Excellence
Breeds Success

ESSAR
OIL & GAS

2015-16
Annual Report | **Essar Oil limited**

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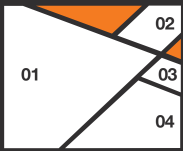
Night view of Vadinar Refinery

Indradhanush – Shiksha ke Saat Rang. Committed to Nation Building

Cover Images



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For more details, Please visit: www.essaroil.co.in

Excellence breeds success

The year 2015-16 has been a landmark one for us at Essar Oil. We have successfully demonstrated the outcome of our resilience and commitment to excellence.

In a period that was marked by global volatility and a severe downturn in crude prices, we have reported our best-ever results. Our refinery clocked the highest current price Gross Refining Margin, leading to the highest ever EBIDTA and Profit After Tax in our history. Seen in a context of a 28-day refinery shutdown, our results underpin efficiency in operations, continuous leveraging of technology investments and a consistent expansion of our profitable retail business. Not just that, our focus on expanding our network also saw us emerge as the leader in private sector petroleum retail.

Our commitment to excellence is also reflected in our ability to take decisions with a long-term view. In line with the philosophy to incubate, nurture and scale up ideas into world-class businesses and create value for all stakeholders, the promoters have decided to sell 98% of Essar oil to the world's leading oil and gas companies. We are proud to be the source of the largest-ever Foreign Direct Investment in India and this reaffirms Essar Group's unique ability to build world-class businesses and create enterprise value of such high order.

Given our strong commitment to above-average industry performance and the regular investments in process and technology improvement. We are focused on building our retail fuel segment as it is essential for establishing a stable domestic market for our products.

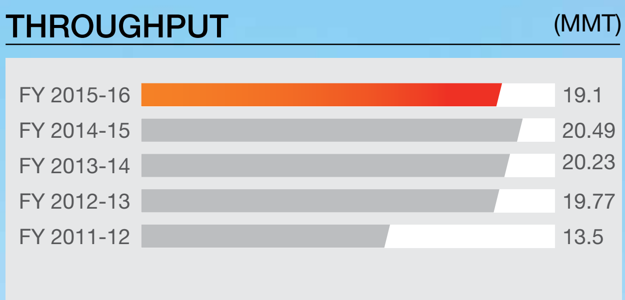
At Essar Oil, we are deeply conscious of our responsibility towards all stakeholders and communities, and our success extends to our achieving a positive impact through our initiatives as a responsible corporate citizen.

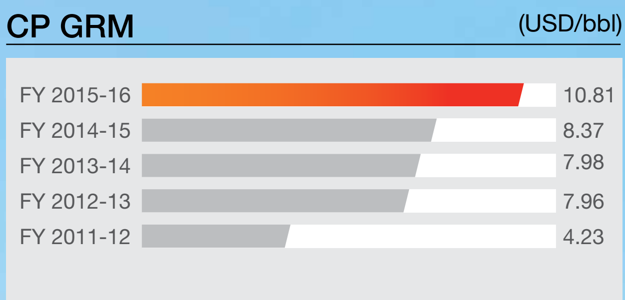
Mild Hydrocracker unit at Vadinar refinery

Rail Gantry for product transportation

ESSAR OIL & GAS

Key Performance Indicators





Lower throughput, in financial year 2015 – 16, due to a planned shutdown for turnaround and VGOHT conversion to MHC
Lower throughput, in financial year 2011 – 12, due to a planned shutdown for turnaround, expansion and tying of new units

Crude Distillation Unit -1, Fluid Catalytic Cracking Unit, Diesel hydrodesulphurization unit, Naphtha Hydrotreater, among the many units of the Refinery

EBIDTA

(₹ Crore)

FY 2015-16	7,773
FY 2014-15	5,764
FY 2013-14	4,781
FY 2012-13	3,651
FY 2011-12	2,101

PAT

(₹ Crore)

FY 2015-16	2,162
FY 2014-15	1,521
FY 2013-14	126
FY 2012-13	(1,180)
FY 2011-12	(1,285)

Chairman's Message

The Company generated a record high current price Gross Refining Margin (GRM) of

USD10.81 per barrel

In line with Essar's philosophy to incubate, nurture, and scale up ideas to landmark valuations, the promoters decided to sell 98% of your Company stake to world's leading oil & gas companies.

Dear Shareholders,

I am delighted to present your Company's performance in fiscal year 2015-2016. The Company has achieved excellent operational and financial performance and despite a challenging business environment has also accelerated to newer heights.

The crude oil markets witnessed sustained volatility due to geopolitical developments, continued sluggishness in Japanese and European economies, and the increasing inclination towards alternate fuels. On the supply side, major OPEC supplier Saudi Arabia maintained its crude oil production while, Iran, another OPEC nation, increased supply aggressively post lifting of economic sanctions. This led to an inevitable supply glut and pushed crude prices to levels not seen in last few years. On the demand side, consumption of oil products increased from countries like ours with growing aspirations it led to a build-up of strategic oil reserves in Asia that were very much higher compared to the historical averages.

In the domestic landscape, different challenges and opportunities emerged. Private sector retail fuel sellers like us are capitalizing on the deregulation in the petroleum retail announced in October 2014.

Our Honorable Prime Minister Shri Narendra Modi is himself leading dedicated initiatives that give us hope and a strong belief that great prospects are not very far from us. The government has announced several sector specific reforms to help accelerate the economy. In my view, some of the key announcements by the government include the new Hydrocarbon Exploration and Licensing Policy, and introduction of the Mines and Minerals (Development and Regulation) Amendment Bill, 2016. The cumulative outcome of the reforms will result in greater industrial activity and spur demand for our products in coming months and years. I welcome the initiatives and believe that delivery of these reforms provide long-term opportunities to the company.

I am happy to share that in FY 2015-16 your Company achieved the highest ever EBIDTA of ₹ 7,773 crore, 35% higher than the previous year. The Profit after Tax (PAT) was also at a new high of ₹ 2,162 crore an increase of 42% from FY 2014-15. The company generated a record high current price Gross Refining Margin (GRM) of USD10.81 per barrel, compared with USD 8.37/bbl in FY 2014-15.

Your Company has set new benchmark in the private sector retail sale network in just about two years. You may recall that Essar Oil was the first private sector company in India to open a retail fuel outlet back in 2003. Since then, the Company kept its network operation despite the turbulent times right up till 2014, close to the complete de-regulation. Today, your Company has the largest private sector retail fuel network in India with over 2800 operational outlets across the length and breadth of the country and over 2800 at various stages of implementation to capitalize on the rising demand of transportation fuel.

I believe that the benchmark financial and operational highlights of the company's performance in FY 2015-16 are an outcome of enduring efforts and demonstrate our un-paralleled ability to excel in volatile circumstances.

In 2014, the Company had received a proposal from Promoter companies to voluntarily delist from stock exchanges. The Securities and Exchange Board of India (SEBI) permitted the stock exchanges to grant in-principle approval to the Company to proceed with voluntary delisting process. On a separate application by the Promoter Companies, SEBI also passed orders giving extension of time to complete the delisting process. In terms of the SEBI (Delisting of Equity Shares) Regulations, 2009, Promoter Group company made a public announcement for acquisition of shares held by public shareholders and voluntary delisting of equity shares of the Company. The Promoters accepted the discovered price of ₹ 262.80 per share for acquiring the equity shares from public shareholders and the Company got delisted from stock exchanges in February 2016.

While FY2015-16 came with the most promising prospects, it has been a year of tough decision making. In line with Essar's philosophy to incubate, nurture, and scale up ideas to landmark valuations, the promoters decided to sell 98% of your Company stake to world's leading oil & gas companies.

On 15th October 2016, Essar Energy Holdings Limited and Oil Bidco (Mauritius) Limited—the controlling shareholders of Essar Oil Limited—signed an agreement to sell 49% of the Company to Petrol Complex Pte. Ltd, a subsidiary of Russia's PJSC Rosneft Oil Company and another 49% to Kesani Enterprises Company Limited, owned by a consortium led by Trafigura and United Capital Partners. The sale transaction includes the Vadinar refinery and the retail network.

Essar is proud to have nurtured Essar Oil's integrated facility and to have brought it to a level where it has attracted international investments of such magnitude. This reaffirms Essar's unique ability to build world-class businesses and create enterprise value of such high order.

Let me also acknowledge that our feats have been realised with the support, commitment, cooperation, patience and contribution of each and every employee.

Meeting the energy needs of a fast-expanding economy like ours underscores the vitality of the sector and the great responsibility of all the stakeholders involved. I am confident that our combined strength, vision and the common objective of vigorously and continuously improving our efficiency will help Essar Oil thrive in this challenging environment with the backing of the new shareholders which are the world's renowned oil & gas players.

In conclusion, I would like to once again thank you for your unabated support in our journey. I will look forward for the same commitment as we set out towards a new horizon to achieve another milestone.

Best wishes,

Prashant Ruia

Chairman

MD & CEO's Message

In FY 2015-16, the Profit after Tax (PAT) was at a new record high of

₹ 2,162 crore

Our refinery received the coveted 'Refinery of the Year' award for 2015 by the Petroleum Federation of India. This is the second time the Company achieved this feat after having it won in 2011.

Dear Shareholders,

I am pleased to put forth the performance of your Company for the fiscal year ended March 2016 which saw your Company create new records on many parameters.

I am delighted to share that our refinery received the coveted 'Refinery of the Year' award for 2015 by the Petroleum Federation of India. This is the second time the Company achieved this feat after having it won in 2011.

FY 2015-16 Performance

Let me begin by placing before you the operational and financial performance for the year. I am happy to share with you that during the year, your Company achieved great performance and set new benchmarks. It would be pertinent to bring to your attention that your Company undertook a major planned turnaround shutdown of 28 days during September-October period. The performance, therefore has to be evaluated in that context.

The total throughput of Refinery stood at 19.1 MMT of crude during the year, compared to 20.49 MMT in the previous year. We recorded a current price Gross Refining Margin

(GRM) of USD10.81 per barrel, a record high, compared with USD 8.37/bbl in FY 2014-15.

The gross revenue of your Company for the year was ₹ 66,080 crore compared to ₹ 93,206 crore in its preceding year. The fall in gross revenue was due to a combination of decline in crude oil prices and the planned refinery shutdown. The Operating Profit, or EBIDTA, of the Company was at a new record of ₹ 7,773 crore. It was 35% higher than EBIDTA of ₹ 5,764 crore achieved in the previous financial year. Profit after Tax (PAT) was also at a new record high of ₹ 2,162 crore a 42% jump from ₹ 1,521 crore in FY 2014-15.

Your Company further dollarised USD780 million of rupee debt in FY2015-16, leading to saving of almost 6% per annum in interest cost. The total dollarisation completed at the end of the year amounted to USD2 billion.

Let me take you through the turnaround shutdown at the Vadinar refinery during FY2015-16. The turnaround was completed in 28 days, from September 18 to October 15, as against the planned 30 days. During the shutdown, we implemented the Diesel Maximization Project. Under this project, Vacuum Gas Oil Hydro Treater (VGO–HT) unit was converted into mild Hydrocracker and DHDT was revamped successfully. The objective was to convert excess sweet VGO into, mainly high and middle distillates. Your Company also put in place in-house schemes to extend the crude blend window and enhance the intake of ultra-advantaged crudes with high TAN, and two or more opportunity crude, simultaneously. Some of the other schemes included the tie-ins for future revamps for NHT/CCR/ISOM/COKER. We also put in efforts to maintain and inspect units including statutory compliance, reliability improvement/corrective engineering schemes and piping metallurgy upgradation for processing of high TAN crudes. The total number of jobs completed during the shutdown was 8,176. A total of 27,075 labour were employed which included 25,000 contract labours.

I believe that safety is not just priority; it should be in our DNA. Your Company has been leading and guiding the industry in this aspect of business. As of 31st October 2016, we have 3,135 (8 Years 214 days) Lost Time Injury free days for employees (30.02+ million man-hours) and 2,720 Major Fire Free days (7 Years and 163 days).

The EBIDTA for FY 2015-16 was 35% higher than the preceding year and it stood at

₹ 7,773 crore

As you may know, the growth of your Company's retail fuel segment is essential for establishing a stable domestic market for our products. I am happy to share that your Company added 583 retail outlets during the financial year and is now the leader in the private sector retail segment. As of 31st October 2016, your Company has 2,283 operational outlets across 28 States and Union Territories. Our aim is to complete another 2,800 operational outlets across the country over the next 12-18 months. Our retail sales volume grew by almost 145% to 1.6 million kl during the year.

The year 2015-16 marked an inflection point for our flagship CBM Project, Raniganj East, in West Bengal. The CBM production from Raniganj registered a significant growth during the year, with production of close to 8,00,000 scmd as of 31st March, 2016. In July 2016, your Company become the first operator in the country to cross the 1 million scmd production milestone.

Industry overview

The crude oil market, continued to display turbulence throughout the year requiring a constant and thorough vigil. Price of crude oil during FY 2015-16 fell to nearly USD 25 per barrel in January 2016 from about USD 55 per barrel in March 2015. Such low levels of crude oil prices has not been seen in the past few years.

Our country has benefitted from the decline in crude oil prices by way of a sustained lower import bill. Also, the fall in crude oil prices has helped surge the consumption of oil products in

Altadhara outlet in Vadodra

Your Company added 583 retail outlets during the financial year and is now the leader in the private sector retail segment.

the country resulting in increased opportunity for companies such as yours. The Government under the leadership of the Honourable Prime Minister Shri Narendra Modi has been swift in capitalizing on the opportunity to push for reforms, expand infrastructure projects and announce dedicated initiatives all of which will help in accelerating economic growth. India's economic growth of 7.6% in fiscal year 2015-16 is amongst the fastest in the world. Given India's rising domestic consumption, a young population and a pro-active government at helm almost all analysts believe India has the capability to lead the revival in the global economy.

The testimony to India's economic aspirations are underlined by the highest annual consumption of petroleum products in almost two decades which stood at 183.5 MMT in FY 2015-16. Our country is now the third-largest consumer of crude oil, after the US and China.

Sale of 98% Shareholding by Essar Group

Essar Energy Holdings Limited and Oil Bidco (Mauritius) Limited, promoter group companies of Essar Oil had, on October 15, 2016, entered into separate definitive agreements for the sale of 98% of paid-up equity share capital of the Company. The promoters have signed sale and purchase agreement of 49% of the Company's equity to Petrol Complex Pte. Ltd (a subsidiary of PJSC Rosneft Oil Company) and the balance 49% equity to Kesani Enterprises Company Limited (owned by a consortium led by Trafigura and United Capital Partners).

Recognitions

Essar Oil has been recognised as one of the top Climate Disclosure Leaders for India for the 5th year in a row by Carbon Disclosure Project (CDP) India. CDP publishes an annual index on climate disclosure that ranks companies on the basis of their energy management techniques and climate change initiatives. Essar Oil is among the only two organisations in the energy sector to have made it to the index.

Essar Oil was also recognised by Franchise India as the 'fastest growing franchise network for 2015'.

Corporate Social Responsibility

As a responsible corporate citizen, the Company has made noteworthy contribution to positively impact the life of people in ways more than one. Under the Community Health Project your Company provides basic medical services to 12 villages around the Vadinar refinery catering to the need of more than 50,000 patients annually. Specialized projects like eye check camps, BP, diabetes and skin, are conducted regularly in partnership with the District Administration.

In the field of education we have taken initiatives to resolve fundamental issues surrounding access to quality education. Model Anganwadis are being developed in the villages in the vicinity of our Refinery, based on design state Government guidelines. Over 5,000 students of 34 schools in Jamnagar and Devbhumi-Dwarka are being empowered every year, via multiple education initiatives like Shala Pravesh Utsav, Indradhanush, scholarships schemes etc.

Under the water resource development plan, your Company is engaged in enhancing the soil moisture, water table, checked soil erosion and improved water management for proper utilization as drinking purpose and irrigation purposes.

Future

Your Company has a target to earn as much as around USD 1.50 (per barrel of crude) incremental Gross Refinery Margin (GRM) as an outcome of its ₹ 1,600 crore of investment in low cost and high margin projects. The Company has already invested ₹ 400 crore during the shutdown of the refinery in September-October last year. Furthermore, ₹ 1,200 crore shall be invested to make additional upgrades in the various refinery units over the next 2-3 years.

I take this opportunity to acknowledge the contribution of all the employees. They have been at the forefront of accepting challenges and humbly accepted accolades as the Company scaled new heights.

Your Company has a target to earn as much as around USD 1.50 (per barrel of crude) incremental Gross Refinery Margin (GRM) as an outcome of its ₹ 1,600 crore of investment in low cost and high margin projects.

It gives me immense pleasure to inform you that Essar Oil is well-positioned to capitalise on growing domestic market for cleaner fuels as the entire nation moves to Euro IV fuel.

In conclusion, I would like to say that it is upon us as stakeholders of Essar Oil to dwell on the opportunities the present demographics offer us. I would like to thank all the shareholders and employees in helping the Company achieve milestones repeatedly. Let us begin a new journey towards a brighter future.

With warm regards,
Lalit Kumar Gupta
Managing Director & CEO

Board of Directors

Mr. Prashant S. Ruia
Chairman

Mr. Lalit Kumar Gupta
Managing Director and CEO

Mr. Chakrapany Manoharan
Director (Refinery)

Mr. Suresh Jain
Director Finance

Ms. Suparna Singh
Director

Mr. Dilip J. Thakkar
Independent Director

Mr. K. N. Venkatsubramanian
Independent Director

Mr. Sudhir Garg
IFCI Limited, Nominee

Mr. R. Sudarsan
LIC of India, Nominee

Senior Management

Mr. Lalit Kumar Gupta
Managing Director & CEO

Mr. Chakrapany Manoharan
Director (Refinery)

Mr. Suresh Jain
Director Finance

Mr. Mayank Bhargava
Company Secretary

Mr. Manish Maheshwari
CEO – E&P

Mr. Ajit Mishra
Chief Marketing Officer

Mr. Sunil Misra
Chief IST

Mr. Sreedhar Rudraraju
Chief Planning Officer

Mr. K. Govindarajan
Advisor – Projects

Mr. V. Ramachandran
President – CRG

Mr. Harsh Bhosale
Chief People Officer

Mr. Vikas Prabhu
Chief Information Officer

Mr. Kumar Swain
Head- Technical

Mr. Madhur Taneja
CEO- Retail

Mr. Pawan Saxena
Chief Legal Officer

Mr. Mazyar Kotwal
Chief Internal Auditor

Directors' Report

To,
The Members of Essar Oil Limited

Your Directors have pleasure in presenting the 26th Annual Report and audited Financial Statements of the Company for the financial year ended March 31, 2016.

Financial Highlights

(₹ in crore)

Particulars	2015-16	2014-15
Gross Revenue from operations	66,079.69	93,206.31
Net Revenue including other income	54,398.41	84,232.22
Earnings before finance cost, depreciation / amortization and depletion expenses, exceptional items and tax (EBIDTA)	7,772.64	5,763.77
Profit / (Loss) before Taxes and Exceptional Items	3,750.92	2,439.47
Exceptional items	1,588.63	918.00
Net Profit after tax	2,162.29	1,521.47
Add: Balance brought forward from previous year	(3,731.74)	(5,219.58)
Less: Depreciation on transition to Schedule II to the Companies Act, 2013	-	(33.63)
Balance to be carried to Balance Sheet	(1,569.45)	(3,731.74)

State of Company's Affairs

The year under review was a landmark year in the Company's performance. The Company successfully and safely completed a Refinery Turnaround Shutdown in 28 days alongside implementation of the Diesel Maximization Project. We earned the highest ever Current Price Gross Refining Margins (CP GRM) in FY 2015-16: ~USD 10.81/bbl as against USD 8.37/bbl in FY 2014-15. Our fuel retail network reached 4898 as of March 31, 2016 with 2100 operative outlets and 2798 sites under various stages of implementation. Gas production from Raniganj CBM block increased from 551 kscmd to 786 kscmd, as on March 31, 2016, an increase of 43% in production during the FY 2015-16. We also achieved cumulative dollarisation of ~ USD 2.06 Billion of our debt for the financial year ended March, 2016.

