

Business Standard

Essar Oil creates 20,000 jobs

Essar Oil aims to expand its petrol pump network to 5,000 over the next 12-15 months from 2,400 at present, a senior company official said.

The Ruias-run firm, which has agreed to sell a majority stake to Russia's Rosneft, expects its export volume to nearly halve from the present 45-50 per cent once these 5,000 outlets are operational.

The company also expects sales volume to touch 10 million KL over the next two-three years from 2.5 million KL now.

"Oil price deregulation has given us an excellent opportunity and we've been able to ramp up our network from about 1,600 a year ago to about 2,400 now.

"We plan to take this to 4,300 operational outlets by March 2017 which should lead to significant rise in sales volume and 5,000 thereafter," Essar Oil MD and CEO Lalit Kumar Gupta told PTI.

He also said a good number of new filling stations will come up in small towns, "especially in tier-2 and 3 cities and along highways."

When asked about investments, he said it will need about Rs 2,100 crore, mainly through franchisees, and create nearly 20,000 new jobs in the next one year alone.

The government de-regulated diesel prices in a phased manner from October 2014 following the massive crash in crude prices, thereby throwing open the fuel retail sector.

Essar Oil, which operates the second largest private sector refinery at Vadinar in Gujarat with 23 million tonne annual capacity, is aligning its retail expansion plans in line with industry growth, he said.

"We see our retail sales to increase annually to about 10 million KL over the next two-three years from 2.5 million KL now," Gupta said.

His optimism comes from the falling prices, increased mobility due to faster urbanisation coupled with the smart city projects and focus on improving infrastructure.

Essar Oil was the first domestic private sector company to enter fuel retailing back in 2003.

The largest private sector refiner Reliance Industries is also ramping up its fuel pumps, which were shut in late 2010.

As of end June, RIL had 361 filling stations operated through its subsidiary Reliance Petro Marketing, which was brought under the ambit of its organised retail arm Reliance Retail.

The Mukesh Ambani-led company is planning to reopen its over 2,000 shuttered outlets in a phased manner.