Crore)

Particulars		As at 31-03-2012	As at 31-03-2011
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	a) Share capital	1,382	1,382
	b) Reserves and surplus	891	5,156
	Sub-total - Shareholders' funds	2,273	6,538
2	Foreign Currency Compulsory Convertible Bonds (refer note 2)	1,340	-
3	Non-current liabilities		
	a) Long-term borrowings	11,814	11,619
	b) Deferred tax liabilities (Net)	-	11
	c) Other Long term liabilities	103	1,862
	d) Long-term provisions	1	1
	Sub-total - Non-current liabilities	11,918	13,493
4	Current liabilities		
	a) Short-term borrowings	3,818	2,331
	b) Trade payables	10,810	6,639
	c) Other current liabilities	8,555	3,414
	d) Short-term provisions	191	196
	Sub-total - Current liabilities	23,374	12,580
	TOTAL - EQUITY AND LIABILITIES	38,905	32,611
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	23,013	19,921
	(b) Non-current investments	103	103
	(c) Long-term loans and advances	416	320
	(d) Other non-current assets	230	288
	Sub-total - Non-current assets	23,762	20,632
2	Current assets		
	(a) Current investments	0	-
	(b) Inventories	7,682	5,749
	(c) Trade receivables	3,997	2,424
	(d) Cash and bank balances	2,061	2,938
	(e) Short-term loans and advances	388	487
	(f) Other current assets	1,015	381
	Sub-total - Current assets	15,143	11,979
	TOTAL - ASSETS	38,905	32,611

"0" represents amount less than ₹ 1 crore

Notes :-

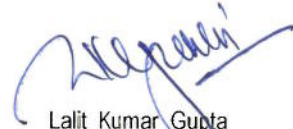
- 1 During the quarter, the company completed the Refinery Expansion Project to expand the refining capacity to 18 MMTA. The Optimization Project to further expand the refining capacity to 20 MMTA is expected to be completed by September, 2012.
- 2 The Company had issued FCCBs of USD 115 million on June 15, 2010 and USD 147 million on July 9, 2010 which were convertible into 38,833,443 and 45,016,372 equity shares or into 253,813 and 294,224 Global Depository Shares (GDSs) at a fixed price of ₹ 138 per share and ₹ 153 per share at the option of the holders of FCCBs until their maturity dates of June 15, 2028 and September 30, 2028, respectively. The bonds bear interest of 5% per annum, subject to certain conditions, on the outstanding principal amount of the bonds from (and including) January 1, 2016 payable semi-annually.
During the quarter, the terms of the bonds have been amended whereby the above bonds have now become compulsorily convertible into equity shares / GDSs on the same terms and conditions as above.
- 3 By virtue of the order of Honourable Supreme Court of India dated January 17, 2012 setting aside the order of the Honourable Gujarat High Court, the company became ineligible to the deferred Sales Tax Incentive Scheme of Gujarat state. Since, the company was defeasing the deferred sales tax liability to a related third party and recognising the income arising out of such defeasement in its income statement, the company reversed this income of ₹ 4,015 crore recognised during the period May 2008 to December 2012 in December 2011 quarter as an exceptional item with a corresponding suitable liability and did not undertake any further defeasement after this period. In view of the above, figures for the quarter and the year ended March 31, 2012 are not comparable with previous quarter and corresponding previous year quarter and year ended March 31, 2011. The above has mainly contributed for the reduction in net worth which stands at ₹ 3,613 crore (includes FCCB amount of ₹ 1,340 crore – refer note no.2 above) as of March 31, 2012 as against ₹ 6,538 crore as of March 31, 2011.
Further, in response to the State Government's request to the Company demanding payment of sales tax collected and retained along with interest, the company filed a writ petition before Honourable Gujarat High Court seeking directions on the repayment installments and interest. The petition has been admitted by the Honourable Gujarat High Court on May 11, 2012 and will be heard in due course. In view of the above, Company has not made any provision for interest upto 31st March, 2012 amounting to ₹ 2,026 crore and has treated the same as contingent liability.
- 4 Exceptional items include:
(i) ₹ 348 crore being the impact of CDR Exit proposal during the quarter. The Company has approached its Lenders with a proposal for Corporate Debt Restructuring (CDR) Exit which has been recommended by Lenders Monitoring Committee (LMC) and approved by CDR (EG). The proposal is pending with CDR Core Group for final approval.
(ii) ₹ 53 crore accretion due to reduction in sales tax liability on account of defeasement of sales tax (previous quarter ₹ 4,015 crore - refer note 3 above)
- 5 During the year, the company acquired Essar Oil Mauritius Limited (EOML, formerly known as Pitney Mauritius Holdings Limited) as a wholly owned subsidiary on September 1, 2011. EOML did not undertake any commercial activity during the year. The control on EOML is intended to be temporary. Hence, consolidated financial statements are not prepared as per AS 21 - Consolidated Financial Statements.
- 6 Figures of the quarter ended March 31, 2012 and March 31, 2011 are the respective balancing figures between the audited figures for the year ended March 31, 2012 and March 31, 2011 and the corresponding published year to date figures up to third quarter ended December 31, 2011 and December 31, 2010.
- 7 Previous periods' figures have been regrouped / rearranged, wherever considered necessary.

8 Investor complaints:

Particulars	No. of complaints
Pending as on December 31, 2011	Nil
Received during the quarter	231
Disposed of during the quarter	231
Balance pending as on March 31, 2012	Nil

9 The above results has been reviewed by the Audit and Governance Committee and approved by the Board of Directors at their respective meetings held on May 12, 2012 at Mumbai.

By Order of the Board
For Essar Oil Limited



Lalit Kumar Gupta
Managing Director and Chief Executive Officer

Place : Mumbai
Date : May 12, 2012

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.essar.com or write to eolcommunications@essar.com