Aerial view of Vadinar Refinery complex

Details of the Company's operational and financial performance are set out below:

Operational Performance

Global Markets and Industry Overview

The prosperity and growth of modern societies is largely dependent on the availability of sufficient energy whenever needed. Energy demand is the key to growth of global economy. As the world economy expands, more energy will be needed to fuel higher level of activity and better living standards. Though growth in energy demand will be curbed by improvement in efficiency and better technology, still there will be significant increase in energy demand over the next twenty to twenty five years to enable world economy to grow and prosper.

Fuel mix may continue to shift but fossil fuel remains the dominant source of energy powering the world economy and is expected to meet more than 60% of incremental energy requirement over the next 20 years. Within fossil fuel energy mix, natural gas looks set to become the fastest growing fossil fuel, spurred by ample supply and supportive environmental policies. In contrast, global coal consumption is likely to slow down sharply and renewable energy sources are set to grow rapidly, as their costs continue to fall with pledge undertaken by key global economies in Paris to cut carbon emissions.

The year gone by was a tough year for the global oil and gas industry. The crude oil prices fell by almost 50% from its peak of USD 67/bbl to USD 35/bbl during the year ended March, 2016, mainly due to OPEC major Saudi Arabia deciding not to reduce its production and another OPEC nation, Iran choosing to increase its supply aggressively post lifting of sanctions. The lower oil prices, on one side, spurred oil demand around the world including building-up of strategic petroleum reserve in Asia, resulting in increase in global oil demand by 1.7 million barrel per day (mbpd) YoY to 95.6 mbpd. While on one side, demand growth being outpaced by continued supply growth, crude oil and oil products inventory level reached well above historical average while, on the other side, over 6 mbpd of OPEC and non-OPEC megaprojects have been delayed or cancelled, led by Canadian oil sands. Further, the marginal players, for whom the cash cost of production is higher than prevailing crude prices, have decided to cut their spending, which has led to additional projects being deferred or shelved. The oil market has gradually rebalanced, with the current low level of prices boosting demand and dampening supply.

Continuous downward trend in crude prices offered an opportunity for Indian domestic market. Indian crude import bill reduced from USD 113 billion in FY15 to USD 64 billion in FY16, which helped the government to curtail the under recovery on SKO and LPG significantly. Further, government

MD & CEO and Director (Refinery) receiving the coveted 'Refinery of the Year' for 2015 from Petroleum Federation of India

utilized this opportunity to increase the duty on auto fuels to mobilize revenues to push its development agenda in terms of rapid infrastructure development and implementation of health, education & cleanliness schemes across India for overall development of society, while passing on partial benefit to end consumers.

Production of petroleum products in the country reached 231 MMT after commencement of operations by IOCL's Paradip refinery (15 MMT). Lower crude prices, increased demand of petroleum products in the domestic market, which grew at the rate of 11.76% (Source PPSC) in FY16 compared to FY15 led by strong growth in gasoline (14.13%) and gasoil (7.49%) and growth of production and consumption gave boost to infrastructure activities and other allied industries.

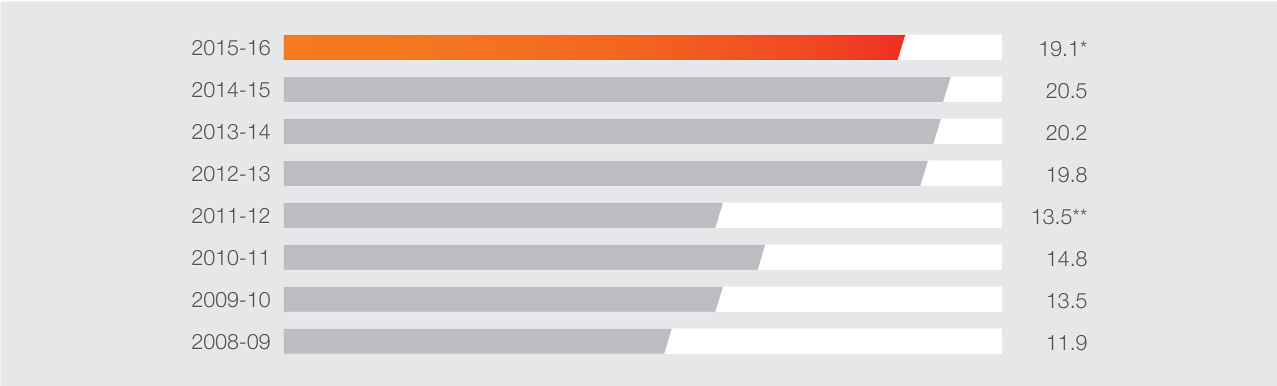
Deregulation of retail prices of gasoline in June, 2010 and gasoil in October, 2014 has offered immense opportunity for private players to increase their footprint in growing domestic market. Deregulation of retail prices not only reduced the burden of government in the form of subsidy as prices are market driven now but also increased competition in the market which is mainly dominated by PSUs. This competition is ultimately helping the consumer to get better quality fuel and services. India's retail network increased by 2,772 outlets during FY 2015-16 and is going to rise further with expansion of retail network by existing players and participation of new private players.

Refinery Operations

During financial year 2015-16, the refinery achieved a throughput of 19.1 MMT. The refinery processed 92% heavy and ultra-heavy crudes. It has been our constant endeavor to diversify our crude basket and the refinery processed four new grades of crude oil during the financial year. Crude procurement continues to be through term and spot contracts from different geographies in order to mitigate the risk of supply disruption. The Company received the coveted “Refinery of the Year” award conferred by Petroleum Federation of India (Petrofed). At Essar Oil, health and safety of people and environment protection is of paramount importance. The refinery recorded 2,921 Lost Time Injury (LTI) free days for employees and 2,506 major fire free days as on March 31, 2016.

CRUDE PROCESSED

(Million Tons)

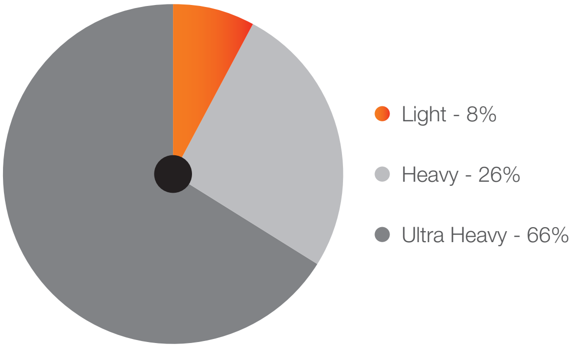


* Lower throughput due to a planned shutdown for turnaround and VGOHT conversion to MHC
** Lower throughput due to a planned shutdown for turnaround, expansion and tying of new units

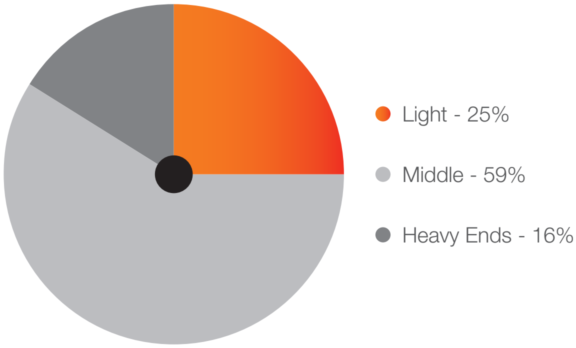
Crude and Product Mix

Our product mix comprised approximately 84% light and middle distillates (25% light distillates and 59% middle distillates) despite processing 92% heavy and ultra heavy crude oils. Refinery is now able to convert entire VGO (Vacuum Gas Oil) into high value light and middle distillates post completion of turnaround shutdown in September - October 2015.

CRUDE MIX



PRODUCT MIX



Marketing Performance

Your Company continues to be the preferred supplier to a wide range of customers in diverse industrial segments such as cement factories, power plants, chemical industries, fertilizer plants and construction companies. Essar Oil sells its products in both domestic and international markets. During financial year 2015-16, your Company sold 10.57 MMT of products in the domestic market, representing 56% of our total sales and the remaining 44% products were sold in the International market. Public sector oil marketing companies continued to be our major customers, contributing to around 57% of our entire domestic sales.

The Company had a large network of around 2100 operational retail fuel outlets across the country and close to 2800 outlets under various stages of implementation as of March 31, 2016. The sales from retail operations grew by 127% from 590 TMT in financial year 2014 – 15 to 1341 TMT in financial year 2015 – 16. This growth was mainly on account of expansion of Company's retail network as well as the opportunity presented to the private players in the retail segment by deregulation of diesel prices, thereby linking the price of diesel to the global market.

Picturesque outlet in Udaipur

Performance of Exploration & Production Division

Financial year 2015–16 marked an inflection point for our flagship CBM Project, Raniganj East, located in West Bengal. The CBM production from Raniganj registered a significant growth during this year, with production of close to 800,000 scmd as of March 31, 2016. With the continuous ramp up in production, the Company has since become the first player to cross the 1 million scmd production milestone in the country in July 2016.

During FY 2015-16, an extensive Work Programme, culminating in drilling of 297 wells in the Raniganj East acreage and placing about 182 wells on gas production, was executed in a safe and cost effective manner. The Company has created surface infrastructure to aggregate, treat, compress and deliver CBM to end customers and also to treat and dispose produced water in an environmentally compliant manner. The gas evacuation infrastructure to Matix Fertilizer, a priority sector customer, has been completed, tested and operationalised. We have started supplying gas to Matix Fertilizer from August 2015 for their pre-commissioning activities and utilities and expect to start supplying gas for commissioning activities very soon.

In the Rajmahal CBM Block, the Company has received Petroleum Exploratory License from the State Government and also the Environmental Clearance from the Ministry of Environment and Forests. Following independent validation of core hole locations, the Company is preparing to drill the same during the forthcoming financial year.

Financial Performance

Your Company generated gross revenue from operations of ₹ 66,080 crores for the financial year ended March 31, 2016, as compared to ₹ 93,206 crores for the financial year ended March 31, 2015. The decrease in revenue was mainly due to decline in oil prices and reduced throughput on account of 28 days major Turnaround shutdown during the financial year. Current Price Gross Refinery Margin (CP GRM) improved by 29% to USD 10.81/bbl in FY16 as against USD 8.37/bbl in FY15 due to improvement in benchmark IEA margin led by higher Gasoline and Naphtha cracks and overall improvement in crude and product mix post turnaround shutdown. EBITDA improved by 35% to ₹ 7773 crores from ₹ 5764 crores led by higher refinery margins and PAT increased by 42% to ₹ 2,162 crore from ₹ 1,521 crore due to higher EBITDA and lower interest cost.

Considering the carry forward of losses and funds requirement for meeting the operations, the Board has not recommended any dividend for the financial year ended March 31, 2016 in spite of current year's profitability. Further, no amounts are proposed to be transferred to the General Reserve. However, the Company has, on redemption of certain debentures transferred ₹ 26.59 crore from Debenture Redemption Reserve to General Reserve, during the financial year.

No material changes and commitments have occurred after the closure of the financial year 2015-16 till the date of this Report, which would affect the financial position of your Company.

Increase in Share Capital

In the Board Report submitted last year, we had reported about allotment of 607,498 Equity Shares of ₹ 10/- each at premium of ₹ 59.05 per share on July 28, 2015 on exercise of options granted under the Essar Oil Employees Stock Option Scheme – 2011 (Scheme). The Company has, on November 18, 2015, allotted further 5,43,961 equity shares of ₹ 10/- each at a premium of ₹ 59.05 per share to Corporate Trustee of the Essar Oil ESOP Trust. As per the Scheme, the Trust was holding equity shares for the benefit of eligible employees against an equal number of stock options to enable the eligible employees to exercise their Options that have vested so far. In view of the above, the fully paid-up capital of the Company has increased to ₹ 1,450.67 crores comprising of 1,450,668,359 equity shares of ₹ 10/- each.

Consolidated Financial Statements

The audited Consolidated Financial Statements of the Company duly audited as required under Section 129 of the Companies Act, 2013 (Act) form part of this Annual Report.

Delisting of the Company

The Board had informed you in the last year's Report about the application made by the Promoter Company to Securities & Exchange Board of India (SEBI) under Regulation 25A of the SEBI (Delisting of Equity Shares) Regulations, 2009 (SEBI Delisting Regulations) seeking extension of time inter alia for completing the delisting procedure. Subsequently, SEBI by orders passed on November 6, 2015 granted extension of time to Promoters for completion of delisting process within 2 months from date of passing of the order. On December 5, 2015, Promoter Group Company, M/s Oil Bidco (Mauritius) Limited issued a public announcement for acquisition of shares held by public shareholders and voluntary delisting of equity shares of the Company. Post completion of the reverse book building process, M/s Oil Bidco (Mauritius) Limited issued a post offer public announcement on December 30, 2015 accepting the discovered price of ₹ 262.80 per share for acquiring the equity shares from public shareholders. Thereafter, on an application made to 'BSE Limited' and 'The National Stock Exchange of India Limited', the equity shares of your Company were suspended for trading w.e.f. February 10, 2016 and were subsequently delisted w.e.f. February 17, 2016.

Post delisting, under the Delisting Regulations, Oil Bidco (Mauritius) Limited has given exit opportunity to those public shareholders who could not successfully participate in the reverse book building process to tender their shares at exit price of ₹ 262.80 per share. The exit offer process commenced on February 17, 2016 and will be available up to February 16, 2017.

Information Technology

Information technology is critical for the Company's successful operations. The information technology supports the entire downstream value chain of the Company from Supply & Trading to Planning & Scheduling to Refinery Operations to Retail.

The Information Technology Team (IT Team) at the Company has put in place systems and infrastructure to enable employees and stakeholders to communicate effectively, share information securely, and collaborate locally and globally. Collaboration and partnership are the key aspects of the IT team, because they enable the development of a stronger IT organization that supports end-to-end delivery of services and is able to respond effectively to the evolving technology landscape. They are also key to increasing engagement with employees to ensure that services meet their needs; and to partnering with third parties both in the delivery of services and in the integration of IT beyond the perimeters of the Company.

In FY15-16, the Company focused on digitization of various processes across Refinery, Sales & Distribution and Retail.

Sustainability

Our sites at Vadinar and Raniganj continued to strive towards institutionalising a culture of safety by undertaking several interventions during the year. These interventions ranged from online safety certification for employees, organizing a different safety campaign each month to enhance behavior based safety, providing training to drivers and also extending a few program to the nearby villages. The refinery not only achieved an LTI free year but also had 38% reduction in overall process safety event frequency rate which dropped from 0.94 during previous year to 0.58 this year.

Besides, Essar Oil was recognised as one of the top Climate Disclosure Leaders for India for the 5th year in a row by Carbon Disclosure Project (CDP) India. CDP publishes an annual index on climate disclosure that ranks companies on the basis of their energy management techniques and climate change initiatives. Essar Oil is among the only two organizations in the energy sector to have made it to the index.

In addition to making it to the index, Essar Oil's Climate Leadership case study was shortlisted by CDP, on Climate Change performance, to appear in a special report compiled by CDP which was presented at the UN Global Climate Convention - COP - 21 at Paris. The report was also showcased at the India pavilion at the Paris summit. Essar Oil was among the 20 most energy efficient companies in India that was featured by CDP during the UNFCC organised COP 21 in Paris.

Employees

We are committed to driving organisational success through developing the skills and competencies of our people. Our employees are our biggest asset and we firmly believe in "… emotionally connecting people to +vely engage in value creation". Our focus last year was on strategic workforce planning, talent attraction and management, recruitment, learning and development, employee engagement and overall improvement of operational efficiencies. Our manpower as on March 31, 2016 was 1979 regular employees, 58 fixed-term advisors and 129 Project Roll employees.

Learning and Development

We continue to drive a culture of learning at all levels within the Company. During the last year, 106 technical training programs were conducted including trainings like Aspen Optimize and Solomon. In addition, several employees underwent professional development in areas such as Design Thinking, Influencing Skills, Oil & Gas Laws, NASSCOM Technology Strategy and Selling & Negotiations. 1919 employees were trained last year in various skills resulting in a coverage of 91.59%. Our endeavour in learning and development continues to be supported by facilities like online library and e-enabled programmes.

Talent Management

At Essar Oil, we understand that talent management is one of the most vital processes to ensure business success. Our Talent Management program helps in identifying the right talent to enable leadership continuity and also build a succession management pool. Multiple successors are identified and groomed for key roles. Appropriate actions in terms of Job Rotations and Training & Development initiatives are taken to ensure that these successors are equipped to take on their next role. Several initiatives both monetary and non-monetary were taken during the year to ensure our critical talent is engaged and retained. Stay Interviews, Retention Dialogues, One on One with Director (Refinery) & Management Development Programmes were conducted for retaining critical talent. Talent Management at Essar Oil continues to be supported by online Talent Management Portal "one stop shop" for planning, scheduling, communicating, recording and reviewing all employee engagement activities of high performing employees.

Gender Diversity:

The Company is committed to encouraging gender diversity across management levels and strongly believes that gender diversity plays a critical role in driving inclusive growth. At Essar Oil Limited, the management has taken several practical steps to improve Gender Diversity such as equal opportunities for women employees, employee engagement initiatives and recognition to women employees. The Essar Women Excellence Awards were launched on Women's Day 2016 to recognise Women Achievers across the Essar Group. Ms. Hembala Dixit, JGM - Maintenance received PetroFed's

Hembala Dixit is awarded `Woman Executive of the Year" for 2015 by PetroFed

Women Executive of the year award for her contribution to the refinery, specially her role in planning the mega refinery turnaround in 2015-16.

The Policy against Sexual Harassment in the Workplace

The Company has set up Essar Oil POSH Committees in Mumbai and Vadinar in terms of the requirements of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ['Prevention of Sexual Harassment Act'] to help promote a safe working environment for women. Senior Women Leaders have been appointed as Chairperson of the committee. Regular training and contact sessions are conducted for both male and female employees to sensitise them on the issue. During the financial year, no cases were filed under the Prevention of Sexual Harassment Act.

Employee Stock Options

The Company had introduced Essar Oil Employee Stock Option Scheme 2011 for providing long term incentives to employees. The disclosures required to be made under the applicable provisions of the Act are enclosed as Annexure - A.

Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee named as CSR, Safety and Sustainability Committee. The Board of Directors on the recommendations of the Committee, has adopted a CSR Policy indicating the activities to be undertaken by the Company. The policy can be accessed on the Company's website at the link http://www.essaroil.co.in/sustainability.aspx.

Health initiatives undertaken in villages around refinery under CSR

The annual report on CSR containing the details of the CSR Policy adopted by the Company, the CSR initiatives taken during the financial year and other particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report as Annexure- B.

Holding, Subsidiary, Joint Venture and Associate Companies

Holding company

During the financial year Essar Energy Holdings Limited, Mauritius (EEHL) acquired 47,61,000 Global Depository Shares, represented by 72,84,33,000 Equity Shares of ₹ 10/- each, from Essar Oil & Gas Limited, Mauritius (EOGL). This has resulted in change in the holding company of your Company from EOGL to EEHL. EEHL is a wholly owned subsidiary of EOGL which in turn is a wholly owned subsidiary of Essar Energy Limited.

Execution of sale and purchase agreements by Promoters for sale of 98% in equity share capital of the Company

The Directors in their last Board Report had informed you about the intimation received from promoter companies about signing of non-binding term sheet with PJSC Rosneft Oil Company (Russia) for its participation in the equity capital of Essar Oil Limited with a share of up to 49%.

