

ESSAR OIL LIMITED



Regd. Office : Khambhalia Post, Post Box No. 24, Dist. Devbhumi Dwarka - 361 305, Gujarat.
Tel: +91-2833-661444 , Fax: +91-2833-662929 , Website: www.essaroil.co.in
E-mail : eolinvestors@essar.com, Corporate identity number - L11100GJ1989PLC032116

PART I

(₹ in Crore)

Statement of standalone unaudited financial results for the Quarter and Six months ended on September 30, 2015

Sr. No.	Particulars	Quarter ended on			Six months ended on		Year ended on
		30-09-2015 (Unaudited)	30-06-2015 (Unaudited)	30-09-2014 (Unaudited)	30-09-2015 (Unaudited)	30-09-2014 (Unaudited)	
1	Income from operations						
	a) Net sales / income from operations (Net of excise duty & VAT)	13,077	16,303	22,371	29,380	47,182	82,983
	b) Other operating income	41	37	77	78	121	223
	Total income from operations (net)	13,118	16,340	22,448	29,458	47,303	83,206
2	Expenses						
	a) Cost of raw materials consumed (See sr. no. 9 below)	9,789	13,406	21,125	23,195	43,423	70,498
	b) Purchase of traded goods	846	849	508	1,695	913	2,922
	c) (Increase) / Decrease in stock of finished goods, work-in-progress and stock-in-trade	769	(589)	(1,010)	180	(1,032)	1,479
	d) Employee benefits expenses	73	79	61	152	120	229
	e) Selling and marketing expenses	125	116	140	241	293	564
	f) Depreciation / Amortisation	247	242	235	489	471	757
	g) Other expenses	620	677	596	1,297	1,168	2,436
	Total expenses	12,469	14,780	21,655	27,249	45,356	78,885
3	Profit / (Loss) from operations before foreign exchange loss / (gain), other income, finance cost and exceptional item (1-2)	649	1,560	793	2,209	1,947	4,321
4	Other income	616	324	322	940	587	1,026
5	Profit / (Loss) from ordinary activities before foreign exchange loss / (gain), finance cost and exceptional item (3+4)	1,265	1,884	1,115	3,149	2,534	5,347
6	Foreign exchange loss / (gain)	131	65	289	196	338	343
7	Finance cost	495	756	592	1,251	1,272	2,565
8	Profit / (Loss) from ordinary activities before exceptional item (5-6-7)	639	1,063	234	1,702	924	2,439
9	Exceptional item (Refer note 5)	438	-	-	438	-	918
10	Profit / (Loss) from ordinary activities before tax (8-9)	201	1,063	234	1,264	924	1,521
11	Tax expense (net of MAT credit entitlement)	-	-	-	-	-	-
12	Net profit / (Loss) from ordinary activities after tax (10-11)	201	1,063	234	1,264	924	1,521
13	Paid up equity share capital (Face value : ₹ 10/- per share)	1,450	1,450	1,450	1,450	1,450	1,450
14	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year						2,403
15	Earnings per share before and after extraordinary items (in ₹)						
	- Basic (Not Annualised)*	1.39*	7.33*	1.61*	8.72*	6.37*	10.50
	- Diluted (Not Annualised)* (Refer note 6)	1.38*	7.32*	1.61*	8.70*	6.37*	10.48



PART II		Quarter ended on			Six months ended on		Year ended on
Sr. No.	Particulars	30-09-2015 (Unaudited)	30-06-2015 (Unaudited)	30-09-2014 (Unaudited)	30-09-2015 (Unaudited)	30-09-2014 (Unaudited)	31-03-2015 (Audited)
(A)	PARTICULARS OF SHAREHOLDING						
1	Public shareholding*						
	Number of shares	137,730,871	137,123,373	137,123,373	137,730,871	137,123,373	137,123,373
	Percentage of shareholding excluding shares represented by Global Depository Shares	27.62%	27.53%	27.53%	27.62%	27.53%	27.53%
	Percentage of shareholding including shares represented by Global Depository Shares	9.50%	9.46%	9.46%	9.50%	9.46%	9.46%
2	Promoters and promoter group shareholding including shares represented by Global Depository Shares						
	a) Pledged / Encumbered						
	- Number of shares	258,222,080	258,222,080	258,222,080	258,222,080	258,222,080	258,222,080
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	19.68%	19.68%	19.68%	19.68%	19.68%	19.68%
	- Percentage of shares (as a % of the total share capital of the company)	17.81%	17.81%	17.81%	17.81%	17.81%	17.81%
	b) Non-encumbered						
	- Number of shares	1,054,171,447	1,054,171,447	1,054,171,447	1,054,171,447	1,054,171,447	1,054,171,447
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	80.32%	80.32%	80.32%	80.32%	80.32%	80.32%
	- Percentage of shares (as a % of the total share capital of the company)	72.70%	72.73%	72.73%	72.70%	72.73%	72.73%

* It includes the shares held by ESOP Trust.

