

Positive Moves. Positive Results.



CORPORATE INFORMATION

BOARD OF DIRECTORS

(As on August 14, 2013)

Prashant Ruia, Chairman
Naresh K. Nayyar, Deputy Chairman
Lalit Kumar Gupta, Managing Director & CEO
Chakrapany Manoharan, Director (Refinery)
Philip Aiken AM
Dilip J. Thakkar
K. N. Venkatasubramanian
V. S. Jain
Rajiv Pal Singh, Nominee of State Bank of India
Melwyn Rego, Nominee of IDBI Bank Ltd.
Suneet Shukla, Nominee of IFCI Ltd.
R. Sudarsan, Nominee of LIC of India

COMPANY SECRETARY

Sheikh S. Shaffi

TRANSFER AGENTS

M/s. Datamatics Financial Services Ltd.
Unit: Essar Oil Limited
Plot No. B-5, Part B Cross Lane,
MIDC, Andheri (East), Mumbai – 400 093
Tel: +91-22-66712151 to 66712156
Fax: +91-22-66712209
Email: eolinvestors@dfssl.com
Website: www.dfssl.com

AUDITORS

M/s. Deloitte Haskins & Sells, Ahmedabad

BANKERS

ICICI Bank Ltd.
State Bank of India
IDBI Bank Ltd.
Punjab National Bank
HDFC Bank Ltd.
Axis Bank Ltd.
Indian Overseas Bank
Oriental Bank of Commerce
Indian Bank
Central Bank of India
Bank of India
State Bank of Patiala
Yes Bank
Allahabad Bank
Syndicate Bank
Bank of Baroda
State Bank of Mysore

REGISTERED OFFICE

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Dist. Jamnagar – 361 305, Gujarat
Tel: +91-2833-661444
Fax: +91-2833-662929
Email: eolinvestors@essar.com

CORPORATE OFFICE

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11, Keshavrao Khadye Marg
Mahalaxmi, Mumbai – 400034
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Fax: +91-22-23544281/ 23540450
Website: www.essar.com



Green Belt at Vadinar

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| 1 | 2 | 1. Gas Gathering Station (GGS) at Raniganj |
| 3 | 4 | 2. Vacuum Gas Oil Hydrotreater (VGOHDT) Unit, Charge Heaters and Reactors at the Vadinar Refinery |
| | | 3. Essar Foundation supported Gujarat Government school enrolment drive (Shala Pravesh Utsav) |
| | | 4. Company owned and operated retail outlet at Hazira, Gujarat |

Positive Moves. Positive Results.



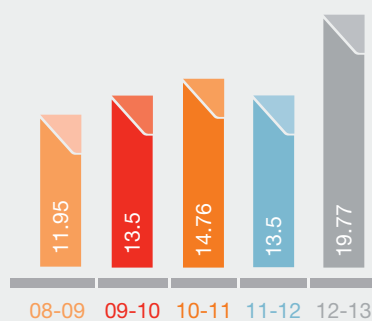
At Essar Oil, we are moving forward with a consistent focus to deliver stakeholder value, despite growing challenges in an uncertain global economy. Following the completion of the Expansion and Optimisation Projects of the Vadinar Refinery, we have concentrated on operational excellence to set new industry benchmarks. As India continues to be one of the fastest growing major economies in the world, the country's energy demand will escalate further. We will continue to emphasize on domestic markets to help achieve India's energy security. Our positive moves during FY 2012-13 helped us to perform better in an adverse operating environment.

We have initiated concrete measures to facilitate enhanced refinery operations and dollarisation of the balance sheet leading to reduced cost of debt. Besides, we are taking appropriate measures to ensure workplace safety, reduce environmental impact and give back to the communities we work with.

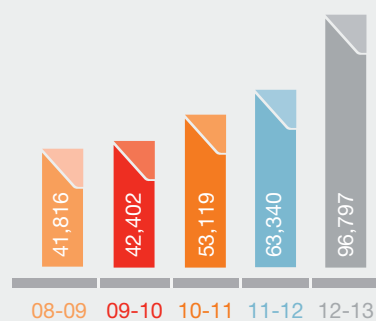
Our positivity and holistic sustainability efforts are creating long-term value for the community and society at large.

Highlights

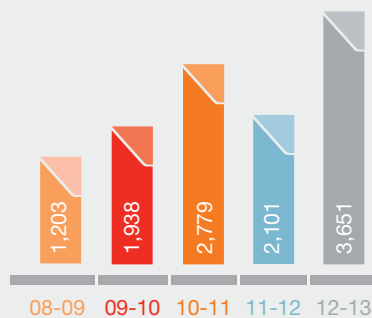
THROUGHPUT (MMT)



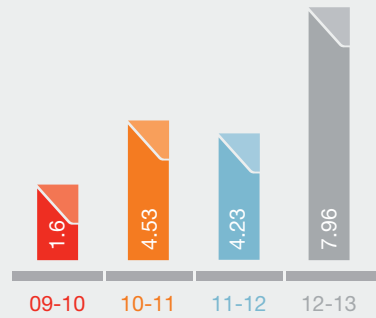
REVENUE (₹ crore)



EBITDA (₹ Crore)



CP GRM (USD/bbl)



Essar Oil at a glance

**20 MMTPA
Capacity**

Processed 19.8 MMT
in FY 2012-13



■ Vacuum Gas Oil Hydrotreater (VGOHT) Unit at Vadinar

With 11.8 complexity:

- The Vadinar refinery is now amongst most complex refineries in the world
- Crude diet comprised of 86% heavy & ultra heavy crude
- Improved product mix with 83% high value light & middle distillates



Business Highlights

Essar Oil is a **fully integrated oil and gas company** with a strong presence across the hydrocarbon value chain – **from exploration and production to refining and oil retail.**

The Company's refinery at Vadinar, Gujarat, is India's second largest single site refinery with an annual capacity of 20 MMTPA, or 405,000 barrels per day, and 11.8 complexity.