The promoter group companies, Essar Energy Holdings Limited and Oil Bidco (Mauritius) Limited have on October 15, 2016 entered into two separate definitive agreements for the sale of 98% of the paid-up share capital of Essar Oil Limited. The first sale and purchase agreement envisages the sale of 49% of the paid-up share capital of the Company to Petrol Complex Pte. Ltd (a subsidiary of PJSC Rosneft Oil Company) and the second envisages the sale of the remaining 49% share capital to Kesani Enterprises Company Limited (a joint venture led by Trafigura Pte Ltd and UCP PE Investments Limited). Further, any shares acquired by the Promoters from the public shareholders pursuant to the delisting exit window will also be sold to these companies. The closing of the above transactions is conditional upon receiving requisite regulatory approvals and other customary conditions. Essar Oil is required to acquire Vadinar Oil Terminal Ltd. which manages storage and cargo handling facilities for the refinery and Vadinar Power Company Ltd. which owns and operates coal generation power plant for captive use by the Company.

Subsidiary and associate companies

During the financial year 2015-16, there was no change in subsidiary and associate companies of your Company.

Since the controlling stake in your Company is held by foreign entities, any downstream investment by your Company amounts to indirect foreign investment under the Foreign Direct Investment (FDI) Policy. Your Company has obtained a certificate from Statutory Auditors, M/s Deloitte Haskins & Sells, Ahmedabad certifying due compliances with applicable rules of FDI Policy including intimation to Foreign Investment Promotion Board (FIPB) on compliances with the FDI Policy.

A report on the performance and financial position of each of the subsidiaries and associates, in Form AOC -1 forms part of Annual Report and hence is not repeated here for the sake of brevity.

The Financial Statements of these subsidiaries are uploaded on the website of the Company in compliance with Section 136 of the Act. Further, the Financial Statements of these subsidiaries and other related information will be made available to any member of the Company/its subsidiary(ies) seeking such information at any point of time and are also available for inspection by any member at the Registered Office/Corporate Office of the Company.

Directors and Key Managerial Personnel

Directors

During the period under review, Mr. Deepak Kumar Varma, Independent Director ceased to be Director of the Company w.e.f. October 9, 2015 upon completion of term of one year. The Board of Directors appointed Capt. B. S. Kumar as Independent Director with effect from December 29, 2015 for a term of three years. Mr. D. J. Thakkar was also re-appointed as Independent Director for a second term of three years w.e.f. December 24, 2015. Both the appointments were made subject to approval of shareholders.

Post delisting of the Company, in order to pave way for restructuring of the Board, Mr. Naresh Nayyar, Capt. B. S. Kumar, Dr. Sabyasachi Sen and Mr. V. S. Jain tendered their resignation w.e.f. March 16, 2016, March 9, 2016, March 14, 2016 and March 23, 2016 respectively. Ms. Rugmani Shankar, who was appointed as Independent Director for a term of one year, ceased to be Director w.e.f. March 30, 2016 upon expiry of her term in office. The Board places on record its sincere appreciation for the valuable services rendered by Mr. Naresh Nayyar, Capt. B. S. Kumar, Dr. Sabyasachi Sen, Mr. V. S. Jain, Ms. Rugmani Shankar and Mr. D. K. Verma.

Subsequently, the Board of Directors has appointed Mr. Suresh Chandra Jain, Chief Financial Officer as Director Finance w.e.f. April 7, 2016 for a period of five years. Mr. Suresh Jain will continue to discharge the duties of Chief Financial Officer as prescribed under the Act. Further, Ms. Suparna Singh was appointed as an Additional Director w.e.f. June 29, 2016. The term of office of Mr. L. K. Gupta, Managing Director & CEO would expire on December 1, 2016. Subject to approval of shareholders, the Board of Directors has reappointed Mr. Gupta as Managing Director & CEO of the Company for further period of five years w.e.f. December 2, 2016. Proposals for approving the appointment of Mr. D. J. Thakkar and Ms. Suparna Singh as Directors, Mr. Suresh Jain as Director Finance and for re-appointing Mr. L. K. Gupta as Managing Director & CEO of the Company would be placed before the members at the ensuing Annual General Meeting.

All the Independent Directors have given declarations that they fulfil the criteria of independence as prescribed under Section 149(6) of the Act.

Further in terms of the provisions of the Act, Mr. Prashant Ruia and Mr. C Manoharan are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Performance Evaluation of the Board, Chairman, Committees and Individual Directors

The Board carried out a formal evaluation of the performance of the Board, its Committees, the Chairman and Individual Directors for the financial year 2015-16. In addition to this, Independent Directors have also evaluated performance of the Chairman, non-independent Directors and the Board as a whole. Feedback from the individual Directors was sought on the basis of a structured questionnaire covering among others Board and Committee composition, skills of Directors, quality and content of agenda, performance of

Directors at the meetings, etc. Evaluation was carried out on the basis of responses from all the Directors compiled by a professional agency.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) of the Act, it is hereby confirmed that:

i) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2016 and of the profit of the Company for the year ended on that date;

iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the Directors have prepared the accounts for the financial year ended March 31, 2016 on a 'going concern' basis;

v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Policy on Appointment of Directors and Remuneration

The Board has adopted a policy for Appointment, Remuneration, Training and Evaluation of Directors and Employees. The policy inter-alia includes the criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act. Relevant chapters of the Policy relating to Directors' appointment and remuneration are enclosed as Annexure - C.

Key Managerial Personnel

During the financial year 2015-16 the following executives were designated as Key Managerial Personnel under the Act:

a) Mr. L. K. Gupta – Managing Director & CEO

b) Mr. C. Manoharan – Director (Refinery)

c) Mr. Suresh Jain – Chief Financial Officer (appointed as Director Finance with effect from April 7, 2016)

d) Mr. Sheikh S Shaffi – Company Secretary (retired on September 30, 2016)

Mr. Suresh Jain was elevated as Director Finance on April 7, 2016 and will continue to discharge duties of Chief Financial Officer. Post retirement of Mr. Sheikh S Shaffi, Mr. Mayank Bhargava has been appointed as Company Secretary in his place with effect from October 19, 2016.

Risk Management and Internal Financial Controls

Audit Committee

The Audit & Risk Management Committee, renamed as Audit Committee, comprised of three members namely Mr. Naresh Nayyar, Mr. D. J. Thakkar and Mr. K. N. Venkatasubramanian. Mr. Naresh Nayyar ceased to be member of the Committee on March 16, 2016. The Committee was reconstituted on March 29, 2016 with induction of Mr. P. S. Ruia as member. Mr. D. J. Thakkar, Independent Director, chairs the meetings. During the year, all the recommendations of the Committee were accepted by the Board.

Risk Management

Risk management is an integral part of day-to-day business activities in your Company. The Enterprise Risk Management function in your company is monitored by the Board of Directors through the Audit Committee.

Commodity price risks and credit & market risks are managed through board approved risk management policies. Risks management procedures are also in place for health, safety, environment and fire.

Your Company documents and maintains up-to-date Risk Registers pertaining to all its business divisions / functions / departments of the organization capturing the Area, Process, Sub-Process, Potential Business Risks, Risk Category, Risk Occurrence, Risk Impact, Risk Control or Mitigation Measures, etc. In the opinion of Board, the Company has no risks which would threaten the existence of the Company.

Internal Financial Controls and their adequacy

The Company has in place a robust system and framework of Internal Financial Controls. This framework provides a reasonable assurance regarding the adequacy of operating effectiveness of controls with regards to reporting, operational, and compliance risks. The framework ensures that the Company has policies and procedures for ensuring orderly and efficient conduct of the business, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The Company has devised appropriate systems and framework including proper delegation of authority, effective IT systems aligned to business requirements, risk based internal audits, risk management framework and whistle blower mechanism.

The Company has also developed and implemented a framework for ensuing internal controls over financial reporting. This framework includes a risk and control matrix covering entity level controls, process and operating level controls and IT general controls. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India.

The entity level policies include anti-fraud policies such as code of conduct, conflict of interest, confidentiality and whistle blower policy and other policies (viz. organization structure, insider trading policy, HR policies and IT security policies).

During the year, controls were tested and no material weakness in design and effectiveness was observed. Nonetheless your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Vigil Mechanism

The Company has established a Vigil Mechanism process by adopting a Whistle blower Policy for directors and employees. This policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct / behaviour is/are noticed, reported or suspected. The Policy provides for adequate safeguards against victimization of persons who use the mechanism and has a process for providing direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The details of establishment of the process can be accessed on the website of the Company at the link http://www.essaroil.co.in/investors/investor-information/corporate-governance.aspx

Auditors and Audit

Statutory Auditor

M/s. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. Accordingly, the members' approval is being sought for their appointment as the Auditors of the Company at the ensuing Annual General Meeting.

The reports given by the Auditors on standalone and consolidated financial statements of the Company form part of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their reports. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Cost Auditor

M/s. Chandra Wadhwa & Co. was appointed as the Cost Auditor for the financial year ended March 31, 2016. The audited annual financial statements for the financial year ended March 31, 2016 had not been adopted by the Company by September 30, 2016. Accordingly, pending approval of the audited financial statements, the Company had prepared provisional cost audit records. The cost audit report for financial year ended March

31, 2016 on the provisional cost audit records has been filed with the Ministry of Corporate Affairs within the prescribed time period. Now based on the audited financial statements the final cost audit records have been prepared and the cost audit report thereon will be filed with the Ministry of Corporate Affairs.

M/s. Chandra Wadhwa & Co. have been reappointed as the Cost Auditor of the Company for the financial year 2016 - 17. In terms of the provisions of Section 148(3) of the Act and the applicable rules, shareholders are requested to approve the remuneration payable to the Cost Auditor for the financial year ending on March 31, 2017.

Secretarial Auditor

The Board had reappointed Mr. Prakash Pandya of M/s P. K. Pandya & Co., Practicing Company Secretaries, as Secretarial Auditor to conduct the Secretarial Audit for the financial year ended on March 31, 2016. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed as Annexure - D to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosures

Meetings of the Board and Committees and attendance of Directors:

The details of meeting of the Board and Committees held during the financial year 2015 -16 and attendance of Directors at the meetings are given in Annexure – E to the Report pursuant to the disclosure requirement of Secretarial Standards - 2.

Particulars of Contracts or Arrangements with Related Parties

All Related Party Transactions entered into during the year were in the ordinary course of the business and on arm's length basis. No material Related Party Transactions i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by the Company. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Act in Form AOC-2 is not applicable. Related party disclosure as required by Accounting Standard 18 have been made in note 45 to the Standalone and Consolidated financial statements of the Company.

Particulars of Loans given, Investments made, Guarantees given and Security provided

Particulars of investments made are provided in the standalone financial statements (Please refer to Note 14 to the standalone financial statements). Since your Company belongs to the petroleum and natural gas sector and operates 'infrastructure facilities' as defined under Schedule VI of the Act, it is not required to comply with provisions relating to making of loans, giving guarantees or providing security as prescribed in Section 186 of the Act.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Act are provided as Annexure – F to this Report.

Extract of Annual Return

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2016 in Form No. MGT 9 is attached herewith as Annexure – G and forms part of this report.

Fixed Deposits

Your Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the Rules framed there under. Accordingly the details required to be reported under Rule 8(5) of the Companies (Accounts) Rules, 2014, are not applicable.

General Disclosures

Your Directors state that for the financial year ended March 31, 2016 no disclosure is required in respect of the following items and accordingly confirm as under:

- Neither the Managing Director & CEO nor the Director (Refinery) receives any remuneration from the Holding and/or Subsidiary companies.
- The Company has neither revised the financial statements nor the report of Board of Directors.
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise or sweat equity shares.

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status or Company's operations in future.
- The Company has not bought back any shares during the year.
- No instance of fraud has been reported to either Audit Committee or the Board of Directors of the Company.

Acknowledgement

The Board wishes to express its sincere appreciation and place on record its gratitude for the faith reposed in and cooperation extended to the Company by the Government of India, State Governments, various Government agencies/ departments, financial institutions, banks, customers, suppliers and investors of the Company. The Board also wishes to place on record its deep gratitude to all its employees whose enthusiasm, team efforts, devotion and sense of belonging has made this Company proud by sustaining its excellent performance year after year.

For and on behalf of the Board of Directors

	D. J. Thakkar	**L. K. Gupta**
Mumbai	Director	Managing Director & CEO
November 23, 2016	(DIN: 00007339)	(DIN: 00017344)

Annexure – A

Information required to be disclosed under the Companies (Share Capital and Debentures) Rules, 2014:

1. Options Granted:

Pursuant to Essar Oil Limited Employee Stock Option Scheme, 2011 (Scheme), the Company has granted 55,24,683 stock options to eligible employees. Following are the details of options granted:

Year of grant of options	Number of options granted
Options granted in 2011	32,11,391
Options granted in 2013	23,13,292
Total	**55,24,683**

2. Options Vested:

As per the Scheme, the options vest in a graded manner in three equal installments, at the end of 3rd/4th/5th years from the grant date. Following are the details of options vested on eligible employees:

Year of vesting	Number of options vested
Options vested in 2014 – 15	6,07,498
Options vested in 2015 – 16	5,43,961
Total	**11,51,459**

3. Options Exercised:

All 11,51,459 options which got vested during the financial year 2015-16 were exercised by eligible employees within the financial year.

4. The total number of shares arising as a result of exercise of option:

As per the Scheme, one option is equivalent to one Equity Share of the Company of ₹ 10/- each. Accordingly, the Company had allotted 11,51,459 Equity Shares of ₹ 10/- each to Essar Oil Limited Employees Stock Option Scheme Trust (Trust). Since, eligible employees had exercised all options that vested on them, as on March 31, 2016, entire 11,51,459 Equity Shares were transferred from Trust to eligible employees and no options / shares were outstanding with the Trust as at the end of the financial year.

5. Options lapsed:

Nil

6. Exercise price:

Exercise price for options granted in 2011 was ₹ 69.05 per option whereas exercise price of options granted in 2013 was ₹ 52.20 per option.

7. Variation of terms of options:

There is no variation in the terms of options granted.

8. Money realized by exercise of options:

During financial year 2015 – 16, the Company received from Trust an aggregate amount of ₹ 7,95,08,244 (Rupees Seven Crore Ninety Five Lakh Eight Thousand Two Hundred and Forty Four only) upon exercise of options by eligible employees.

9. Total number of options in force:

As on March 31, 2016, 24,24,151 options were in force.

10. Employee wise details of options granted to:

(i) Key Managerial Personnel:

The details of options granted to Key Managerial Personnel are as follows:

Name of Key Managerial Personnel	No. of options granted	
	2011-12	2013-14
Chakrapany Manoharan	191,509	319,480
Suresh Jain	120,398	266,233
Sheikh Shaffi (Retired)	77,392	130,318

(ii) Employees who received a grant of options in any one year amounting to five percent or more of options granted during that year.

Name of the employee	No. of options granted exceeding 5% of total grants	
	2011-12	2013-14
Chakrapany Manoharan	191,509	319,480
Narendra Vachharajani	220,971	-
Suresh Jain	NIL	266,233
Srinivas Tuttagunta*	NIL	198,167
Harsh Bhosale	NIL	194,899
Kumar Swain	NIL	182,744
Ramachandran Vaidyanathan	NIL	160,574
Ramamurthy Palepu	NIL	151,985
Sheikh Shaffi (Retired)	NIL	130,318

* Separated from the company as of the date of this report and hence unvested options have been forfeited.

(iii) No employee was granted options during any one year equal to or exceeding 1% of the issued equity shares of the Company at the time of the grant.

For and on behalf of the Board of Directors

	D. J. Thakkar	**L. K. Gupta**
Mumbai	Director	Managing Director & CEO
November 23, 2016	(DIN: 00007339)	(DIN: 00017344)

Annexure – B

Annual Report on CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

A brief outline of the CSR Policy of the Company is as under

CSR Vision

To empower the communities around our areas of operation towards development that is collaborative, progressive, inclusive and sustainable through optimal realisation of human potential and responsible utilisation of resources.

CSR Mission

- To undertake strategic sustainable development initiatives that contribute towards progress in human and social development indicators.
- To complement and supplement the ongoing community development efforts of the Government while introducing innovations in areas where there is a scope and need for the same.
- To encourage partnerships, support and build the capacities of community based institutions, civil society organizations.

CSR Objectives

- To undertake sustainable initiatives under agreed focus areas that lead to measurable progress in the targeted human development indicators especially in areas of education, maternal and child health indicators and environment.
- To initiate and fuel the entrepreneurial aptitude among the people and institutions towards economic development of communities boosting an increase in the annual family income of targeted population.
- To ensure care and support to the marginalised and vulnerable sections of the communities especially the elderly, women and children towards leading a life of dignity and self-dependence.

Scope of CSR Activities

- Communities and villages directly or indirectly impacted by the business operations
- Communities and villages surrounding the business operations in a particular location.
- Any other areas adopted under any specific Memorandum of Understanding or agreement with the Government.

Focus areas

The Company will undertake CSR initiatives by investing resources in any of the following activities in India, excluding activities undertaken in pursuance of normal course of business of the Company and activities that benefit only the employees of the Company and their families:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water
- Promoting education; including special education and employment enhancing vocational skills especially among children and women.
- Enhancing livelihoods for the elderly and the differently abled Promoting gender equality, empowering women; setting up homes and hostels for women and orphans, setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry and conservation of natural resources and taking measures wherever possible for maintaining of quality of soil, air and water.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, Paralympics and Olympic sports.
- Contributions or funds to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects including sanitation.

Implementation

The CSR initiatives activities will be implemented either directly by the Company or through implementing partners. The main implementing partner for EOL is the "Essar Group Foundation" of which the Company is a Trustee. The other partners engaged directly by the Company or through the Essar Group Foundation may include the Government, Knowledge Institutions, Business Associates, NGOs, Community Based Organisations (CBOs) and the communities themselves. The precise roles of stakeholders depend on the local context and changes along with business phases, and the stages of community interventions.

The CSR Policy can be accessed on the website of the Company at the link http://www.essaroil.co.in/media/15032/EOL_CSR_-Policy.pdf

2. As of March 31, 2016 the CSR Committee titled as 'CSR, Safety & Sustainability Committee" comprised of Mr. K. N. Venkatasubramanian, Independent Director, Mr. L. K. Gupta, Managing Director & CEO, Mr. C. Manoharan, Director (Refinery) and the Nominee Director of LIC of India, Mr. R Sudarsan.