Particulars	Quarter ended on 30-09-2015
(B) INVESTOR COMPLAINTS	
Pending at the beginning of the Quarter	1
Add: Received during the Quarter	96
Less: Disposed of during the Quarter	96
Remaining unresolved at the end of the Quarter	1

Segment wise Revenue, Results & Capital Employed :

		Quarter ended on			Six months ended on		Year ended on
Sr. No.	Particulars	30-09-2015 (Unaudited)	30-06-2015 (Unaudited)	30-09-2014 (Unaudited)	30-09-2015 (Unaudited)	30-09-2014 (Unaudited)	31-03-2015 (Audited)
1	Segment Revenue						
	Refining and marketing	13,150	16,375	22,515	29,525	47,426	83,426
	Exploration and production activities	1	1	5	2	9	7
	Unallocated	51	6	7	57	17	40
	Total Segment revenue	13,202	16,382	22,527	29,584	47,452	83,473
2	Segment Results Profit / (Loss) before interest and tax						
	Refining and marketing	94	1,584	610	1,678	1,758	3,387
	Exploration and production activities	(2)	(1)	3	(3)	2	(8)
	Unallocated	(52)	(100)	(76)	(152)	(151)	(315)
	Total	40	1,483	537	1,523	1,609	3,064
	Less: Interest expenses	371	702	546	1,073	1,123	2,302
	Add : Interest income	466	281	243	747	438	755
	Add : Profit on sale of Investments	42	1	0	43	0	2
	Add : Credit balances written back / write back of old liabilities	24	(0)	(0)	24	(0)	2
	Total Profit / (Loss) before tax	201	1,063	234	1,264	924	1,521
3	Capital employed (Segment assets - Segment liabilities)						
	Refining and marketing	25,930	26,168	24,553	25,930	24,553	28,010
	Exploration and production activities	3,856	3,748	3,345	3,856	3,345	3,590
	Unallocated	713	449	364	713	364	397
	Total Capital employed	30,499	30,365	28,262	30,499	28,262	31,997

*0" represents amount less than ₹ 1 crore



Statement of assets and liabilities		(₹ in Crore)	
Particulars	As at 30-09-2015 (Unaudited)	As at 31-03-2015 (Audited)	
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	1,466	1,466	
b) Reserves and surplus	3,351	2,403	
Sub-total - Shareholders' funds	4,817	3,869	
2 Advance received towards Global Depository Shares	1,501	1,501	
3 Non-current liabilities			
a) Long-term borrowings	15,102	15,189	
b) Deferred tax liabilities (Net)	-	-	
c) Other long term liabilities	459	479	
d) Long-term provisions	5	5	
Sub-total - Non-current liabilities	15,566	15,673	
4 Current liabilities			
a) Short-term borrowings	7,393	10,070	
b) Trade payables	22,783	18,857	
c) Other current liabilities	7,435	7,947	
d) Short-term provisions	305	30	
Sub-total - Current liabilities	37,916	36,904	
TOTAL - EQUITY AND LIABILITIES	59,800	57,947	
B ASSETS			
1 Non-current assets			
a) Fixed assets	25,076	24,871	
b) Non-current investments	1,130	1,130	
c) Long-term loans and advances	3,925	3,263	
d) Other non-current assets	984	809	
Sub-total - Non-current assets	31,115	30,073	
2 Current assets			
a) Current investments	748	1,195	
b) Inventories	5,076	5,131	
c) Trade receivables	12,942	12,411	
d) Cash and bank balances	1,449	2,045	
e) Short-term loans and advances	4,565	3,052	
f) Other current assets	3,905	4,040	
Sub-total - Current assets	28,685	27,874	
TOTAL - ASSETS	59,800	57,947	



Notes to standalone unaudited financial results for the Quarter and Six months ended on September 30, 2015

- 1 The above results have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meetings held on November 05, 2015 and November 06, 2015 respectively at Mumbai.
- 2 The Company has received in-principle approval for delisting of its equity shares from the National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited on July 3, 2015 and July 15, 2015 respectively. The shareholders' resolution was valid for one year i.e. upto August 5, 2015 for completing the delisting process. The Promoters have made an application to the Securities and Exchange Board of India (SEBI) under regulation 25A of the SEBI (Delisting of Equity Shares Regulations), 2009 seeking extension of time to complete the process and SEBI Approval is awaited.
- 3 The planned shutdown of the Refinery which commenced on September 18, 2015 was completed and the plant was restarted on October 17, 2015. There was no production during this period. Hence the throughput for the quarter and six months ended on September 30, 2015 was lower at 4.47 MMT (Million Metric Tonnes) and 9.64 MMT respectively compared to the previous periods. The throughput for various periods are as under:

