

# ESSAR OIL LIMITED

**Regd Office : Khambhalia Post, Post Box No. 24, Dist. Jamnagar - 361 305, Gujarat**  
**Unaudited Financial Results (Provisional) for the Quarter ended 30<sup>th</sup> June, 2006**

(Rs. in crores)

Sr. No.	Particulars	Quarter ended on		Accounting
		30.06.2006 (Unaudited)	30.06.2005 (Unaudited)	Year ended on 31.03.2006 (Audited)
1	Net sales / Income from operations	40.26	312.46	636.78
2	Other income	1.40	9.86	62.44
3	Total expenditure			
	a) Decrease in stock in trade	2.97	9.41	97.79
	b) Purchases and other direct expenses	38.05	322.10	568.97
	c) Staff costs	5.71	5.00	18.50
	d) Bad Debts written off / Provision for doubtful debts	-	-	0.90
	e) Selling and distribution expenses	15.67	8.77	60.01
	f) Other expenditure	2.37	3.46	19.30
	(Less than 10% of total expenditure)			
4	Interest and finance charges	2.26	7.28	21.14
5	Depreciation / Amortisation	1.14	1.29	4.66
6	<b>Profit / (Loss) before tax (1+2-3-4-5)</b>	(26.51)	(34.99)	(92.05)
7	Provision for taxation			
	a) Income tax	0.39	-	0.83
	b) Fringe benefit tax	0.09	0.27	0.80
8	<b>Net Profit / (Loss) (6-7)</b>	(26.99)	(35.26)	(93.68)
9	Paid up equity share capital (Face value : Rs. 10/- per share)	1,083.58	1,083.58	1,083.58
10	Reserves (excluding revaluation reserves) of previous accounting year			1,420.53
11	Earnings / (Loss) per share (in rupees) *(not annualised)			
	- Basic	*(0.25)	*(0.37)	(0.89)
	- Diluted	*(0.25)	*(0.37)	(0.89)
12	Aggregate of public shareholding:			
	Number of shares	137,163,240	136,505,476	137,163,240
	Percentage of shareholding	12.66%	12.60%	12.66%

## Segment wise Revenue, Results & Capital Employed :

Sr. No.	Particulars	Quarter Ended on		Accounting
		30.06.2006 (Unaudited)	30.06.2005 (Unaudited)	Year ended on 31.03.2006 (Audited)
1	<b>Segment Revenue</b>			
	Marketing of petroleum products	40.44	312.59	638.75
	Others / Unallocated	0.19	3.61	1.00
	<b>Total</b>	<b>40.63</b>	<b>316.20</b>	<b>639.75</b>
2	<b>Segment Results before tax and interest</b>			
	Marketing of petroleum products	(15.91)	(42.06)	(103.05)
	Exploration & production activities	-	-	(0.20)
	Others / Unallocated	(1.25)	4.03	(3.41)
	<b>Total</b>	<b>(17.16)</b>	<b>(38.03)</b>	<b>(106.66)</b>
	Less: Interest expenses	0.64	-	8.60
	Less: Bad debts written off	-	-	0.90
	Less: Marketing infrastructure expenses (Refer note 3)	9.75	3.08	35.37
	Add : Interest income	1.04	6.12	15.24
	Add : Profit on sale of investments	-	-	22.70
	Add : Write back of old liabilities	-	-	8.63
	Add : Duty free credit entitlement	-	-	12.64
	Add : Arbitration award income including interest	-	-	0.27
	<b>Total Profit / (Loss) before tax</b>	<b>(26.51)</b>	<b>(34.99)</b>	<b>(92.05)</b>
3	<b>Capital Employed as on 30<sup>th</sup> June, 2006 (Segment Assets-Segment Liabilities)</b>			
	Refinery (under construction)	8,511.90	9,928.56	8,322.25
	Marketing of petroleum products	(9.99)	34.34	(1.32)
	Exploration & production activities	67.46	61.14	75.24
	Others / Unallocated	138.05	156.91	152.05
	<b>Total</b>	<b>8,707.42</b>	<b>10,180.95</b>	<b>8,548.22</b>

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## NOTES :

- 1 Progress of Refinery Project : During the quarter, construction activities at the Refinery Project site maintained their momentum in order to achieve project commissioning in phases ahead of schedule.
- 2 During the quarter, the company has received an advance of Rs. 68.87 crores towards allotment of Global Depository Shares to be issued.
- 3 Marketing infrastructure expenses represent the extraordinary amount of Rs. 9.75 crores for the quarter ended 30<sup>th</sup> June, 2006 (Corresponding previous year quarter - Rs 3.08 crores and Previous accounting year - Rs 35.37 crores) for creating, developing and retaining the marketing infrastructure.
- 4 The Scheme of arrangement and compromise with the Scheme lenders which includes debenture holders holding more than 2000 fully paid 14% Non Convertible Debentures has been approved by the Hon'ble High Court of Gujarat with some modifications on 31<sup>st</sup> March, 2006. The said modified scheme is under implementation.
- 5 Consequent to the revised Accounting Standard (AS) 15 "Employee Benefits" becoming effective from 1<sup>st</sup> April 2006, a charge of Rs. 1.19 crores (including Rs. 0.91 crores debited to Capital Work in Progress / Expenditure During Construction) has been recorded in the current quarter on an estimated basis. The impact of the revision in AS 15 for the period prior to 1<sup>st</sup> April 2006, is being ascertained and will be adjusted to opening reserves.
- 6 Income tax includes current and deferred tax.
- 7 Previous periods' figures have been regrouped / rearranged, wherever considered necessary.
- 8 Investor complaints: Pending as on 31<sup>st</sup> March, 2006 - 358, received during the quarter - 1596, disposed-off - 1693, balance as on 30<sup>th</sup> June, 2006 - 261.
- 9 The above results were approved by the Board of Directors of the Company at its meeting held on 31<sup>st</sup> July, 2006 at Mumbai. The results are subject to limited review by the statutory auditors.

**By Order of the Board  
For Essar Oil Limited**

**Place : Mumbai  
Date : 31<sup>st</sup> July, 2006**

**A. N. Sinha  
Managing Director & CEO**