3. Average net profits of the company for last three financial years - (₹ 1299.84) Crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) -

The Company was not required to spend 2% of average net profit for the last three financial years as the Company incurred average net loss of (₹ 1299.84) Crore in the preceding three financial years. However as a responsible corporate citizen, the Company has spent ₹ 1152.1 lacs on CSR in financial year 2015-16

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year;- NIL

(b) Amount unspent , if any; - Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR Projects or activities identified	Sector in which the project is covered (As per Schedule VII of the Company Act)	Projects or programs 1. Local area or others 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (Amount ₹ in Lacs)	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or program 2. Overheads (Amount ₹ in Lacs)	Cumulative expenditure upto the reporting period (Amount ₹ in Lacs)	Amount spent direct or through implementing agency
			GUJARAT				
1	Janjagruti Express, Bricks and Clicks Project, Scholarship for Meritorious Students, Contribution for Education Research, Employee Volunteering, Fire Safety Awareness Programme	Promotion of Education, special education and vocational skills	Devbhoomi Dwarka & Jamnagar District	105.00	72.52	72.52	Implementing Agency- Essar Foundation
3	Community Health Project (Community Health Centre, Mobile Health Van, Mother and Child Care Centre, Ambulance, Specialized Medical Camps)	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water	Devbhoomi Dwarka & Jamnagar District	120.00	117.77	117.77	Implementing Agency- Essar Foundation
4	Swachha Bharat Abhiyan	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water	Devbhoomi Dwarka & Jamnagar District	27.00	24.63	24.63	Implementing Agency- Essar Foundation
5	Livelihood Project (Agriculture Development, Animal Husbandry Development Project, Skill Development)	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water	Devbhoomi Dwarka & Jamnagar District	145.00	128.35	128.35	Implementing Agency- Essar Foundation
6	Protection and promotion of Art and Culture in the Villages	Protection of National Heritage, Art and Culture	Devbhoomi Dwarka & Jamnagar District	120.00	120.00	120.00	Implementing Agency- Essar Foundation
7	Rural Development activities in the Rural Areas, Social Cost Benefit Study, Monitoring and Evaluation of CSR Projects, Third Party Assessment	Education Infrastructure	Devbhoomi Dwarka & Jamnagar District	100.00	85.00	85.00	Implementing Agency- Essar Foundation
		Ensuring Environmental Sustainability, ecological balance, wildlife & natural resources conservation	Devbhoomi Dwarka & Jamnagar District	150.00	132.84	132.84	Implementing Agency- Essar Foundation
		Swachh Bharat	Devbhoomi Dwarka & Jamnagar District	10.00	5.51	5.51	Implementing Agency- Essar Foundation
		Rural Infrastructure & Community development programme	Devbhoomi Dwarka & Jamnagar District	443.00	404.73	404.73	Implementing Agency- Essar Foundation

Sr. No.	CSR Projects or activities identified	Sector in which the project is covered (As per Schedule VII of the Company Act)	Projects or programs 1. Local area or others 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (Amount ₹ in Lacs)	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or program 2. Overheads (Amount ₹ in Lacs)	Cumulative expenditure upto the reporting period (Amount ₹ in Lacs)	Amount spent direct or through implementing agency
			WEST BENGAL				
1	Agriculture Development Program	Eradicating extreme hunger and poverty	Durgapur-Burdwan district	30.00	22.48	22.48	Direct
2	School Support Program	Promotion of Education	Durgapur-Burdwan district	10.80	1.93	1.93	Direct
3	Community Health Care Services through Mobile Medical Van	Promoting Health Care	Durgapur-Burdwan district	40.40	29.16	29.16	Direct
4	Support to school sports (Aanchalik & Circle) & rural youth	Rural Sports, Paralympic and Olympic sports	Durgapur-Burdwan district	1.00	0.83	0.83	Direct
5	Construction of atchala, park, (Setting up old age homes, day care centres, and such other facilities for senior citizen) etc.	Gender Equality, Women empowerment,	Durgapur-Burdwan district	2.05	2.01	2.01	Direct
6	Supply of drinking water through tanker during the summer season	Making available safe drinking water	Durgapur-Burdwan district	4.00	3.15	3.15	Direct
7	Project Monitoring and development expenses, community welfare, stakeholder support	Rural Infrastructure & Community development programme	Durgapur-Burdwan district	23.20	1.19	1.19	Direct

Some CSR activities have been carried out directly by the Company and some through Implementing agency, Essar Group Foundation.

6. Reasons for shortfall in spent, if any – Not Applicable

7. Responsibility statement of the CSR Committee - The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

	L. K. Gupta	**K. N. Venkatasubramanian**
Mumbai	Managing Director & CEO	Chairman of the CSR, Safety and Sustainability Committee
November 23, 2016	(DIN: 00017344)	(DIN: 00007392)

Annexure – C

Relevant Chapters (No. 2 and 3) of the Policy for Appointment, Remuneration, Training and Evaluation of Directors and Employees

1. General

1.1 The Companies Act, 2013 requires the Company to formulate the criteria for determining qualifications, positive attributes and independence of directors. The Company is also required to adopt a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

1.2 To meet these objectives, the policy on appointment, remuneration, training and evaluation of directors has been adopted by the Board of Directors on September 30, 2014.

2. Selection, identification and appointment of Directors

2.1 The Nomination and Remuneration Committee is responsible for evaluating the qualifications of each director candidate and of those directors who are to be nominated for election by shareholders at each General Meeting of shareholders, and for recommending duly qualified director nominees to the full Board for election. The qualification criteria set forth herein are designed to describe the qualities and characteristics desired for the Board as a whole and for Board members individually.

2.2 Director Selection Procedures

2.2.1 Corporate Human Resources (CHR) department shall identify and shortlist prospective candidates for election to the Board based on directors qualification criteria.

2.2.2 For each shortlisted director candidate considered for election to the Board, the Nomination and Remuneration Committee shall evaluate each director candidate and recommend to the Board any duly qualified director candidates.

2.2.3 To aid in the short listing and screening process the Nomination and Remuneration Committee may take the support of professional agencies, conduct interviews or have a personality check undertaken or take any other steps to ensure that the right candidates are identified.

2.2.4 A determination of a director's qualifications to serve on the Board shall be made by the Board, upon the recommendation of the Committee, prior to nominating said director for election at the Company's next General Meeting.

2.2.5 Appointment of all Directors, other than directors appointed pursuant to nomination by Financial Institutions under section 161(3) of the Act will be approved by shareholders at a general meeting or through postal ballot.

2.2.6 The Company shall issue a formal letter of appointment to independent directors in the manner as provided in Paragraph IV(4) of Schedule IV of the Act.

2.3 Director qualification criteria

2.3.1 The director candidates should have completed the age of 21 years. The maximum age of executive directors shall not be more than 70 years at the time of appointment / re-appointment. However a candidate who has attained the age of 70 years may be appointed if approved by shareholders by passing of special resolution.

2.3.2 The Board has not established specific education, years of business experience or specific types of skills for Board members, but, in general, expects qualified directors to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values.

2.3.3 The candidate to be appointed as Director shall have a Director Identification Number allotted under section 154 of the Companies Act, 2013 (Act).

2.3.4 A person shall not be eligible for appointment as director of the Company if:

2.3.4.1 He is disqualified for being appointed under section 164 of the Act.

2.3.4.2 The number of directorships post appointment as Director in the Company exceed the total number of directorships permitted under section 165 of the Act.

2.3.5 In addition any person to be appointed as a Managing Director or whole time director in the Company (hereinafter referred to as 'Executive Directors') for being eligible for appointment shall have to meet the requirements setout in Part I of Schedule V of the Act.

2.3.6 Further, while selecting Independent Directors:

2.3.6.1 the Company may select the candidate from data bank(s) containing names, address, qualification of persons who are eligible and willing to act as Independent Directors maintained by institute or association as may be notified by the Central Government having expertise in creation and maintenance of such data bank.

2.3.6.2 The prospective candidates for appointment as Independent Directors shall have to meet the criteria of Independence laid down in sub-section (6) of section 149 of the Act

2.3.7 In the process of short listing Independent Directors, the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

3. Remuneration

3.1 All remuneration / fees / compensation, payable to directors shall be fixed by the Board of Directors and payment of such remuneration fees / compensation shall require approval of shareholders in general meeting except for sitting fee payable to Non Executive Directors for attending Board / Committee.

3.2 The Board shall decide on the remuneration / fees / compensation, payable to directors based on the recommendations of the Nomination and Remuneration Committee.

3.3 The total managerial remuneration payable, to its directors, including managing director and whole-time director, (and its manager) in respect of any financial year shall not exceed eleven per cent of the net profits of the Company for that financial year computed in the manner laid down in section 198 of the Act. Provided that the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding eleven per cent of the net profits of the Company, subject to the provisions of Schedule V of the Act:

3.4 The Nomination and Remuneration Committee shall ensure the following while recommending the remuneration / fee / compensation payable to Directors:

3.4.1 Executive Directors

3.4.1.1 The remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the Company and if there is more than one such director remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together. Else the remuneration will be subject to approval of central government as may be required.

3.4.1.2 In case of inadequacy of profits, the Committee while approving the remuneration for executive directors shall

3.4.1.2.1 take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.

3.4.1.2.2 be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

3.4.2 While considering payment of remuneration / increase in remuneration payable to executive directors, key managerial personnel and other executives, the Nomination and Remuneration Committee may among other factors consider the following:

3.4.2.1 the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully

3.4.2.2 relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3.4.2.2.1 remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3.4.2.2.2 the factors mentioned in The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, may be considered, which are required to be disclosed in the Directors Report.

3.4.3 Non executive Directors including Independent Directors

3.4.3.1 The remuneration payable to Non Executive Directors shall not exceed 1% of the net profits of the Company.

3.4.3.2 A Non-Executive director may be paid remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever. The amount of such fee shall not exceed ₹ 1,00,000 for attending each meeting of the Board or Committee thereof or such higher amount as may be prescribed by the Central Government.

3.4.3.3 An independent director shall not be entitled to any stock option.

For and on behalf of the Board of Directors

	D. J. Thakkar	**L. K. Gupta**
Mumbai	Director	Managing Director & CEO
November 23, 2016	(DIN: 00007339)	(DIN: 00017344)

Annexure – D

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Essar Oil Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Essar Oil Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 upto February 16, 2016, being the date on which equity shares of the Company were delisted:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 applicable till 14th May, 2015

  (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f 15th May,2015;

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) Regulations 23 (4) and 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f 02nd September, 2015 and rest of the applicable provision of the said Regulations w.e.f 01st December, 2015

(g) Applicable clauses of the equity Listing Agreements entered into by the Company with Stock Exchanges viz., Bombay Stock Exchange Limited and National Stock Exchange of India Limited upto 30th November, 2015; and

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009.

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended on 31st March, 2016:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investments.

(vi) Other laws specifically applicable to the Company:

(a) Petroleum Act, 1934 and rules made thereunder;

(b) The Mines Act, l952 and Rules made thereunder including Oil Mines Regulation;

(c) Oil Field (Regulation and Development) Act, 1948;

(d) Merchant Shipping Act, 1958 and Rules made thereunder;

(e) Essential Commodity Act, 1955 and relevant orders

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and as applicable to the company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision of the Board of Directors were carried through and are captured and recorded as part of the minutes. There were no dissenting views.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

As per the provisions of SEBI (Delisting of Equity Shares) Regulations, 2009, Oil Bidco (Mauritius) Limited, a promoter group company had vide public announcement dated December 5, 2015 and offer letter of same date, sought to acquire 142,489,858 Equity Shares constituting 28.54% of the Share Capital from the public shareholders of the Company being all the shareholders of the Company other than (i) Promoter Shareholders and (ii) Bank of New York Mellon, as depository, which holds 951,463,854 Equity Shares against which the GDSs have been issued.

The delisting offer was successful and Oil Bidco (Mauritius) Limited accepted the Discovered Price of ₹ 262.80/- per Equity Share as the final price for the Delisting Offer. Upon application made by the Company, BSE Limited had vide its notice no. 20160127/22 and the National Stock Exchange of India Limited had vide its circular bearing reference number 55/2016, both dated January 27, 2016, communicated that the trading in Equity Shares of the Company will be discontinued w.e.f. February 10, 2016 and the Company will be delisted from both the Stock Exchanges i.e. BSE and NSE w.e.f. February 17, 2016.

As required under SEBI (Delisting of Equity Shares) Regulations, 2009, on February 17, 2016, Oil Bidco (Mauritius) Limited had given an exit opportunity to remaining public shareholders of the Company for a period of one year to tender their equity shares upto February 16, 2017.

For P. K. Pandya & Co.
Practising Company Secretary

Prakash K. Pandya

Place: Mumbai
Date: 09th November, 2016

FCS No.: 3901
COP No.: 2311

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
Essar Oil Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Essar Oil Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P. K. Pandya & Co.
Practising Company Secretary

Prakash K. Pandya
FCS No.: 3901
COP No.: 2311

Place: Mumbai
Date: 09th November, 2016

Annexure – E

Details of meetings of the Board of Directors and Committees held during the financial year 2015 -16

Sr. No	Names of Directors	Meetings of Board of Directors	Meetings of Committee of Directors							
			Audit	Nomination and Remuneration	Investor's Relations	CSR, Safety and Sustainability	Banking & Finance	Committee Of Directors (Capital Issues)	E&P Business Management	Business Management
A)	Number of meetings held	6	8	6	4	1	3	1	9	10
B)	Dates of meeting	25/05/2015; 29/07/2015; 24/08/ 2015; 6/11/2015; 9/2/ 2016; 4/3/2016	17/04/2015; 25/05/2015; 26/06/2015; 29/07/2015; 24/08/2015; 30/09/2015; 5/11/2015; 8/02/2016;	25/05/2015; 29/07/2015; 24/08/2015; 6/11/2015; 22/12/2015; 29/01/2016;	25/05/2015; 29/07/2015; 6/11/2015; 8/02/2016	4/12/2015	24/06/2015; 18/09/2015; 8/2/2016	28/07/2015	26/05/2015; 16/06/2015; 23/07/2015; 17/08/2015; 21/09/2015; 4/11/2015; 30/11/2015; 21/12/2015; 21/01/2016	16/04/2015; 27/05/2015; 15/06/2015; 30/07/2015; 21/08/2015; 1/10/2015; 5/11/2015; 3/12/2015; 22/12/2015; 9/2/2016
C)	Attendance of each Director at Board and Committee Meetings									
1	Mr. Prashant S. Ruia	6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Mr. Naresh K Nayyar (1)	5	7	6	4	N.A.	1	1	8	10
3	Mr. Lalit K. Gupta	6	N.A.	N.A.	4	1	3	1	7	10
4	Mr. Chakrapany Manoharan	6	N.A.	N.A.	N.A.	1	N.A.	N.A.	N.A.	10
5	Mr. D. J. Thakkar	4	8	N.A.	4	N.A.	3	1	N.A.	N.A.
6	Mr. K. N. Venkatasubramanian	5	7	4	N.A.	1	N.A.	NIL	N.A.	8
7	Capt. B. S. Kumar (2)	2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8	Mr. V. S. Jain (3)	6	N.A.	6	N.A.	N.A.	N.A.	N.A.	N.A.	10
9	Mr. Deepak Kumar Varma (4)	2	N.A.	N.A.	1	N.A.	N.A.	N.A.	N.A.	N.A.
10	Dr. Sabyasachi Sen (5)	6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	7	N.A.
11	Ms. Rugmani Shankar (6)	6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	9	N.A.
12	Mr. Sudhir Garg	4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
13	Mr. R. Sudarsan	4	N.A.	N.A.	N.A.	1	N.A.	N.A.	N.A.	N.A.

1) Resigned on March 16, 2016
2) Appointed on December 29, 2015 and resigned on March 9, 2016
3) Resigned on March 23, 2016
4) Ceased to be Director w.e.f. October 9, 2015
5) Appointed on May 25, 2015 and resigned on March 14, 2016
6) Ceased to be Director w.e.f. March 30, 2016

For and on behalf of the Board of Directors

D J Thakkar
Director
DIN:00007339

L K Gupta
Managing Director & CEO
DIN:00017344

Mumbai
November 23, 2016

Annexure – F

A. Conservation of Energy

(i) The steps taken or impact on conservation of energy

The Company's Refinery has always given highest priority towards energy conservation It is taking sustained efforts towards energy conservation by investing on energy studies and implementing many schemes resulting in reduced energy consumption.

For this purpose, a dedicated Energy Cell is focusing on energy management and close monitoring of energy consumption and comparing it with global benchmarks. The energy consumption of all our process units and utility blocks are monitored constantly and corrective steps are immediately taken to ensure optimal utilisation of energy.

Sustained efforts were made in the financial year 2015 – 16 for reduction in energy consumption. Major energy conservation measures taken included:

a) Installation of Liquid ring compressor to eliminate flare losses from Delayed Coker unit blow down section.

b) Utilization of additional sat gas as HMU feed realized in reduction in Fuel gas requirement.

c) Stoppage of one of the Cooling Tower catering cooling of process condensate with an alternate lower power consumption arrangement of idle fin-fan utilization to cool the condensate.

d) Stoppage of one of the DM water transfer pumps by optimization in discharge header pressure.

e) Stoppage of one of the cold Vacuum Residue pumps by an optimized feed management to DCU.

f) Installation of low speed motor of blow down pump in power plant.

g) Online cleaning of CDU/VDU Heaters which helped in reduction of the Fuel gas consumption.

h) Periodic steam survey conducted to identify and replace faulty and passing steam traps.

These and other energy initiatives have helped to reduce significant energy consumption of 36 Giga calories per hour.

At the Coal Bed Methane field at Raniganj, West Bengal, concerted efforts have been made by reducing dependence on higher emission fuels like High Speed Diesel (HSD) through substitution by relatively cleaner CBM and conservation of energy through innovative engineering solutions. Being a low pressure reservoir, the CBM Field needs external energy for continuous evacuation of water and production of gas from the wells. Progressive Cavity Pumps (PCPs) or Electrical Submersible Pumps (ESPs) were used for this purpose. Additionally, to compress gas to a delivery pressure as per end users specifications, all the power requirement for the pumps and compressors is being met through gas driven drives.

Variable Frequency Drives (VFDs) are being used for running the pumps optimally which helps in conserving energy. A mix of active and passive harmonic filters is used to reduce generation of harmonics in the system. This helps in increasing the power factor besides enabling us to optimize the size of the gensets, all of which results in conservation of energy.

(ii) The steps taken by the Company for utilizing the alternate sources of energy:

Replacing the sodium vapour lamps which were run on electricity generated by gas generators with the solar lamps is a step towards using renewable energy. Additionally, installing solar lamps to light the well pads is in the process.

(iii) The Capital investment on energy conservation equipments

At the refinery, following capital expenditures are being evaluated for conserving energy:

a) Installation of energy efficient Fan blades in Cooling Tower.

b) Heat exchanger Installation for CDU-2 Pinch.

c) HSD tank side stream mixture provision which will result in stopping of high capacity pump for circulation.

d) DM water heating with VGOMHC diesel scheme.

e) At Raniganj, the Company has invested approx. INR 10 crores towards energy conservation equipment.

B. Technology Absorption

(i) The efforts made towards technology absorption:

After commissioning all our expansion units in 2011 – 12 by absorbing latest technology in secondary processing units and innovative ideas were implemented in further improving the effectiveness and efficiency.

(ii) The benefits derived like project improvement, cost reduction, project development or import substitution:

R&D center at Refinery, after establishing the correlation between S-value and fouling, now routinely monitors prediction of fouling potential and compatibility of various crude blends before processing at refinery. Also certain heavy to ultra-heavy crude oils with high viscosity and pour point are subjected to compatibility study to establish the proportions of blending before shipment of blended crude. This has definitely ensured smooth operation of atmospheric crude distillation unit of our refinery.

Following R&D activities were conducted during the year:

a) Commissioning of in-house designed and developed dynamic flow crude oil de-salter.

b) Actual on-line cleaning of furnace heater tubes using in-house developed formulation.

c) Development of hydrocarbon de-contamination chemical agent.

d) Design and development of overhead corrosion system.

e) Upgradation of Petcoke to activated carbon.

The benefits expected to derive from the above R&D activities are:

a) With the commissioning of dynamic flow de-salting facility, studies will be conducted on various crude oils including various heavy to ultra-heavy crudes and various blends to evaluate the desalting efficiency and optimize the de-salter parameters and operation at refinery.

b) The in-house developed formulation for cleaning of furnace heater tube was actually used in one of the CDU heaters and cleaning was found to be equally effective as compared to imported material. This is now an alternative which can be made easily available in-house and used for cleaning of furnace tubes at refinery.

c) Refineries before handing over various units for any maintenance, has to ensure these are made free from hydrocarbons and contaminants and cleaned for safe entry for inspection, repair and maintenance. Cleaning is generally being done by using a hydrocarbon decontamination agent. A similar type of decontamination agent was formulated in-house with equivalent cleansing efficiency. This is again an alternative agent which can be made available in-house and used at refinery.

d) All refiners have been facing different type of corrosion in various refinery units; one of them is generally termed as crude column overhead corrosion. To explore possibility to study crude column overhead corrosion, facility was designed in-house and externally fabricated from glass. This facility shall help to measure the corrosion rate while using various crude blends at refinery under specific conditions. Also further the studies shall be extended for reducing corrosion using different type of neutralizing additives.

e) Feasibility to upgrade the low value Petcoke material to high value Activated carbon (which is currently more than 10 times of petcoke) was experimentally successful through chemical treatment. This shall be a value added proposition in near future.

f) The innovative mix of active and passive Harmonic Filters at Raniganj CBM field provides a cost effective solution for countering generation of harmonics. This has helped in improving the power factor from 0.88 to 0.98 and which has resulted in annual saving of about INR 1.5 crores. As the activities scale up, the savings from these initiatives are expected to increase further.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

a) The Company did not import any technology during the preceding three financial years.

b) Year of import:
N.A.

c) Has technology been fully absorbed?
N.A.

d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action – N.A.