Essar Oil's portfolio of five Coal Bed Methane (CBM) gas blocks with a total of 10 trillion cubic feet (TCF), or about 1.7 billion barrels of oil equivalent, of reserves and prospective resources, makes it the largest CBM player in the country.

On the marketing side, the Company operates a pan-India network of over 1,400 retail outlets, with another 200 in various stages of commissioning.

Approval for full development for the Raniganj Block received

- Currently producing **100,000 scm/day**
- **165 wells drilled**

■ Fluid Catalytic Cracking Unit (FCCU) at Vadinar

Delivered
full benefits
of upgraded refinery

Achieved **100% capacity**
utilisation within a quarter post expansion

Improved **Credit Rating** to BBB+
(from BBB-)

Completed
CDR exit
allowing for future operational & financial flexibility

USD
481 million
Dollarised to create a natural hedge

Chairman's Message

PRASHANT RUIA



5.6% CAGR

growth in petroleum
products in India

Dear Shareholders,

I am very happy to present to you the Annual Report for FY 2012-13. It was indeed a watershed year for your Company. Our proactive attitude contributed largely to our significant progress and achievements. Last year, we were at the threshold of entering a new phase of growth. We can be proud to have realised our dream of building one of the most complex world-class refineries globally.

Economy and industry

The overall growth in our country was constrained by supply-side bottlenecks, slowdown in fixed capital formation, weakness in industrial sector and lack of push on much needed structural reforms. Despite the challenges faced by a slowdown of economic growth, both on domestic and global fronts, your Company sustained its position as the country's second largest private refiner.

We are committed towards delivering superior stakeholder value by unleashing the **full potential of our people.**

Global demand for energy continues to grow, especially in developing countries. In India, overall demand for petroleum products is expected to grow at a Compound Annual Growth Rate (CAGR) of 5.6% to 194 MTPA by 2016-17. The oil and gas sector in India is a critical component of the country's economy, accounting for 15% of the country's Gross Domestic Product (GDP). Even today, our country imports almost 80% of crude oil for refining. There have been some positive steps taken by the Government to revive the sector and accelerate investments which have contributed positively to the overall growth in the industry. Despite the concern on persistent risks that surround the industry (lower return on capital investments in initial years, fluctuating commodity prices and an ambiguous regulatory environment for exploration), the changes in the industry present significant opportunities to your Company.

Positivity at Essar Oil

We derive optimism for our business growth on a few basic fundamentals. Post completion of Expansion and Optimisation Projects of Vadinar Refinery, we have leveraged our operational expertise to

the maximum. We continue to focus on domestic markets, keeping in mind the increasing domestic demand for energy. As our country continues on its growth trajectory as one of the fastest growing economies in the world, there is an increasing need to bridge the demand-supply gap in the energy sector.

Your Company is advantageously positioned to capitalise on this transformative change in energy sector in the country. We successfully transitioned, from being a project-focused company to an operational company. Our Vadinar Refinery was completed at an investment of approximately ₹ 24,000 crore. Since June 2012 our expanded 20 MMTPA facility is fully operational, benchmarked with a global high complex refining capability. This enabled us to demonstrate an excellent operating performance with a very strong focus on safety and post record Gross Refining Margins (GRM). Between FY 2011-12 and FY 2012-13, we almost doubled our GRMs by producing more high margin light and middle distillates and processing a higher percentage of lower cost heavy and ultra-heavy crude oil. By doing so, we have showcased the true potential of our assets.

Going forward we are committed to delivering superior stakeholder value by unleashing the full potential of our people. We stand firm on keeping our entrepreneurial spirit alive among our people and achieve more leadership milestones during the course of our journey. It is this spirit that has fueled our growth and helped us build a successful enterprise.

Positive Attitude

It was a memorable year which showed strong operational and people performance. This, coupled with excellent financial performance helped us emerge stronger as world-class integrated energy player post stabilisation of Expansion and Optimisation Projects. While we are indeed proud of the several milestones we achieved during the year, we are confident of displaying a stronger growth in the coming years to maximise shareholder value.

Best wishes,

Prashant Ruia
Chairman

MD & CEO's Message

LALIT KUMAR GUPTA



20 MMPTA

increase in capacity from
second quarter

Dear friends,

It is a pleasure to present the Annual Report for FY 2012-13 of Essar Oil Limited. The year was remarkable for us in more ways than one.

We began the year with lot of uncertainties and challenges but were able to successfully address them during the year.

■ The Refinery operations were stabilised in a record period of three months post completion of the Expansion and Optimisation Projects and is now successfully operating at more than 100% of the 20

MMTPA rated capacity from the second quarter of FY 2012-13.

■ The benefits of increased complexity of 11.8 were also reflected in the operations of the Refinery as it is using almost 85% of heavy and ultra-heavy crudes and is still able to produce the stringent Euro III/IV-compliant high-margin light and middle distillates.

■ The sourcing of ultra-heavy crudes has been tied-up with domestic and overseas suppliers and the enhanced production has been marketed in the domestic market to the