Particulars	Quarter ended on			Six months ended on		Year ended on
	30-09-2015	30-06-2015	30-09-2014	30-09-2015	30-09-2014	31-03-2015
Throughput (in MMT)	4.47	5.17	5.04	9.64	10.18	20.49

- 4 Based on instructions received from Ministry of Petroleum & Natural Gas, Government of India (MOPNG), Indian refineries released certain payments for oil imports from Iran in tranches, which could not be previously paid on account of certain restrictions. The Company has accordingly released payments of USD 1,969 million (including payment of USD 338 million on October 13, 2015). In accordance with the terms of the contract with the oil vendor and the MOU between MOPNG and Central bank of Iran, the Company is not liable for foreign exchange variations after the credit period due to non-availability of payment channels arising out of such restrictions. In respect of the payments so made negative exchange variation of ₹ 283 crores (net) has not been reckoned with in the statement of profit and loss since the same will be adjusted in subsequent payments. The outstanding payable of USD 2,654 million, as on September 30, 2015, has in accordance with AS 11 on "The effects of changes in foreign exchange rates" been stated at the contracted rates, which reflects the amount at which the liability is likely to be ultimately settled.
- 5 Exceptional item represents abnormal inventory losses consequent upon the month on month steep and unprecedented fall in the global prices of crude oil, during those periods.
- 6 The Company had received ₹ 1,501 crore (USD 246 million) as advance towards Global Depository Shares ("GDS") during the year ended March 31, 2015 from Essar Energy Holdings Limited, a Promoter Company. The Company is in the process of completing relevant formalities for allotment of securities and has not considered the same for calculation of diluted earning per share since the number of underlying shares per GDS has not presently been determined.
- 7 Previous periods' figures have been regrouped / rearranged, wherever considered necessary.

Place : Mumbai
Date : November 06, 2015

By Order of the Board
For Essar Oil Limited


Lalit Kumar Gupta
Managing Director and Chief Executive Officer

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.essaroil.co.in or write to eoinvestors@dfssl.com



**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
ESSAR OIL LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ESSAR OIL LIMITED** ("the Company") for the quarter and half year ended September 30, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and half year ended September 30, 2015 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117365W)

P. B. Pardiwalla

Porus Pardiwalla
Partner
Membership No. 040005

Mumbai, November 06, 2015

For Immediate Release

ESSAR OIL REPORTS SATISFACTORY H1FY16 PERFORMANCE; PLANNED TURNAROUND IMPACTS QUARTERLY PERFORMANCE

H1FY16 performance highlight

- EBITDA at Rs 3,442 crores vs Rs 2,666 crores in H1FY15; up 29%
- PAT at Rs 1,264 crore Vs Rs 924 crore in H1FY15, up 37%
- Current Price Gross Refining Margin (CP GRM) at \$10.25/bbl vs \$8.05 /bbl in H1FY15; up 27%.

Q2FY16 performance highlight

- Throughput at 4.47 MMT Vs 5.04 MMT in Q2FY15; impacted due to planned shutdown
- Gross Revenue at Rs 15,561 crore Vs Rs 24,194 crore in Q2FY15; impacted due to lower throughput & lower oil prices
- Current Price Gross Refining Margin (CP GRM) at \$9.33/bbl vs \$7.03 /bbl in Q2FY15; up 33%
- EBITDA at Rs 1,382 crores vs Rs 1,061 crores in Q2FY15; up 30%
- PAT at Rs 201 crores Vs Rs 234 crores in Q2FY15
- Raniganj CBM production at 0.64 million scmd

Mumbai, 6th November 2015: Essar Oil, India's second largest private refiner, today reported results for half year and quarter ended September 30th 2015.

H1FY16 Performance

Essar Oil reported a 37% jump in Profit After Tax (PAT) in H1FY16 to Rs 1,264 crore, against Rs 924 crore in H1FY15. EBITDA during the period was also higher by 29% to Rs 3,442 core against Rs 2,666 crore in H1FY15. Current Price Gross Refinery Margins (CP GRM) stood at \$10.25/bbl in H1FY16 against \$8.05/bbl in H1FY15, up 27%. CP GRM for H1FY16, post exceptional inventory losses, stood at \$9.23/bbl.

Refinery throughput in H1FY16 was at 9.64 MMT, vs 10.18 MMT in H1FY15, down 5%. This was due to a planned refinery turnaround (details below). Gross revenue stood at Rs 36,133 crore against Rs 51,511 crore in H1FY15, down 30% due to lower throughput and oil prices.

The company reported satisfactory financial performance, despite lower throughput and revenues.

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Q2FY16 Performance

Refinery throughput stood at 4.47MMT in Q2FY16, against 5.04 MMT in Q2FY15, down 11%. This was due to fewer operational days on account of planned refinery turnaround during Sep/Oct 2015, of which 13 days were in the July-Sep quarter.