(iv) The Expenditure on R & D : ₹ 222.50 lakhs

At Refinery

a) Capital – ₹ 121.02 Lakhs
b) Recurring – ₹ 101.48 Lakhs
c) Total – ₹ 222.50 Lakhs
d) Total R & D expenditure as a percentage of total turnover– negligible

C. Foreign Exchange Earnings and Outgo

Particulars relating to Foreign Exchange Earning and Outgo appear in Note No 31 and 33 of standalone financial statements.

For and on behalf of the Board of Directors

	D J Thakkar	**L K Gupta**
Mumbai	Director	Managing Director & CEO
November 23, 2016	DIN:00007339	DIN:00017344

Annexure – G

Form No. MGT 9

Extract of Annual Return

As on financial year ended on March 31, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details

1	CIN	U11100GJ1989PLC032116
2	Registration Date	September 12, 1989
3	Name of the Company	Essar Oil Limited
4	Category/Sub-category of the Company	Public Limited Company
5	Address of the Registered office & contact details	Khambhalia, Post Box No-24, Dist. Devbhumi Dwarka, Gujarat, Tel: +91-2833-661444, Fax: +91-2833-662929, Email:EOLCompanySec@essar.com
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Datamatics Financial Services Limited, Unit: Essar Oil Limited, Plot No. B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai – 400 093, Tel: +91-22-66712001 to 66712156, Fax: +91-22-66712209, Email:eolinvestors@dfssl.com

II. Principal Business Activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of the company
1	Refining and Marketing	1920	100
2	Exploration and Production	6202	0**

* As per National Industrial Classification 2008 – Ministry of Statistics and Programme Implementation.

** This represents turnover of less than 0.01%.

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Essar Energy Holdings Limited * 10, Frere Felix, DE Valios Street, Port Louis, Mauritius	NA	Holding Company	90.04	2(46)
2	Essar Oil Trading Mauritius Limited 10, Frere Felix, DE Valios Street, Port Louis, Mauritius	NA	Subsidiary Company	100	2(87)
3	Vadinar Properties Limited Essar House,11 K K Marg, Mahalaxmi, Mumbai - 400034	U70100MH2006PLC160616	Subsidiary Company	100	2(87)
5	Vadinar Power Company Limited Vadinar Power Company Administration Building, Refinery Site,39 Km, Jamnagar-Okha Highway, Vadinar, Jamnagar, Gujarat	U40100GJ1997PLC033108	Associate Company	26.01	2(6)
6	Vadinar Liquid Terminals Limited Salaya Administrative Building, 44 KM, Mile Stone, Okha Highway, Jam Khambhaliya, Khajurda, Gujarat	U74140GJ2015PLC082393	Associate Company	26	2(6)

* Holder of equity shares comprising of 24.45% of the paid up share capital of the Company and balance 65.59% are Global Depository Shares represented by underlying equity shares of the Company

IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year **
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/ HUF	-	-	-	-	0	0	0		
b)	Central Govt	-	-	-	-	0	0	0		
c)	State Govt(s)	-	-	-	-	0	0	0		
d)	Bodies Corp.	6,215,026	0	6,215,026	0.43	2,000,000	0	2,000,000	0.14	-0.29
e)	Banks / FI	-	-	-	-	0	0	0	0.00	
f)	Any other	-	-	-	-	0	0	0	0.00	
Sub Total (A) (1)		6,215,026	0	6,215,026	0.43	2,000,000	0	2,000,000	0.14	-0.29
(2)	**Foreign**									
a)	NRI Individuals									
b)	Other Individuals									
c)	Bodies Corp.	354,714,647	0	354,714,647	24.47	466,781,900	38,250	466,820,150	32.18	7.71
d)	Any other									
Sub Total (A) (2)		354,714,647	-	354,714,647	24.47	466,781,900	38,250	466,820,150	32.18	7.71
TOTAL (A)		**360,929,673**	**-**	**360,929,673**	**24.90**	**468,781,900**	**38,250**	**468,820,150**	**32.32**	**7.42**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	10,000,200	10,600	10,010,800	0.69	200	10,600	10,800	0.00	-0.69
b)	Banks / FI	11,021,382	50	11,021,432	0.76	100	50	150	0.00	-0.76
c)	Central Govt	-	-	-	-	0	0	0	0.00	
d)	State Govt(s)	-	-	-	-	0	0	0	0.00	
e)	Venture Capital Funds	-	-	-	-	0	0	0	0.00	
f)	Insurance Companies	-	-	-	-	0	0	0	0.00	
g)	FIIs	27,166,830	300	27,167,130	1.87	298,868	300	299,168	0.02	-1.85
h)	Foreign Venture Capital Funds								0.00	
i)	Others (specify)								0.00	
Sub-total (B)(1):-		48,188,412	10,950	48,199,362	3.32	299,168	10,950	310,118	0.02	**-3.30**
2.	**Non-Institutions**									
a)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
i)	Indian	36,450,639	56,451	36,507,090	2.52	322,354	53,051	375,405	0.03	-2.49
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	28,583,600	16,644,686	45,228,286	3.12	11,692,909	15,910,221	27,603,130	1.90	-1.22
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	5,224,649	217,700	5,442,349	0.38	115,584	217,700	333,284	0.02	-0.35
c)	Others (specify)	-	-	-	-	0	0	0	0.00	
i)	Shares in Escrow Account	0	0	0	0.00	587,246	-	587,246	0.04	0.04
ii)	NRIs and OCBc	1,012,236	734,050	1,746,286	-	468,472	706,700	1,175,172	0.08	0.08
Sub-total (B)(2):-		71,271,124	17,652,887	88,924,011	6.13	13,186,565	16,887,672	30,074,237	2.07	-4.06
Total Public (B)		**119,459,536**	**17,663,837**	**137,123,373**	**9.46**	**13,485,733**	**16,898,622**	**30,384,355**	**2.09**	**-7.37**
C.	**Shares held by Custodian for GDRs & ADRs***	951,463,854	0	951,463,854	65.64	951,463,854	0	951,463,854	65.59	-0.05
Grand Total (A+B+C)		**1,431,853,063**	**17,663,837**	**1,449,516,900**	**100.00**	**1,433,731,487**	**16,936,872**	**1,450,668,359**	**100.00**	**0.00**

* GDS are held by Essar Energy Holdings Limited, holding company

** the percentage change in shareholding is also impacted due to increase in total paid-up share capital by issue of further 11,59,459 equity shares during the financial year

ESSAR
OIL & GAS

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year *
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Essar Energy Holdings Limited	354,714,547	24.47	17.52	354,714,547	24.45	17.51	-0.02
2	Oil Bidco Mauritius Limited	-	-	0.00	112,105,503	7.73	0.00	7.73
3	Imperial Consultants and Securities Private Limited	6,215,026	0.43	0.14	2,000,000	0.14	0.00	-0.29
4	Essar Power Hazira Holdings Limited	100	0.00	0.00	100	0.00	0.00	0.00
	Total	**360,929,673**	**24.90**	**17.66**	**468,820,150**	**32.32**	**17.51**	**7.42**

** the percentage change in shareholding is also impacted due to increase in total paid-up share capital by issue of further 11,59,459 equity shares during the financial year

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on April 1, 2015		Date	Reason	Increase / Decrease in shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Oil Bidco (Mauritius) Limited	0	0.00	31-12-15	Acquisition of Shares through reverse book building process under SEBI (Delisting of Equity Shares) Regulations, 2009	100,900,698	6.96	100,900,698	6.96
				18-03-16	Acquisition of Shares through Exit Offer process under SEBI (Delisting of Equity Shares) Regulations, 2009	41,550	0.00	100,942,248	6.96
				31-03-16		11,163,255	0.77	112,105,503	7.73
2	Imperial Consultants & Securities Private Limited	6,215,026	0.43	16-11-15	Invocation of pledge by lender	-3,000,000	-0.21	3,215,026	0.22
				26-11-15		-1,215,026	-0.08	2,000,000	0.14

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Increase during the year	Decrease during the year	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company
1	Fulchand Fojmal	217,700	0.02	0	0	217,700	0.02
2	Managed Pension Funds Limited	86,859	0.01	100,086		186,945	0.01
3	Jayantilal Mohanlal Mehta	80,000	0.01	0	0	80,000	0.01
4	The Ohio Casualty Insurance Company	0	0.00	70,154	0	70,154	0.00
5	Md. Habibullah	42,450	0.00	0	0	42,450	0.00
6	Fidelity Salem Street Trust Spartan Emerging Markets Index Fund	27,057	0.00	0	0	27,057	0.00
7	Vishwambhar Rathi	19,500	0.00	3,500	0	23,000	0.00
8	Coomie Eruch Desai	21,100	0.00	0	0	21,100	0.00
9	Bharat Dhirajlal Shah	30,000	0.00	0	10000	20,000	0.00
10	K Raheja Realty Private Limited	14,300	0.00	0	0	14,300	
11	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc (DFAIDG) #	1,729,249	0.12	0	1729249	0	0.00

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Increase during the year	Decrease during the year	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company
12	The Emerging Markets Small Cap Series of the DFA Investment Trust Company #	2,063,648	0.14	0	2,063,648	0	0.00
13	M B Finmart Pvt Ltd #	8,016,242	0.55	422,404	8,438,646	0	0.00
14	Puran Associates Pvt Ltd #	8,309,600	0.57	383,279	8,692,879	0	0.00
15	LIC of India Market Plus 1 Growth Fund #	20,767,782	1.43	0	20,767,782	0	0.00
16	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund #	3,173,339	0.22	0	3,173,339	0	0.00
17	Global Strong Growth Fund #	3,480,000	0.24	0	3,480,000	0	0.00
18	Morgan Stanley Asia (Singapore) Pte. #	7,037,112	0.49	4,088,033	11,123,331	1,814	0.00
19	K. A. Investments Consultancy LLP #	2,209,531	0.15	658,589	2,868,120	0	0.00
20	VIC Enterprises Pvt Ltd #	8,170,982	0.56	381,633	8,552,615	0	0.00

* The shares of the Company were traded on stock exchanges in electronic mode till February 10, 2016. Hence the date wise increase/decrease in shareholding is not available.
# Ceased to be in the list of Top Ten shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top Ten shareholder as on 01-04-2015.
** Shareholding in folios having common PAN have been clubbed.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Increase during the year	Decrease during the year	Cumulative Shareholding during the year	
		No. of Shares	% of total shares			No. of Shares	% of total shares
1	C. Manoharan	0	0.00	127,672	127,672	-	0.00
2	K N Venkatasubramanian	6,500	0.00	-	6,500	-	0.00
3	Dilip J Thakkar	300	0.00	-	0	300	0.00
4	Naresh Kumar Nayyar *	8,000	0.00	-	8,000	-	0.00
5	Sudhir Garg	200	0.00	-	200	-	0.00
6	Virendra Singh Jain *	600	0.00	-	600	-	0.00
7	Suresh Chandra Jain	475	0.00	80,264	80,739	-	0.00
8	Sheikh S Shaffi	50	0.00	51,594	51,644	-	0.00

* Mr. Naresh Nayyar and Mr. Virendra Singh Jain ceased to be Director w.e.f. March 16, 2016 and March 23, 2016 and accordingly the cumulative shareholding during the year is considered till the date of their cessation.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,029.99	45.09	-	27,075.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.13	-	-	21.13
Total (i+ii+iii)	**27,051.12**	**45.09**	**-**	**27,096.21**
Change in Indebtedness during the financial year				
Addition	8,946.46	0.33	-	8,946.79
Reduction	(6,183.96)	(9.96)	-	(6,193.92)
Net Change	2,762.50	(9.63)	-	2,752.87
Indebtedness at the end of the financial year				
i) Principal Amount	29,681.14	35.46	-	29,716.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	132.48	-	-	132.48
Total (i+ii+iii)	**29,813.62**	**35.46**	**-**	**29,849.08**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

Sr. No.	Particulars of Remuneration	MD/WTD/ Manager		Total Amount
	Name	Mr. L. K. Gupta	Mr. C. Manoharan	
	Designation	Managing Director and CEO	Director (Refinery)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	126,220,000	29,401,800	155,621,800
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	9,341,876	2,201,171	11,543,047
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			-
2	Stock Option*	-	16,800,039	16,800,039
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify (Contribution to provident fund)	3,110,400	1,680,000	4,790,400
	Total (A)	**138,672,276**	**50,083,010**	**188,755,286**
	Ceiling as per the Act	**10% of net profit**		

* This is perquisite value of options exercised pursuant Essar Oil Employee Stock Options Scheme.

B. Remuneration to other Directors

(Amount in ₹)

Sr. No.	Name	Commission [1]	Sitting Fees	Total Compensation
A)	**Non-Executive Directors**			
1	Mr. Prashant Ruia	-	120,000	120,000
2	R. Sudarsan	-	100,000	100,000
	Total (A)	**-**	**220,000**	**220,000**
B)	**Independent Directors**			
3	Mr. D. J. Thakkar	1,000,000	960,000	1,960,000
4	Mr. K. N. Venkatasubramanian	1,000,000	1,160,000	2,160,000
5	Mr. V. S. Jain	1,000,000	980,000	1,980,000
6	Dr. Sabyasachi Sen	-	620,000	620,000
7	Ms. Rugmani Shankar	-	660,000	660,000
8	Mr. D. K. Varma	500,000	180,000	680,000
9	Capt. B. S. Kumar	-	100,000	100,000
10	Mr. S. V. Venkatesan	500,000	-	500,000
	Total (B)	**4,000,000**	**4,660,000**	**8,660,000**
	Grand Total (A+B)	**4,000,000**	**4,880,000**	**8,880,000**
	Overall Ceiling as per the Companies Act, 2013	1% of net profit	Rs.1,00,000 per meeting	

[1] The Commission pertains to financial year 2014 - 15 and paid in 2015 - 16

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
	Designation	CEO	CFO	CS	
1	Gross salary	Refer part VI A			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		28,666,800	13,419,480	42,086,280
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961		15,000	15,000	30,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	-
2	Stock Option*		10,420,274	6,006,831	16,427,105
3	Sweat Equity		-	-	-
4	Commission				
	- as % of profit		N.A.	N.A.	N.A.
	- others, specify		N.A.	N.A.	N.A.
5	Others, please specify (Contribution to Provident Fund)		1,680,000	673,920	2,353,920
	Total	**-**	**40,782,074**	**20,115,231**	**60,897,305**

* This is perquisite value of options exercised pursuant Essar Oil Employee Stock Options Scheme.

VII. Penalties / Punishment/ Compounding of Offences: Not Applicable

For and on behalf of the Board of Directors

D J Thakkar
Director
DIN:00007339

L K Gupta
Managing Director & CEO
DIN:00017344

Mumbai
November 23, 2016

Independent Auditors' Report

TO
THE MEMBERS OF ESSAR OIL LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying financial statements of ESSAR OIL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these financial statements based on our audit.

5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

6. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, in particular our comment in paragraph 9 (a) below, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the

Company as at 31st March, 2016, and its profits and its cash flows for the year ended on that date.

Emphasis of Matters

9. Attention is invited to the following Notes of the Financial Statements:

   (a) Note No. 34 regarding the Company's ability to collect amounts due from related parties and certain other entities aggregating to ₹ 23,960.45 crore, in the near to short term and having the required cash flow to discharge its liability for payment to the National Iranian Oil Company aggregating to ₹ 17,614.20 crore, and be able to continue as a going concern, which is predicated on the timely closure and successful implementation of the agreements including the escrow arrangement and acquisition of shares in identified companies, as detailed in the note.

   (b) Note No. 7(ii) (a) regarding accounting for interest on debentures for the period October 1998 to April 2012 on cash basis, in accordance with the orders of the Gujarat High Court.

   (c) Note No. 7(ii) (c) regarding measurement of certain borrowings in accordance with the Accounting Standard 30 on Financial Instruments, Recognition and Measurement as per the accounting policy consistently followed by the Company.

   Our Audit Report is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, having regard and further to the matters described in paragraph 9(b) above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) Having regard and further to the matters described in paragraphs 9 (b) and (c) above, in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

   e) The going concern matter described in paragraph 9 (a) above could, if the agreements are not successfully implemented as stated in Note No. 34 to the Financial Statements, have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to the best of our knowledge and belief and according to the explanations given to us by the management:

i. The Company has disclosed the impact as estimated of pending litigations on its financial position in its financial statements in accordance with generally accepted accounting principles.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

11. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

P. B. Pardiwalla
Partner
Membership No. 40005
Mumbai, 23rd November, 2016

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 10g under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Essar Oil Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

P. B. Pardiwalla
Partner
Membership No. 40005
Mumbai, 23rd November, 2016

Annexure "B" to the Independent Auditors' Report

[Referred to in paragraph 11 under "Report on Other Legal and Regulatory Requirements" section of our report of even date]

1. In respect of its fixed assets:

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets of the Company have been physically verified during the year by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per the information and explanations given to us by the Management, no material discrepancies as compared to book records were noticed in respect of the fixed assets verified during the year.

   (c) According to the information and explanations given to us and the records examined by us we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date except as follows:

Total number of cases	Whether leasehold/ freehold	Amount (₹ in crore)
14	Freehold	0.24

In respect of leasehold land, the lease agreements are in the name of the Company except as follows:

Total number of cases	Whether leasehold/ freehold	Amount (₹ in crore)
15	Leasehold	1.55

2. As explained to us, inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of coal inventory requiring technical expertise for establishing physical quantities, the Company has hired independent agencies for physical verification of such stocks whose certificate we have relied upon.

3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

4. The company has not given any loans to directors, etc. covered under section 185 of the Act. The provisions of section 186 of the Act has been complied with. The Company has been legally advised that loan or guarantee or security given are not covered under section 186 of the Act.

5. According to the information and explanations given to us, the Company has not accepted any public deposits during the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, in respect of manufacture of petroleum products and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues, as applicable, with the appropriate authorities.

There are no undisputed amounts payable in respect of the above statutory dues outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, details of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Total disputed dues (₹ in Crores)	Amount paid (₹ in Crores)	Amount unpaid (₹ in Crores)
Gujarat Value Added Tax Act, 2003	Sales Tax & Interest	Gujarat Sales Tax Tribunal	2007-08	0.23	0.03	0.20
		Jt. Commissioner Appeal, Rajkot	2008-09, 2010-11, 2011-12	1,378.12	-	1,378.12
Central Sales Tax Act, 1956	Sales Tax & Interest	Jt. Commissioner Appeal, Rajkot	2008-09, 2010-11 2011-12	199.93	-	199.93
	Sales Tax & Interest and penalty	Gauhati High Court	2010-11, 2011-12	16.34	-	16.34
Central Excise Act, 1944	Excise Duty, Interest, Fine and Penalty	Central Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2012-13	82.17	2.03	80.14
Customs Act 1962	Customs Duty, Interest, Fine and Penalty	Commissioner of Customs (Appeals)	2012-13, 2013-14	0.07	-	0.07
		Central Excise & Service Tax Appellate Tribunal (CESTAT)	2008-09, 2009-10, 2012-13, 2013-14, 2014-15	101.13	6.78	94.35
Service Tax Rules, 1994	Penalty	Central Excise & Service Tax Appellate Tribunal (CESTAT)	2004-05 to 2009-10	2.40	-	2.40
Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax, Penalty and Interest	MP Commercial Tax Appellate Board, Bhopal	2008-09	0.02	0.01	0.01
		High Court of Madhya Pradesh	2007-08	0.08	0.02	0.06
Income tax Act, 1961	Income tax and Interest	Supreme Court	AY 1998-99	0.96	0.78	0.18
		Bombay High Court	AY 2004-05	6.25	-	6.25

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders.

