

Essar Oil profit rises five-fold to Rs. 1,008 cr (also see in [Jpeg](#))

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Firm benefits from Rs.314 cr foreign exchange gain

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New Delhi

ESSAR Oil, India's second-largest private refiner, on Tuesday reported a five-fold jump in fourth-quarter net profit on higher refining margins and foreign exchange gains.

Net profit soared to Rs 1,008 crore in January-March from Rs 200 crore a year earlier, Essar Oil managing director & CEO L K Gupta said on a conference call.

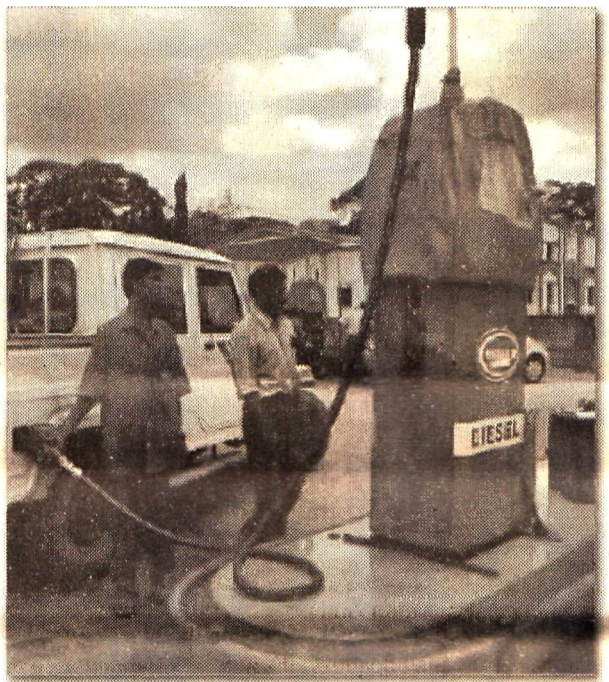
The rise in profit was supported by good gross refining margin of \$10.12 per barrel and also supported by Rs 314 crore foreign exchange gain (from rupee appreciation), he said.

The company had earned \$9.06 on converting every barrel of crude oil into fuel in January-March 2013. It had a foreign exchange gain of Rs 25 crore in that quarter.

Revenue increased 7.5 per cent to Rs 27,691 crore. The company processed 5.05 million tonnes of crude oil in Q4, marginally lower than 5.08 million tonnes a year earlier.

Gupta said the company ended 2013-14 with a net profit of Rs 126 crore as opposed to a Rs 1,180 crore loss in the previous financial year. It earned \$7.98 on turning every barrel of crude oil into fuel in 2013-14 as compared to a gross refining margin of \$7.96 per barrel a year ago.

The company crossed the Rs 1 lakh crore turnover mark in the previous financial year, he said. Essar Oil's revenue grew 10.7 per cent to Rs 107,190 crore in



RISING OUTPUT: The firm processed 5.05 mt of crude oil in the quarter, marginally lower than 5.08 mt a year earlier

2013-14.

"Debt declined to Rs 19,109 crore from Rs 21,751 crore as on March 31, 2013," company CFO Suresh Jain said.

The Vadinar refinery, with a 20 million tonne-a-year capacity, is India's second-largest single-site refinery and among the most complex globally for a facility of this scale.

The Vadinar refinery continues to operate above 100 per cent capacity after expansion. Gupta said.

Having breached the Rs 1 lakh crore revenue mark. Essar Oil is today one of India's top 10 companies by top line having achieved this distinction in a relatively short span of five years of beginning commercial production.

"Operationally, we continue to do well with the refinery further optimising on its crude diet and product slate, which has resulted in the company delivering healthy GRMs at \$10.12 per barrel," he said.

Jain said 2013-14 was the first full year of operations of Essar's expanded refinery.

Gupta said Essar has 1,400 petrol pumps and the company is working on its retail expansion with 300 pumps in various stages of commissioning.

The company sold 259,000 kilolitres of auto fuels from the petrol pumps in the financial year, up from 177,000 kilolitres.

ESSAR OIL/BSE Rs 77.60 ▲
NSE Rs 77.55 ▲