Gross Revenues for the quarter was Rs 15,561 crore, against Rs 24,194 crore in Q2FY15, lower by 36%. This dip in revenues was mainly because of lower throughput and lower oil prices as compared to the corresponding period.

The company expanded its EBIDTA for the quarter by 30% to Rs 1,382 crore, against 1,061 crore in Q2FY15. PAT stood at Rs 201 crore, down 14 % against Rs 234 crore in Q2FY15.

CP GRM for the quarter was \$9.33/ bbl, against \$7.03/bbl in Q2FY15, up 33%. CP GRM for Q2FY16 post exceptional inventory losses was \$7.12/bbl.

Q2FY16 and H1FY16 highlights

	Q2FY16	Q2FY15	% change	H1FY16	H1FY15	% change
Throughput (in million tonnes)	4.47	5.04	(11)	9.64	10.18	(5)
Gross Revenue (in Rs crores)	15,561	24,194	(36)	36,133	51,511	(30)
EBIDTA (in Rs crores)*	1,382	1,061	30	3,442	2,666	29
Profit After Tax (in Rs crores)	201	234	(14)	1,264	924	37
#CP GRM (in \$/bbl)	9.33	7.03	33	10.25	8.05	27

* EBIDTA includes forex variations

Net CP GRM after exceptional inventory losses for Q2FY16 at \$7.12/bbl and H1FY16 at \$9.23/bbl

Refinery performance

During the quarter, Vadinar Refinery commenced the planned turnaround shutdown on 18th September 2015, (13 days during the quarter). The turnaround project was successfully completed on 16th October 2015 (28 days). During the

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turnaround, besides routine maintenance of all its units, the D-Max project was also completed. Under the D-Max project, the VGO-HT unit was converted into a mild Hydrocracker unit and the DHDT unit was revamped. This will enable the refinery to convert lower margin sweet VGO into higher margin Diesel, Kerosene and other value added products, thereby improving overall margins.

During the quarter, Vadinar Refinery processed 92% of heavy and ultra-heavy crudes, and maintained proportion of high margin light and middle distillates at 85%. Crude and product mix are expected to improve post turnaround.

Management Speak

Talking on the results, **LK Gupta, Managing Director & CEO, Essar Oil**, said: "We had a satisfactory quarter during which we started the crucial Refinery Turnaround shutdown on 18th September, which has since been successfully completed on 16th October 2015. This will further improve our operational flexibility and boost margins. Our retail business continues to grow and we are witnessing encouraging response and improvement in retail sales."

Suresh Jain, CFO, Essar Oil, said, "Our EBIDTA for the quarter as well as half year is better compared to the corresponding periods. Our PAT for the quarter is marginal lower compared to Q2FY15 mainly on account of lower throughput due to planned shutdown, lower product cracks and negative inventory variations. Our PAT for the half year is higher despite above factors. Our refinery on the strength of its complexity has demonstrated excellent resilience against falling oil prices and product cracks and delivered satisfactory performance. Consistent improvement in our operating and financial performance has led to improvement in our credit rating to 'A'."

Marketing & Retail Operations

Domestic market contributed 46% to Essar Oil's revenues during the quarter. Exports were higher on account of lower offtake by PSU customers due to monsoon and restart of some of their refineries post shutdown. Retail sales accounted for 10% of Essar Oil's revenues in Q2FY16 against 3% in the corresponding quarter last fiscal. Retail sales volumes of diesel have seen a consistent rise post deregulation and has contributed to the overall rise in domestic sales.

During the quarter, Essar Oil commissioned 148 new outlets. The company currently has about 1,700 operational retail outlets nationwide with another ~1900 in various stages of implementation.

Exploration & Production

At our flagship Raniganj CBM Asset, we have achieved production of 0.64 million scm/d (standard cubic meters per day). This is being sold to industrial consumers in the catchment area. Essar Oil is presently India's largest CBM gas producer. 272 wells have been drilled and the company is on track to ramp up production to 1.2 million scmd over the next few months and to 2.5-3 million scmd finally.

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About Essar Oil

Essar Oil is a fully integrated oil & gas company of international scale with strong presence across the hydrocarbon value chain from exploration & production to refining and oil retail. Essar Oil owns India's second largest single site refinery having a capacity of 20 million tonnes and complexity of 11.8, which is amongst the highest globally. It has a portfolio of onshore and offshore oil & gas blocks with about 1.7 billion barrels of oil equivalent in reserves & resources. There are about 1,700 Essar-branded oil retail outlets in various parts of India with another ~1,900 under various stages of implementation.

Media Contacts:

Rabin Ghosh, Corporate Communications, (Mumbai)

Tel: 91 99 301 36268, email: rabin.ghosh@essar.com

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