9. In our opinion and according to the information and explanations given to us, term loans (long term loans with repayment beyond 36 months in case of banks) have been applied by the Company during the year for the purposes for which they were obtained. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act except for remuneration paid to Managing Director and Chief Executive Officer in excess of the approved limits by ₹ 6.27 crores which is subject to approval of shareholders at the ensuing annual general meeting.

12. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act, are not applicable.

16. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

P. B. Pardiwalla
Partner
Membership No. 40005
Mumbai, 23rd November, 2016

Balance Sheet
as at March 31, 2016

(₹ in crore)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
Equity and Liabilities			
Shareholders' funds			
a) Share capital	4	1,467.27	1,466.12
b) Reserves and surplus	5	4,171.13	2,402.97
Advance towards issue of global depository shares	6	1,500.53	1,500.53
Non-current liabilities			
a) Long-term borrowings	7	16,878.17	15,189.35
b) Deferred tax liabilities (Net)	8(b)	-	-
c) Other long term liabilities	10	523.16	629.29
d) Long-term provisions	11	5.14	5.14
Current liabilities			
a) Short-term borrowings	12	11,254.57	10,069.92
b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		0.95	1.94
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 34)		25,308.66	21,094.75
c) Other current liabilities	10	6,409.78	8,031.69
d) Short-term provisions	11	472.03	30.31
TOTAL		**67,991.39**	**60,422.01**
Assets			
Non-current assets			
a) Fixed assets	13		
(i) Tangible assets		20,304.31	21,087.59
(ii) Intangible assets		30.07	181.66
(iii) Capital work-in-progress		3,635.16	3,339.13
(iv) Intangible assets under development		-	262.46
b) Non-current investments	14	104.75	1,129.75
c) Long-term loans and advances	18	2,445.75	3,262.79
d) Other non-current assets	19	825.56	961.88
Current assets (refer note 34)			
a) Current investments	14	1,025.00	1,195.00
b) Inventories	15	3,951.10	5,130.90
c) Trade receivables	16	15,771.78	12,411.47
d) Cash and bank balances	17	1,588.43	2,044.74
e) Short-term loans and advances	18	11,507.01	3,052.38
f) Other current assets	19	6,802.47	6,362.26
TOTAL		**67,991.39**	**60,422.01**
The accompanying notes 1 to 46 are an integral part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner
Mumbai, November 23, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Lalit Kumar Gupta
Managing Director and
Chief Executive Officer

Suresh Jain
Director - Finance

Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in crore)

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations (Gross)	20	66,079.69	93,206.31
Less: Excise duty		9,678.65	6,141.72
Revenue from operations before Sales tax / VAT		56,401.04	87,064.59
Less: Sales tax / VAT		3,935.12	3,858.78
Revenue from operations (net)		52,465.92	83,205.81
Other income	21	1,932.49	1,026.41
Total Revenue		**54,398.41**	**84,232.22**
Expenses			
Cost of raw materials consumed	22	36,654.96	70,336.40
Purchase of stock-in-trade	23	5,030.24	2,919.35
Changes in inventory of finished goods, work-in-progress and stock-in-trade	24	716.76	1,479.01
Employee benefits expense	25	321.01	229.21
Other expenses	26	3,902.80	3,504.48
		46,625.77	**78,468.45**
Earnings before finance costs, depreciation / amortisation and depletion expense, exceptional items and tax (EBIDTA)		**7,772.64**	**5,763.77**
Finance costs	27	2,394.67	2,567.18
Depreciation / amortisation and depletion expense	13	1,627.05	757.12
Profit before exceptional items and tax		**3,750.92**	**2,439.47**
Exceptional items	36	1,588.63	918.00
Profit before tax		**2,162.29**	**1,521.47**
Tax expense:	8		
(a) Current tax		437.31	-
(b) MAT Credit Entitlement		(437.31)	-
(c) Deferred tax		-	-
Profit for the year		**2,162.29**	**1,521.47**
Earnings per equity share (Face value ₹ 10 per share) :	28		
(1) Basic (in ₹)		14.91	10.50
(2) Diluted (in ₹)		14.89	10.48
The accompanying notes 1 to 46 are an integral part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner
Mumbai, November 23, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Lalit Kumar Gupta
Managing Director and
Chief Executive Officer

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Suresh Jain
Director - Finance

ESSAR OIL & GAS

Cash Flow Statement

for the year ended March 31, 2016

(₹ in crore)

	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A	**Cash flow from operating activities**		
	Net profit before tax	2,162.29	1,521.47
	Adjustments for :		
	Depreciation / amortisation and depletion expense	1,627.05	757.12
	Fixed assets / CWIP written off (including ₹ 422.50 crore (Previous year ₹ Nil) shown under exceptional items) (refer note 36)	518.98	0.14
	Interest on income tax refund	(4.01)	(7.65)
	Interest income on inter corporate deposits	(498.30)	(103.32)
	Interest income on bank deposits (other than margin deposits)	(7.23)	(4.22)
	(Profit) / Loss on sale of current Investments (net)	(126.78)	-
	(Profit) / Loss on sale of fixed assets (net)	-	(0.01)
	Unrealised exchange differences	(76.85)	(133.47)
	Mark to market - commodity and currency swap hedging (gain) / losses (net)	(45.22)	171.93
	Interest expenses (including funding of interest)	1,954.73	2,304.17
	Provision for doubtful debts and debit balances written off	103.94	2.20
	Credit balances written back	(32.08)	(1.81)
	Operating profit before working capital changes	5,576.52	4,506.55
	Adjustments for :		
	Changes in inventories	1,177.87	4,179.11
	Changes in receivables, advances and other assets	(3,390.64)	(6,863.80)
	Changes in payables, liabilities and provision	3,135.33	1,117.02
	Net Cash generated from operating activities	6,499.08	2,938.88
	Income tax refund / (payment) (net) (including interest)	(85.61)	52.50
	Net cash generated from operating activities (A)	6,413.47	2,991.38
B	**Cash flow from investing activities**		
	Additions to fixed assets	(803.19)	(769.48)
	Sale of fixed assets	-	7.68
	Purchase of Investments in a subsidiary and an associate	-	(1.75)
	Sale / (Purchase) of current Investment	480.34	(700.00)
	Advances against purchase of shares / debentures	(17.34)	(1,435.06)
	Placement of long term bank deposits	(32.45)	(0.36)
	Encashment of long term bank deposits	9.40	10.74
	Placement of inter corporate deposits	(7,093.60)	(3,292.52)
	Refund of inter corporate deposits	1,265.07	1,299.66
	Interest received on inter corporate deposits	26.59	47.40
	Interest received on bank deposits (other than margin deposits)	6.73	5.67
	Net cash used in investing activities (B)	(6,158.45)	(4,828.02)

Cash Flow Statement

for the year ended March 31, 2016

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
C Cash flow from financing activities		
Proceeds from borrowings {including funding of interest} (refer note 7)	11,690.52	6,713.11
Repayment of borrowings and deferred sales tax liabilities	(8,855.96)	(8,713.23)
Changes in short term borrowings (net)	(1,234.29)	3,831.09
Advances received towards issue of GDS	-	1,500.53
Proceeds towards Equity shares issued under ESOP	7.95	-
Interest paid (including funding of interest)	(2,091.89)	(2,434.90)
Net cash (used) / generated from financing activities (C)	(483.67)	896.60
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(228.65)	(940.04)
Cash and cash equivalents at the beginning of the year	327.77	1,267.81
Cash and cash equivalents at the end of the year	99.12	327.77
Net (decrease) / increase in cash and cash equivalents	(228.65)	(940.04)

Notes:

1 Non cash transaction:
During the previous year, Company has received 10.25% cumulative redeemable preference shares of Essar Power Limited, having an aggregate face value of ₹ 1,025.00 crore, from Essar House Private Limited (EHL) at par in part settlement of their dues.

2 Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash on hand and balances with banks		
Cash and cash equivalents	99.13	327.78
Less : Effect of exchange rate changes	0.01	0.01
Cash and cash equivalents as restated*	**99.12**	**327.77**

* does not include cash and cash equivalents which are not readily available for use

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner
Mumbai, November 23, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Lalit Kumar Gupta
Managing Director and
Chief Executive Officer

Suresh Jain
Director - Finance

Notes to Financial Statements

for the year ended March 31, 2016

1. Corporate information

Essar Oil Limited (the Company) is a public limited company incorporated under the provisions of the Companies Act, 1956. It is primarily engaged in the business of refining of crude oil and marketing of petroleum products in domestic and overseas markets. It is also engaged in oil and gas exploration and production activities. The equity shares of the company were delisted with effect from February 17, 2016.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. Attention is invited to note (7) (ii) (a) and (c).

3. Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures relating to contingent liabilities, at the end of the reporting period. Actual results could differ from these estimates and adjustments are recognised in the periods in which the results are known / materialise.

b) Tangible fixed assets and depreciation (other than oil and gas exploration and production assets)

Tangible fixed assets are recorded at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

Cost of acquisition comprises of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to their intended use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction or project activity in general and can be allocated to specific assets up to the date the assets are put to their intended use.

Depreciation on tangible fixed assets including assets whose ownership vests with a third party, is provided, pro-rata for the period of use, by the straight line method, as specified in schedule II of Companies Act, 2013 except in respect of the following assets:

- Buildings constructed on Leasehold Land: Over the period of lease of land.
- Catalysts: Over the useful life of 2-4 years, as technically assessed.

c) Intangible fixed assets and amortisation (other than oil and gas exploration and production assets)

Intangible fixed assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets are amortised over the best estimate of their useful lives, subject to a rebuttable presumption that such useful lives will not exceed ten years.

Company has estimated the useful life of software and licenses ranging from 3 - 5 years from the date of acquisition.

d) Oil and gas exploration and production assets

The Company has adopted the successful efforts method of accounting for oil and gas assets as set

Notes to Financial Statements

for the year ended March 31, 2016

out by the Guidance Note issued by the ICAI on "Accounting for Oil and Gas Producing Activities".

Expenditure incurred on acquisition including cost incurred for obtaining license is initially capitalised. Such costs are held, undepleted, within intangible assets under development until the well in such area is ready to commence commercial production.

Exploration expenditure incurred in the process of determining exploration targets which cannot be directly related to individual exploration wells is expensed in the period in which it is incurred.

Exploration/appraisal drilling costs are initially capitalised within intangible assets under development on a well by well basis until the success or otherwise of the well has been established. The success or failure of each exploration/appraisal effort is judged on a well by well basis. Drilling costs are written off on completion of a well unless the results indicate that oil and gas reserves exist and there is a reasonable prospect that these reserves are commercial. Where results of exploration drilling indicate the presence of oil and gas reserves which are ultimately not considered commercially viable, all related costs are written off to the statement of profit and loss immediately.

All costs relating to Development Wells are initially capitalised as 'Capital Work-In Progress'. When a well is ready for commencement of commercial production, the related Capital Work- In Progress/ Intangible assets under development are transferred to producing properties, after testing for impairment.

Depletion is charged on a unit of production basis, based on proved reserves for acquisition costs and proved developed reserves for all capitalised costs excluding acquisition cost. These assets are depleted within each cost centre.

Oil and gas joint ventures are in the nature of jointly controlled assets. Accordingly, assets and liabilities as well as income and expenditures are accounted on a line-by-line basis with similar items in the company's financial statements, according to the participating interest of the company.

e) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation / amortisation and depletion) had no impairment loss been recognised in prior accounting periods.

f) Lease

Operating lease

Lease expenses and lease income are recognised on a straight line basis over the lease term in the statement of profit and loss or expenditure during construction / pre-production activities as applicable.

Finance lease- As lessee

Assets taken on lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Depreciation on the assets taken on lease is charged over the lower of useful life of the asset specified in Schedule II to the Companies Act, 2013 and the lease period.

Notes to Financial Statements
for the year ended March 31, 2016

g) Investments

Investments are classified into long term and current investments. Long term investments are carried at cost. Diminution in value of long term investments is provided for when it is considered as being other than temporary in nature. Current investments are carried at the lower of cost and fair value.

h) Valuation of inventories

Inventories (other than crude oil extracted) are valued at the lower of cost and net realisable value.

Cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil and coal inventory is determined on a first in first out basis and the cost of all other inventories is determined on a weighted average basis.

Closing stock of crude oil extracted is valued at net realisable value.

i) Revenue recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

Revenue from sale of goods is recognised when property in the goods is transferred to the buyer for a price, when significant risks and rewards of ownership have been transferred to the buyer and no effective control, to a degree usually associated with ownership, is retained by the Company. Sale of goods are stated net of trade discounts and include duty draw back, recoverable sales tax / Value added tax (VAT) and excise duty. Revenue from sale of services is recognised under the completed service contract method.

Interest income is recognised on a time proportion basis.

j) Government grants

Government grants are recognised when there is reasonable assurance that the conditions attached to the grants will be complied with and where such benefits have been earned and it is reasonably certain that the ultimate collection will be made.

k) Employee benefits

i. In respect of Defined Contribution Plans/ Defined Benefit Plans

The Company's contributions paid/payable during the year to employee state insurance scheme are recognised in the statement of profit and loss or expenditure during construction / pre-production activities, as applicable.

Employee benefits under defined benefit plans, such as gratuity, compensated absences and provident fund, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognised immediately in the statement of profit and loss or expenditure during construction / pre-production activities, as applicable.

Short term employee benefits are recognised as an expense at the undiscounted amounts in the statement of profit and loss or expenditure during construction / pre-production activities, as applicable, of the year in which the related service is rendered.

ii. In respect of Employee Stock Options Scheme

Notes to Financial Statements

for the year ended March 31, 2016

Stock options granted to employees under the Employees' Stock Option Scheme (ESOS) are accounted for by adopting the intrinsic value method in accordance with the Guidance Note on accounting for employee share based payments issued by the Institute of Chartered Accountants of India (ICAI). Accordingly, the excess of market price of the shares over the exercise price is recognised as deferred employee compensation and is charged to statement of profit and loss account or expenditure during construction / pre-production activities, as applicable on straight-line basis over the vesting period.

l) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the transaction date.

Monetary items denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date or where relevant, at rates at which the amount is likely to be realised or settled.

Exchange differences relating to long term monetary items are accounted for as under:

(i) in so far as they relate to the acquisition of a depreciable capital asset, these are added to / deducted from the cost of the asset and depreciated over the balance useful life of the asset;

(ii) in other cases such differences are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised in the statement of profit and loss over the balance life of the long term monetary item.

All other exchange differences are dealt with in the statement of profit and loss or expenditure during construction / pre-production activities, as applicable.

Premia or discounts arising on forward exchange contracts, are recognised as finance costs over the life of the contracts.

m) Derivative instruments

In order to manage its exposure to certain commercial risks associated with commodity price, foreign exchange and interest rate fluctuations, the Company enters into derivative contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The Company applies the hedge accounting principles set out in "Accounting Standard 30 (AS 30) - Financial Instruments: Recognition and Measurement" and accordingly designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

Derivative liabilities / assets are presented under other current liabilities / other long term liabilities (note 10) or other current assets / other non-current assets (note 19).

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account". The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss. Amounts deferred in the Hedging Reserve Account are recycled in the statement of profit and loss in the periods when the hedged item is recognised in the statement of profit and loss, in the same line as the hedged item.

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for the year ended March 31, 2016

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognised immediately in the statement of profit and loss.

Derivative contracts which are not designated for hedge accounting (in terms of AS 30) and not covered under Accounting Standard (AS) 11: The Effects of Changes in Foreign Exchange Rates, the gains / losses arising from settled derivative contracts and net marked to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are recognised in the same line as the hedge item in the statement of profit and loss or expenditure during construction / pre-production activities, as applicable. The net MTM gains in respect of outstanding derivatives contracts are not recognised adopting the principles of prudence.

n) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalised as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

o) Taxation

Tax expense comprises current and deferred taxes.

Current tax is measured at the amount expected to be paid to revenue authorities using, applicable rates and tax laws.

Minimum Alternative Tax (MAT) credit entitlement available under section 115JAA of the Income Tax Act, 1961 is recognised in accordance with the principles laid down in the Guidance Note on Accounting for credit available in respect of MAT under the Income Tax Act, 1961 issued by the ICAI, to the extent the credit will be available for discharge of future normal tax liability.

Deferred tax is recognised on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date.

Deferred tax assets are recognised only when there is a reasonable or virtual certainty, as relevant, in accordance with the principles laid down in Accounting Standard 22 on Accounting for Taxes on Income, that sufficient future taxable income will be available against which they will be realised.

p) Measurement of EBIDTA

The Company has elected to present earnings before interest (including finance costs), depreciation / amortisation and depletion expenses and tax (EBIDTA) as a separate line item on the face of the statement of profit and loss. The Company measures EBIDTA on the basis of profit / (loss) and does not include interest (including finance costs), depreciation / amortisation and depletion expenses, exceptional and extraordinary items and tax.

q) Earnings per share (EPS)

The Company reports basic and diluted EPS in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity

Notes to Financial Statements

for the year ended March 31, 2016

shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

r) Cash Flow Statement

The Cash Flow Statement is prepared using the "indirect method" as set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

s) Provisions, contingent liabilities and contingent assets

A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources is remote. Contingent assets are neither recognised nor disclosed.

4. Share capital

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each	5,000,000,000	5,000.00	5,000,000,000	5,000.00
Issued and subscribed				
Equity shares of ₹ 10 each	1,512,594,359	1,512.59	1,511,442,900	1,511.44
Paid up				
Equity shares of ₹ 10 each fully paid up	1,450,668,359	1,450.67	1,449,516,900	1,449.52
Add : Forfeited shares - Equity shares of ₹ 10 each	61,926,000	16.60	61,926,000	16.60
		1,467.27		**1,466.12**

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	1,449,516,900	1,449.52	1,449,516,900	1,449.52
Add : Equity shares issued under ESOS	11,51,459	1.15	-	-
Shares outstanding at the end of the year	1,450,668,359	1,450.67	1,449,516,900	1,449.52

The above includes 951,463,854 equity shares underlying 6,218,718 outstanding global depository shares (GDS). Each GDS represents 153 underlying equity shares.

Notes to Financial Statements

for the year ended March 31, 2016

b) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of an equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Holders of GDS are entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of shares, less the fees and expenses payable under the Deposit Agreement and any Indian tax applicable to such dividends. Holders of GDS have no direct voting rights in respect of shares, which underlie the GDS.

c) Shares held by holding / ultimate and Intermediate holding company and / or their subsidiaries / associates and shareholders holding more than 5% shares (including GDS) in the company:

(₹ in crore)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Number of shares	Amount	% of shares	Number of shares	Amount	% of shares
Nil (Previous year 4,761,000) GDS held by Essar Oil & Gas Limited, Mauritius*	-	-	-	728,433,000	728.43	50.25%
6,218,718 (Previous years 1,457,718) GDS held by Essar Energy Holdings Limited, Mauritius*	951,463,854	951.46	65.59%	223,030,854	223.03	15.39%
Equity shares held by Essar Energy Holdings Limited, Mauritius*	354,714,547	354.71	24.45%	354,714,547	354.71	24.47%
Equity Shares held by Essar Power Hazira Holdings Limited*	100	0.00	0.00%	100	0.00	0.00%
Equity Shares held by Oil Bidco (Mauritius) Limited, a promoter entity as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009	112,105,503	112.11	7.73%	-	-	-

*Refer note 45

"0.00" represents amount less than ₹ 0.01 crore

Notes to Financial Statements

for the year ended March 31, 2016

d) Stock Options :

i) Details of stock options granted to eligible employees under the Essar Oil Employee Stock Option Scheme 2011 are as under:

Particulars	Information w.r.t. Scheme	
Date of Shareholders Approval	August 12, 2011. The Shareholders approval was modified on December 20, 2012	
Total Number of Options Approved	1,36,56,670	
Vesting Requirements	The options shall vest in a graded manner in three equal installments, at the end of 3rd/ 4th / 5th years from the grant date.	
Maximum Term of options granted	12 years from the date of grant.	
Source of Shares	Primary	
Variations in terms of options	Not applicable	
Exercise period	7 years from date of vesting	
	Tranche I	**Tranche II**
No. of options Granted	3,211,391	2,313,292
Exercise price	₹ 69.05	₹ 52.20
Grant dates	December 02, 2011	November 20, 2013
Total options forfeited / cancelled	1,515,949	4,33,124
Total options exercised during the year	1,151,459	Not Applicable
Options outstanding at the end of the year	543,983	1,880,168
Weighted average exercise price of the stock options	₹ 69.05	₹ 52.20
Weighted average share price for the stock options exercised during the period	₹ 207.34	
Weighted average remaining contractual life (in years)	7.68	9.65

ii) Movement of Options Granted :

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Options outstanding at the beginning of the year	39,00,853	41,24,218
Granted during the year	-	-
Options forfeited / cancelled during the year	3,25,243	2,23,365
Options exercised during the year	11,51,459	-
Options outstanding at the end of the year	24,24,151	39,00,853
Options vested but not exercised	-	-

Notes to Financial Statements

for the year ended March 31, 2016

iii) Method used to account the stock options – Intrinsic method.

iv) Method of settlement - Settlement through equity.

v) The Company has recognised a compensation cost of ₹ Nil in financial year 2015 – 2016 based on the intrinsic value of options. However, had the Company used the fair value of options to determine the compensation cost for the year ended March 31, 2016, the profit after tax for the year would have been lower by ₹ 4.92 crore. Accordingly, basic and diluted earnings per share would have been ₹ 14.88 and ₹ 14.85 respectively for the year ended March 31, 2016.

vi) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Details	Year of Grant 2011–12	Year of Grant 2013-14
Risk – free interest rate	7.65%	7.60%
Expected life (years)*	12	12
Expected volatility**	48.77%	46.28%
Expected dividend	0.00%	0.00%
The price of underlying share in market at the time of option grant	₹ 69.05 per share	₹ 52.20 per share
Weighted average fair value	₹ 228.49 per share	₹ 232.40 per share

* Expected life of the options is based on the actual life of the options as per the scheme of the company as no historical data for early exercise of options is available.

** Volatility is measurement of the amount by which the price has fluctuated or is expected to fluctuate during a period. Volatility used in the Black-Scholes options pricing model has been derived based on the volatility in the stock prices of the earlier periods.

Notes to Financial Statements

for the year ended March 31, 2016

5. Reserves and surplus

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital reserve		
Balance as per last balance sheet	40.89	40.89
Securities premium account		
Balance as per last balance sheet	6,184.60	6,184.60
Add : Premium on ESOS Shares Issued	6.80	-
	6,191.40	**6,184.60**
Debenture redemption reserve		
Balance as per last balance sheet	37.33	37.33
Add / (Less) : Transferred to General Reserve	(26.59)	-
	10.74	**37.33**
General reserve		
Balance as per last balance sheet	22.25	22.25
Add : Transferred from Debenture Redemption Reserve	26.59	-
	48.84	**22.25**
Cashflow hedge reserve {refer note 39 (a)}	**(319.08)**	**(171.08)**
Surplus / (Deficit) - Balance in statement of profit and loss		
Balance as per last balance sheet	(3,731.74)	(5,219.58)
Less : Depreciation on transition to schedule II to the Companies Act, 2013	-	(33.63)
Add : Net profit for the year	2,162.29	1,521.47
	(1,569.45)	**(3,731.74)**
Foreign currency monetary item translation difference account {refer note 3(l)}		
Balance as per last balance sheet	20.72	(112.82)
Add : Effect of foreign exchange rate variation during the year	(293.24)	20.88
Less : Amortisation during the year	(40.31)	0.16
Less : Transferred to cashflow hedge reserve	-	(112.82)
	(232.21)	**20.72**
Total	**4,171.13**	**2,402.97**

6. Advance towards issue of global depository shares

The Company had received ₹ 1,500.53 crore (USD 246.10 million) as advance towards Global Depository Shares ("GDS") during the year ended March 31, 2015 from Essar Energy Holdings Limited. The Company is in the process of regularising allotment in accordance with RBI regulations.

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for the year ended March 31, 2016

7. Long term borrowings

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non current	Current	Non current	Current
(A) Secured Borrowings				
Debentures {refer note (ii)(a) below}				
Non convertible debentures	29.33	13.59	117.97	22.40
Amount included under Other current liabilities (refer note 10)		(13.59)		(22.40)
(i)	**29.33**	**-**	**117.97**	**-**
Term loans				
From banks	7,035.18	980.81	9,560.38	1,456.54
From financial institutions	628.35	252.32	762.80	164.44
Funded interest facilities {refer note (ii)(c) below}				
From banks	857.98	20.43	1,196.55	20.16
From financial institutions	645.16	17.14	637.72	16.75
Export advances from customers	7,653.19	293.09	2,878.80	125.56
Amount included under Other current liabilities (refer note 10)		(1,563.79)		(1,783.45)
(ii)	**16,819.86**	**-**	**15,036.25**	**-**
(A) - (i+ii)	**16,849.19**	**-**	**15,154.22**	**-**
(B) Unsecured Borrowings				
Finance lease obligation {refer note 37(a)(i)}				
From related parties (refer note 45)	20.78	6.16	26.94	9.49
From others	-	0.32	0.32	0.47
Other loans				
Conditional grant from a bank	8.20	-	7.87	-
Amount included under Other current liabilities (refer note 10)		(6.48)		(9.96)
(B)	**28.98**	**-**	**35.13**	**-**
Total (A+B)	**16,878.17**	**-**	**15,189.35**	**-**

(i) **Security for term loans and funded interest facilities from banks and financial institutions and debentures**

a) Term loans and funded interest facilities of ₹ 3,535.38 crore (Previous year ₹ 4,898.25 crore) and debentures of ₹ 42.92 crore (Previous year ₹ 140.37 crore) are secured / to be secured by first ranking security interests {pari passu with loans for refinery expansion, refinery optimisation, certain External Commercial Borrowing (ECB) loans, Sales tax / General purpose term loan and Export Performance Bank Guarantee Facilities (EPBG)} on all present and future immovable assets of refinery division, all present and future movable assets other than current assets of refinery division, first ranking charge over the rights, title and

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interests under project documents and over all licenses, permits, approvals, assignments, concessions and consents of project, security interest on rights, title and interests in trust and retention accounts and all sub accounts created there under, insurance policies in relation to the refinery including refinery expansion, refinery optimisation and HMU II and second ranking security interests on current assets, first ranking pledge of certain shares of the Company held by a related party, personal guarantees of some of the promoters and other collaterals being pledge of certain shares of related parties and mortgage over a property of a body corporate. Term Lenders have (barring one) released personal guarantees and collaterals thereto.

b) Corporate term loan from a bank of ₹ Nil (Previous year ₹ 500.02 crore) is secured by first charge on all present and future current assets (ranking pari passu with working capital facility), excluding that of exploration and production division, second charge by way of mortgage on all present and future fixed assets including the plant site of the refinery excluding certain category of assets, personal guarantees of some of the promoters and corporate guarantee by body corporate and other collaterals being second ranking on pledge of certain shares of the Company and that of a related party held by related parties and the company and second ranking mortgage over a property of a body corporate.

c) Sales tax / General purpose term loan from a bank of ₹ 657.96 crore (Previous year ₹ 1,500.00 crore) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, certain ECB loans, refinery optimisation and EPBG) on all present and future fixed assets and second ranking security interests on all present and future current assets excluding that of exploration and production division, personal guarantees of some of the promoters and certain undertakings provided by related parties, first ranking pari passu pledge of certain investments of the Company.

d) Term loan from a bank of ₹ 227.20 crore (Previous year ₹ 500.00 crore) is secured by subservient charge on moveable fixed assets of the Refinery Division and personal guarantee of one of the promoters.

e) Term loan from a bank of ₹ 1,022.64 crore (Previous year ₹ Nil) is secured by subservient charge on moveable fixed assets of the Refinery Division and extension of pledge of certain equity shares of related parties / body corporate.

f) ECB loan of ₹ 1,592.26 crore (Previous year ₹ 1,654.36 crore) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets (except certain leased out assets) of refinery project, all present and future movable assets of refinery project excluding current assets, security interest on the rights, title and interest under project documents, trust and retention accounts, insurance policies all in relation to the refinery including refinery expansion, refinery optimisation and HMU II and second pari-passu charge on the current assets, pledge of certain shares of the Company held by a related party and certain undertakings provided by the related parties.

g) ECB loan of ₹ 1,556.49 crore (Previous year ₹ 1,502.19 crore) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets in relation to the refinery project, including the rights to the refinery project land and the project site (but excluding (I) all immovable property leased to or provided for use by the entities implementing the terminal utility, the power utility and township project, and (II) any land for the second train); a first ranking charge by way of hypothecation of all moveable fixed assets in relation to the refinery project, both present and future (but excluding all upstream oil & gas, coal bed methane related assets including but not limited to Ratna & R-series oil fields, CBON-3 (Mehsana), Raniganj RG (East), CR-ON-90/1 (Cachar), Blocks L&A2 (Myanmar) and AA-ONN (Assam) blocks and Naphtha Receivables, all intangible and tangible assets with respect to the refinery project (but excluding Current Assets in relation to the refinery project and all upstream oil & gas, coal bed methane related assets including but not limited to Ratna & R-series oil fields, CBON-3 (Mehsana), Raniganj RG (East), CR-ON-90/1 (Cachar), Blocks L&A2 (Myanmar) and AA-ONN (Assam) blocks and Naphtha Receivables, all the bank accounts in relation to the refinery project, including without limitation the Trust and Retention Accounts, the Debt Service Reserve Account, the Escrow Account, all the rights, titles, permits, approvals, interests etc., under project documents, a second ranking charge by way of hypothecation on all current assets in relation to the refinery project, pledge of certain shares of the Company held by a related party and certain undertakings provided by related parties.

h) Long term advances against export performance bank guarantees ₹ 7,946.28 crore (USD 1,197.94 million) (Previous year ₹ 3,004.36 crore (USD 480 million)) from customers are secured by EPBG issued by domestic banks:

(i) EPBG of ₹ 4,416.11 crore (USD 665.75 million) (Previous year ₹ 2,378.45 crore (USD 380 million)) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery optimisation, certain ECB loan, Sales tax / General purpose term loan and refinery expansion) on plant site, all present and future fixed assets (except excluded assets), second ranking security interest on all present and future current assets (except excluded assets) and further by pledge of certain shares of the Company

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held by a related party, personal guarantees of promoters' of the Company together with collateral securities i.e. pledge over certain shares of related parties and mortgage over certain assets of a body corporate and certain guarantees from body corporates and undertakings from related parties and first ranking pari passu pledge of certain investments of the Company.

(ii) EPBG of ₹ 3,530.17 crore (USD 532.19 million) (Previous year ₹ 625.91 crore (USD 100 million)) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and refinery expansion) on plant site, over the rights, title and interest to the Refinery project including the HMU project, tangible and intangible assets, all present and future fixed assets (except excluded assets), second ranking security interest on present and future current assets (except excluded assets), pledge of certain shares of the Company held by a related party and undertaking of certain related parties.

i) Term loans of ₹ 829.36 crore (Previous year ₹ 2,420.47 crore) for the refinery expansion are secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets of refinery, all present and future movable assets, other than current assets of refinery, all tangible and intangible assets of refinery, all the bank accounts of refinery including without limitation the cash sweep account, debt service reserve account, first charge on security interest on rights, title and interests under project documents, trust and retention accounts, insurance policies in relation to the refinery, including refinery expansion, charge over immovable properties leased to entities implementing the terminal utility, power utility and township utility (subject to prior charge in favour of the lenders financing the said utilities) and second ranking security interest on current assets of refinery and further by pledge and non-disposal undertaking of certain shares / global depository shares of the Company, certain shares of the Company and that of a related party held by related parties and the Company, first ranking pari passu pledge of certain investment of the company, personal guarantees of promoters of the Company together with collateral securities i.e. pledge over certain shares of related parties, mortgage over certain assets of a body corporate, certain undertakings from related parties, residual charge on the company's participating interest, cash flows related to upstream oil and gas, coal bed methane fields and related assets subject to certain approvals.

j) Term loans of ₹ Nil (Previous year ₹ 805.53 crore) for the refinery optimisation are secured by first ranking security interests (pari passu with loans for refinery, refinery

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expansion, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets (except certain leased out assets) of refinery project, all present and future movable assets other than current assets of refinery project, all tangible and intangible assets of refinery project, bank accounts of optimisation project, security interest on rights, title and interests under project documents, trust and retention accounts, insurance policies in relation to the refinery, refinery expansion and refinery optimisation and second ranking security interests on current assets.

k) Term loans of ₹ 421.59 crore (Previous year ₹ 502.06 crore) are secured / to be secured by first charge on immovable assets and movable assets (present and future), first charge over book debts, operational cash flows, receivables, trust and retention account, Debt Service Reserve account, participating interest under CBM contract, security interest on rights, title and interests under the project documents, insurance policies, clearences, rights under letter of credit and guarantees, performance bond, corporate guarantee and bank guarantees, all in relation to CBM Project.

l) Term loans of ₹ 757.88 crore (Previous year ₹ Nil) are secured / to be secured by first charge on all present and future movable assets, immovable assets, current assets and intangible assets, first charge on all the bank accounts of the Company including Trust and Retention Account, Debt Service Reserve account and the monies deposited therein, a sub-ordinate charge on participating interest under CBM contract, security interest on all present and future right, title, interest, benefits, claims and demands under the project documents and under the approvals and insurance contracts/insurance proceeds including all right, title and interest, claims and demands under any letter of credit, guarantees related to the project.

m) ECB Loan ₹ 601.42 crore (Previous year ₹ 603.71 crore) is secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets (except certain leased out assets) of refinery, security interest on rights, title and interests under project documents, all present and future movable assets of refinery, all tangible and intangible assets of refinery, all the bank accounts of HMU II project including without limitation to trust and retention accounts, debt service reserve account, project implementation account and second ranking security interests on current assets of refinery, pledge of certain shares of the Company held by a related party and certain undertakings provided by related parties.

(ii) Repayment and other terms:

a) Outstanding debentures consists of :

5,174,950 (Previous year 13,595,950) – Secured redeemable non – convertible debentures (NCDs) of ₹ 105/- each, amount outstanding ₹ 42.92 crore (Previous year ₹ 134.19 crore). These amounts carry interest ranging from fixed rate of 12.50% p.a to a prime lending rate/ base rate of respective banks plus margin and is repayable from December 2014 to June 2018.

Nil (Previous year 700,000) – Secured redeemable non – convertible debentures (NCDs) of ₹ 100 each on private placement basis partly paid up at ₹ 93.86 per debenture

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for the year ended March 31, 2016

amounting to ₹ Nil (Previous year ₹ 6.18 crore). These debentures carry interest at a prime lending rate / base rate of the bank plus margin and has been prepaid during the year.

The Hon'ble High Court of Gujarat had, in response to the Company's petition, ruled vide its orders dated August 04, 2006 and August 11, 2006 that the interest on debentures for the period October 1998 to April 2012 should be accounted for on cash basis. Accordingly, accrued interest liabilities amounting to ₹ 140.29 crore (Previous year ₹ 251.90 crore) as at March 31, 2016 have not been accounted for in the books. These accrued interest liabilities are at rates ranging from fixed rate of 4.98% p.a. to a prime lending rate / base rate of respective banks plus margin and are repayable from December 2014 to March 2027.

b) The Interest rates for the loans covered under the Common Loan Agreement (the CLA) with Banks and Financial institutions amounting to ₹ 2,723.54 crore (Previous year ₹ 3,784.42 crore) is based on their prime lending rate / base rate / 1 month LIBOR plus margin (margin ranges from 2.12% p.a. to 3.00% p.a.) with different repayment installments starting from December 2009 to March 2026.

c) Certain loan facilities i.e. Facility VI of ₹ 1,675.72 crore (Previous year ₹ 2,265.63 crore) is repayable in installments from March 2021 to March 2026 and Facility VII Interest thereon as at March 31, 2016 amounting to ₹ 422.92 crore (Previous year ₹ 469.92 crore) is repayable in 40 equal quarterly installments beginning June 30, 2015. The Company has an option, subject to consent of the lenders, to prepay these facilities as per agreed terms at a reduced amount at any point of time during its term.

In order to give accounting effect to reflect the substance of the transaction, these facilities have, since inception, been measured by the Company in accordance with the principles of IAS 39, Financial Instruments, Recognition and Measurement, then in absence of specific guidance in Indian GAAP to cover the specific situation. Applying the principle of Accounting Standard 30, Financial Instruments, Recognition and Measurement, the facilities continue to be measured in line with the above principles, considering the present value of cash flows inclusive of future interest. Accordingly, the gross liability of ₹ 2,098.64 crore (Previous year ₹ 2,735.55 crore) of the above facilities as at March 31, 2016 {comprising of ₹ 1,081.76 crore to banks and ₹ 1,016.88 crore to financial institutions (Previous year comprising of ₹ 1,696.04 crore to banks and ₹ 1,039.51 crore to financial institutions)} have been measured at ₹ 1,493.69 crore (Previous year ₹ 1,828.58 crore) (comprising of ₹ 831.39 crore to banks and ₹ 662.30 crore to financial institutions) (Previous year comprising of ₹ 1,174.11 crore to banks and ₹ 654.47 crore to financial institutions).

The changes in the present obligation of the said loans ₹ 302.02 crore (Previous year ₹ 202.05 crore) have been treated as finance cost in the statement of profit and loss.

A funded interest loan of ₹ 206.88 crore (Previous year ₹ 206.88 crore) is payable in a single bullet payment in 2031 and is continued to be measured in accordance with the aforementioned principles at ₹ 47.02 crore (Previous year ₹ 42.60 crore).

Notes to Financial Statements

for the year ended March 31, 2016

d) Term Loans amounting to ₹ 590.00 crore (Previous year ₹ 2,906.68 crore) carry interest rate linked with respective banks' prime lending rate / base rate plus 4% (margin / liquidity premium) and are repayable in installments starting from December 2012 and ending in September 2018.

e) Term loans amounting to ₹ 421.59 crore (Previous year ₹ 502.06 crore) carry interest rate linked with respective banks base rate / 3 months LIBOR plus margin and are repayable in installments starting from March 2014 and ending in April 2022. Out of above ₹ Nil (Previous year ₹ 17.68 crore) pertains to Buyers' credit which will be ultimately converted into term loan.

f) Term loans amounting to ₹ 757.88 crore (Previous year ₹ Nil) carry interest rate linked with respective banks base rate 6 months LIBOR plus margin and are repayable in installments starting from June 2018 and ending in September 2028.

g) ECB Loan amounting to ₹ 239.36 crore (Previous year ₹ 319.31 crore) carry interest rate of 3 months LIBOR + 2.75% p.a. are repayable in installments starting from January 2012 and ending in October 2018.

h) ECB Loans amounting to ₹ 3,148.75 crore (Previous year ₹ 3,156.54 crore) carry interest rate of 3 months / 6 months LIBOR + margin ranging from 4.70% p.a. to 5.00% p.a. are repayable in installments starting from March 2015 and ending in March 2024.

i) EPBG advances amounting to ₹ 7,946.28 crore (USD 1,197.94 million) (Previous year ₹ 3,004.36 crore (USD 480 million)) carry interest rate of 3 months / 12 months LIBOR + 2% margin are repayable over a period of two years with a rollover option, subject to discretion of the buyer, upto a period of 10 years.

j) Corporate term loan amounting to ₹ Nil (Previous year ₹ 500.02 crore) carry interest rate at banks' prime lending rate / base rate plus 3.75% p.a.(margin / liquidity premium) and is repayable in installments from June 2014 to March 2017 has been repaid during the year.

k) General purpose term loan amounting to ₹ 657.96 crore (Previous year ₹ 1,500.00 crore) carry interest rate at banks' prime lending rate / base rate plus 3.25% p.a.(margin / liquidity premium) and is repayable in installments from December 2012 to September 2018.

l) Term loan amounting to ₹ 227.20 crore (Previous year ₹ 500.00 crore) carry interest rate at banks' prime lending rate / base rate plus 0.75% p.a.(margin / liquidity premium) and is repayable in 8 quarterly installments starting from June 2015 and ending on March 2017.

m) Term loan amounting to ₹ 1,022.64 crore (Previous year ₹ Nil) carry interest rate at banks' prime lending rate / base rate plus 0.75% p.a.(margin / liquidity premium) and is repayable in installments starting from June 2018 and ending on March 2023.

n) ECB Loan amounting to ₹ 601.42 crore (Previous year ₹ 603.71 crore) carry interest of LIBOR + 4.96% p.a. and is repayable in installments starting from June 2015 and ending in March 2021.

o) The pilot project for coal bed methane gas was partially financed by a conditional grant of USD

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for the year ended March 31, 2016

0.89 million (Previous year USD 0.89 million) and ₹ 2.31 crore (Previous year ₹ 2.31 crore) received from a bank. The conditional grant, in terms of the agreement, will be repayable in the event the Company puts the project to commercial use, and repayments to the bank will be based on gross annual sales derived from the commercial exploitation of the project, subject to a maximum repayment of 200% of the conditional grant. Commercial exploitation of the project is dependent upon getting necessary approvals from the Government of India.

8. Taxation

(a) Tax Expense

Provision for Minimum Alternate Tax (MAT) has been computed on book profits under section 115JB of the Income tax Act 1961. The Company has also recorded MAT Credit entitlement under section 115JAA of the Act, which amount will be available for set off against normal taxable profits subject to payment of the MAT.

(b) Deferred tax liabilities (Net)

(₹ in crore)

Particulars		As at March 31, 2016	As at March 31, 2015
Deferred tax liability			
Depreciation on Fixed asset (excess net book value over written down value as per the provisions of the Income Tax Act, 1961)		(3,110.79)	(3,079.47)
	(A)	**(3,110.79)**	**(3,079.47)**
Deferred tax assets (restricted to the extent of deferred tax liability considering virtual / reasonable certainty, as applicable)			
Expenses allowed on payment basis		540.27	676.05
Unabsorbed depreciation / losses carried forward as per provisions of the Income Tax Act, 1961		2,570.07	2,402.97
Others		0.45	0.45
	(B)	**3,110.79**	**3,079.47**
Net deferred tax liabilities (net)	**(A)+(B)**	**-**	**-**

9. Trade Payables

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.95	1.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,308.66	21,094.75
	25,309.61	**21,096.69**

In accordance with the terms of its contract with National Iranian Oil Company (NIOC) and the MOU between the Ministry of Petroleum and Natural Gas, Government of India, (MOPNG) and the Central Bank of Iran, the Company is not liable for foreign exchange variations and interest after the credit period, due to the non-availability of payment channels (on account of the US sanctions, which have been lifted in January 2016). Based, however, on the advice of the MOPNG, the Company has till March 31, 2016 remitted US$ 1,969.00 million to the NIOC at prevailing exchange rates. The negative exchange variation of ₹ 283.75 crore (net) has not been reckoned with in the statement of profit and loss and will be adjusted against subsequent payments. The sum of ₹ 22,360.60 crore at March 31, 2016 carried in the books reflects the amount at which the total liability to NIOC is likely to be settled.

Notes to Financial Statements

for the year ended March 31, 2016

10. Other long term liabilities / Current liabilities

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Short term	Long term	Short term	Long term
Current maturities of Long term borrowings (refer note 7)	1,583.86	-	1,815.81	-
Interest accrued but not due on borrowings	132.48	-	21.13	-
Capital creditors	258.18	-	320.40	-
Statutory dues	512.27	-	1,190.37	-
Advances received from customers	3,280.91	-	4,316.61	-
Security deposits	53.16	4.53	38.81	5.64
Unclaimed debenture interest and principal (secured)* {For security details refer notes under note 7(i)(a)}	14.40	-	22.32	-
Other liabilities**	574.52	518.63	306.24	623.65
Total	**6,409.78**	**523.16**	**8,031.69**	**629.29**

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at balance sheet date.

** mainly include liabilities towards derivative contracts and compensation for non / short supply of CBM Gas.

11. Long term provisions / Short term provisions

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Short term	Long term	Short term	Long term
Provision for employee benefits (refer note 44)				
Earned leave	10.83	-	12.34	-
Gratuity	16.85	-	11.72	-
Other Provisions				
Provision for taxation	444.35	-	6.25	-
Site restoration*	-	5.14	-	5.14
Total	**472.03**	**5.14**	**30.31**	**5.14**

*Represents current cost of restoring the Exploration and production sites on abandonment or decommissioning of oil and gas wells and facilities at the end of their economic life. There is no movement in provision for site restoration during the year.

Notes to Financial Statements
for the year ended March 31, 2016

12. Short term borrowings

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Borrowings		
Buyers' credits and bills discounting	8,393.37	10,069.55
Bank overdraft / Cash credit	111.20	0.37
Term loan from bank	1,450.00	-
Working capital demand loan from bank	1,300.00	-
Total	**11,254.57**	**10,069.92**

Security for short term borrowing:

(i) Buyers' credits and bills discounting:

a) ₹ 8,284.60 crore (Previous year ₹ 9,540.66 crore) secured / to be secured by first charge on all current assets (ranking pari passu with Corporate term loan) excluding that of exploration and production division, second charge by way of mortgage of land and building and plant and machinery and other movable assets, present and future excluding certain category of assets, personal guarantees of some of the promoters, corporate guarantee by body corporates, other collaterals being second ranking pledge of certain shares of the Company and that of related parties held by other related parties, second ranking mortgage over a property of a body corporate and first ranking pari passu pledge of certain investments of the Company.

b) ₹ Nil (Previous year ₹ 441.38 crore) secured by charge over receivables.

c) ₹ 108.77 crore (Previous year ₹ 87.51 crore) secured by fixed deposits maintained with a bank.

(ii) Short Term Loan from bank of ₹ 1,450.00 crore (Previous year ₹ Nil) is secured by subservient charge on movable fixed and current assets of the Refinery Division, personal guarantee of one of the promoters, Corporate guarantee of body corporate and pledge of certain shares of a related parties / body corporate.

(iii) Working Capital Demand loan from bank of ₹ 1,300.00 crore (Previous year ₹ Nil) is secured / to be secured by first charge on all current assets both present and future including all receivables of Refinery and Marketing Division (ranking pari passu with Corporate term loan) excluding that of exploration and production division, second charge by way of mortgage of immovable and movable properties, including revenues both present and future excluding certain category of assets, personal guarantees of some of the promoters, corporate guarantee by body corporates, other colleterals being second ranking pledge of certain shares of the Company and that of related parties held by other related parties and second ranking mortgage over a property of a body corporate.

(iv) Bank overdraft / cash credit from bank of ₹ 111.20 crore (Previous year ₹ 0.37 crore) is secured by fixed deposits maintained with a bank.

13. Fixed assets

(₹ in crore)

Description of the assets	Gross block (I)				Depreciation / amortisation / depletion (II)				Net block (III) = (I - II)	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	During the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
A) Tangible assets										
Land	157.82	7.07	-	164.89	-	-	-	-	164.89	157.82
Buildings	743.70	26.27	-	769.97	145.06	31.53	-	176.59	593.38	598.64
Plant and machinery	26,319.55	823.11	327.33	26,815.33	6,115.51	1,575.28	298.45	7,392.34	19,422.99	20,204.04
Producing properties	31.82	-	-	31.82	2.66	0.55	-	3.21	28.61	29.16
Furniture and fixtures	25.63	0.11	4.06	21.68	11.60	2.31	3.78	10.13	11.55	14.03
Office equipments	65.35	14.51	6.48	73.38	45.04	9.71	6.12	48.63	24.75	20.31
Vehicles	13.59	0.56	0.71	13.44	8.63	1.48	0.68	9.43	4.01	4.96
Aircraft	10.00	-	-	10.00	2.72	0.45	-	3.17	6.83	7.28
Total (A)	**27,367.46**	**871.63**	**338.58**	**27,900.51**	**6,331.22**	**1,621.31**	**309.03**	**7,643.50**	**20,257.01**	**21,036.24**
B) Tangible assets taken on lease										
Land	0.17	-	-	0.17	0.13	0.03	-	0.16	0.01	0.04
Buildings	72.73	-	-	72.73	25.62	3.72	-	29.34	43.39	47.11
Plant and machinery	5.62	-	-	5.62	2.02	0.26	-	2.28	3.34	3.60
Furniture and fixtures	0.88	-	-	0.88	0.42	0.03	-	0.45	0.43	0.46
Office equipments	0.66	-	0.04	0.62	0.52	0.01	0.04	0.49	0.13	0.14
Total (B)	**80.06**	**-**	**0.04**	**80.02**	**28.71**	**4.05**	**0.04**	**32.72**	**47.30**	**51.35**
C) Tangible assets given on lease										
Plant and machinery	18.20	-	-	18.20	18.20	-	-	18.20	-	-
Total (C)	**18.20**	**-**	**-**	**18.20**	**18.20**	**-**	**-**	**18.20**	**-**	**-**
Total Tangible assets (A+B+C)	**27,465.72**	**871.63**	**338.62**	**27,998.73**	**6,378.13**	**1,625.36**	**309.07**	**7,694.42**	**20,304.31**	**21,087.59**
D) Intangible assets										
Softwares and licenses	82.07	13.20	5.55	89.72	56.59	8.32	5.26	59.65	30.07	25.48
Producing properties (refer note 36)	170.36	-	170.36	-	14.18	-	14.18	-	-	156.18
Total Intangible assets (D)	**252.43**	**13.20**	**175.91**	**89.72**	**70.77**	**8.32**	**19.44**	**59.65**	**30.07**	**181.66**
Total (A+B+C+D)	**27,718.15**	**884.83**	**514.53**	**28,088.45**	**6,448.90**	**1,633.68**	**328.51**	**7,754.07**	**20,334.38**	**21,269.25**
Previous Year	26,310.51	1,441.50	33.86	27,718.15	5,677.29	762.64	(8.97)	6,448.90	21,269.25	
Intangible assets under development (Including pre production activities) (refer note 36)									-	262.46
Capital work-in-progress (Including expenditure during construction / pre production activities) (refer note 36)									3,635.16	3,339.13

NOTES:

1 Total depreciation / amortisation / depletion for the year ₹ 1,633.68 crore (Previous year ₹ 762.64 crore) is charged / allocated as under :

(i) ₹ 1,627.05 crore (Previous year ₹ 757.12 crore) includes prior period depreciation of ₹ 582.15 crore (Previous year ₹ Nil) to statement of profit and loss.

(ii) ₹ 6.63 crore (Previous year ₹ 5.52 crore) to capital work-in-progress (exploration activities).

2 Depreciation of the previous year had been adjusted for surplus on retrospective recomputation, pursuant to a change in method of depreciation amounting to ₹ 207.87 crore

Notes to Financial Statements

for the year ended March 31, 2016

3 Land includes ₹ 35.78 crore (Previous year ₹ 35.78 crore) representing cost of land leased to Vadinar Oil Terminal Limited (VOTL), Vadinar Power Company Limited (VPCL), Vadinar Ports and Terminals Limited (VPTL) and Vadinar Properties Limited (VPL). A charge has been created against the land leased to VOTL, VPCL and VPL in favour of lenders of VOTL, VPCL and VPL respectively.

4 Additions to plant and machinery includes exchange differences of ₹ 256.21 crore (Previous year ₹ 158.78 crore) and borrowing cost of ₹ 107.68 crore (Previous year ₹ 25.54 crore).

5 Expenditure during construction / pre production activities includes:

(₹ in crore)

Particulars		As at March 31, 2016	As at March 31, 2015
Opening Balance	**(A)**	**384.23**	**557.24**
Add: Incurred during the year			
Revenue from CBM sale		(152.88)	(111.77)
Interest income		(9.47)	(18.40)
Interest and other finance charges		96.51	154.88
Consumption of stores and spares		-	0.86
Salaries, wages and bonus		31.91	49.30
Contribution to / provision for provident and other funds		1.55	2.56
Staff welfare expenses		5.00	6.46
Insurance		1.50	3.02
Legal and professional fees		8.08	26.53
Rent		5.42	25.09
Repairs and maintenance		4.04	6.33
Depreciation		6.63	5.52
Sundry expenses		43.63	40.19
Exchange difference(Net)		17.26	24.02
Value of intermediates / products consumed during trial run (net)		-	24.27
Total	**(B)**	**59.18**	**238.86**
Less: Capitalised / recovered / expensed off during the year	**(C)**	61.03	411.87
Expenditure during construction / pre production activities pending allocation	**(A+B-C)**	**382.38**	**384.23**

Notes to Financial Statements

for the year ended March 31, 2016

14. Non current investments / Current investments (Unquoted)

(₹ in crore)

Particulars		As at March 31, 2016		As at March 31, 2015	
		Non Current	Current	Non Current	Current
(1)	**Trade Investment**				
(a)	**Investment in equity instruments**				
(i)	**Investment in subsidiaries (fully paid-up)**				
	100 (Previous year 100) equity shares of USD 1 each of Essar Oil Trading Mauritius Limited (EOTML)	0.00	-	0.00	-
	50,000 (Previous year 50,000) equity shares of ₹ 10 each of Vadinar Properties Limited (VPL)	1.74	-	1.74	-
(ii)	**Investment in associates (fully paid-up) (long- term)**				
	102,999,994 (Previous year 102,999,994) equity shares of ₹ 10 each of Vadinar Power Company Limited (VPCL)	103.00	-	103.00	-
	13,000 (Previous year 13,000) equity shares of ₹ 10 each of Vadinar Liquid Terminal Limited (VLTL)	0.01	-	0.01	-
(2)	**Other Investments**				
(a)	**Investment in Essar Power Limited - 10.25% Cumulative redeemable preference shares**	-	1,025.00	1,025.00	-
	512,500,000 (Previous year 512,500,000) preference shares of ₹ 20 each of Essar Power Limited (EPoL)*				
(b)	**Investments in equity instruments (long term)**				
	13,000,000 (Previous year 13,000,000) equity shares of ₹ 10 each of Petronet VK Limited	13.00	-	13.00	-
	1,584,000 (Previous year 1,584,000) equity shares of ₹ 10 each of Petronet CI Limited (company under liquidation)	1.58	-	1.58	-
	10,000,000 (Previous year 10,000,000) equity shares of ₹ 10 each of Petronet India Limited	10.00	-	10.00	-
(c)	**Investment in a mutual fund (current)**				
	(Previous year 119,500,000 units of ₹ 100 each of India Growth Opportunities Fund of Srei multiple asset investment trust)	-	-	-	1,195.00
		129.33	**1,025.00**	**1,154.33**	**1,195.00**
	Less : Provision for diminution in value of Other Investments	24.58	-	24.58	-
Total		**104.75**	**1,025.00**	**1,129.75**	**1,195.00**

Refer note 3 (g) for basis of valuation.

* Being pledged with lender / guarantor

"0.00" represents amount less than ₹ 0.01 crore

Notes to Financial Statements

for the year ended March 31, 2016

15. Inventories

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw materials {including in transit ₹ 1,398.08 crore (Previous year ₹ 607.39 crore)}	2,289.10	2,516.69
Work-in-progress	731.36	1,412.61
Finished goods	507.87	556.55
Stock-in-trade	13.58	0.41
Stores and spare parts {including in transit ₹ 2.68 crore (Previous year ₹ 16.23 crore)}	302.22	324.01
Other consumables including coal {including in transit ₹ 10.58 crore (Previous year ₹ 104.80 crore)}	106.97	320.63
Total	**3,951.10**	**5,130.90**

Refer note 3 (h) for basis of valuation.

16. Trade receivables (Unsecured and considered good, unless otherwise stated)

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from due date of payment		
- Considered good*	1,454.84	151.95
- Considered doubtful	1.27	1.29
Others - considered good	14,301.85	12,250.14
Bills Receivable*	15.09	9.38
	15,773.05	**12,412.76**
Less : Provision for doubtful debts	1.27	1.29
Total	**15,771.78**	**12,411.47**

*₹ 18.39 crore (Previous year ₹ 17.15 crore) secured by corporate / bank guarantees and / or letters of credit.

Notes to Financial Statements

for the year ended March 31, 2016

17. Cash and bank balances

(₹ in crore)

Particulars		As at March 31, 2016		As at March 31, 2015	
		Current	Non Current	Current	Non Current
Cash and cash equivalents (As per AS - 3 Cash Flow Statement)					
Balances with banks in:					
- Current accounts		96.49	-	311.59	-
- Deposits with maturities less than 3 months		1.92	-	11.98	-
Cheques on hand		0.03	-	3.66	-
Cash on hand		0.69	-	0.55	-
	(A)	**99.13**	**-**	**327.78**	**-**
Other bank balances					
- Balances with banks in Current accounts / deposits Earmarked accounts (debenture / unclaimed debenture interest)		13.76	-	21.83	-
- Margin deposits and escrow accounts*		1,452.12	2.51	1,694.77	10.21
- Other deposits		23.42	-	0.36	-
Amount disclosed under the head "Other current / Non current assets" (refer note 19)			(2.51)		(10.21)
	(B)	**1,489.30**	**-**	**1,716.96**	**-**
Total	**(A+B)**	**1,588.43**	**-**	**2,044.74**	**-**

*Deposit accounts comprises ₹ 1,454.63 crore (Previous year ₹ 1,704.98 crore) margin deposits mainly placed for letters of credit facilities, guarantees and short term borrowings from banks.

Notes to Financial Statements

for the year ended March 31, 2016

18. Long term loans and advances / Short term loans and advances

(Unsecured and considered good, unless otherwise stated)

(₹ in crore)

Particulars		As at March 31, 2016		As at March 31, 2015	
		Current	Non Current	Current	Non Current
Advances recoverable in cash or in kind or for value to be received					
- From related parties		1,430.40	-	1,078.76	43.00
- From others		75.86	-	85.53	-
Prepaid expenses					
- Related parties		0.25	7.65	-	6.13
- Others		123.12	2.46	58.10	8.80
Balances with government authorities		50.31	-	44.46	-
	(A)	**1,679.94**	**10.11**	**1,266.85**	**57.93**
Inter Corporate Deposits					
- To related parties		5,022.39	-	1,572.86	320.00
- To others		2,799.00	-	100.00	-
	(B)	**7,821.39**	**-**	**1,672.86**	**320.00**
Advances against purchase of shares / debentures					
- To related parties		-	1,400.02	-	1,400.00
- To others		-	52.38	-	35.06
	(C)	**-**	**1,452.40**	**-**	**1,435.06**
Capital Advances					
- To related parties		77.14	127.09	-	94.08
- To others		-	312.26	-	272.33
	(D)	**77.14**	**439.35**	**-**	**366.41**
Security deposits					
- To related parties		1,755.18	-	-	964.40
- To others					
- - Considered good		140.67	5.49	81.33	106.18
- - Considered doubtful		0.00	-	0.35	-
Less: Provision for doubtful deposits		(0.00)	-	(0.35)	-
	(E)	**1,895.85**	**5.49**	**81.33**	**1,070.58**
Advance income tax / Tax deducted at source					
- Considered good		32.68	101.09	31.34	12.81
	(F)	**32.68**	**101.09**	**31.34**	**12.81**
MAT Credit Entitlements		-	437.31	-	-
	(G)	**-**	**437.31**	**-**	**-**
Total	**(A+B+C+D+E+F+G)**	**11,507.01**	**2,445.75**	**3,052.38**	**3,262.79**

“0.00” represents amount less than ₹ 0.01 crore

Notes to Financial Statements

for the year ended March 31, 2016

19. Other current / Non current assets

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Current	Non Current	Current	Non Current
Other receivables*	6,639.14	462.91	6,203.47	589.95
Export incentive receivables	-	258.45	-	179.37
Unamortised expenses				
- Ancillary borrowing costs	111.19	101.68	82.72	181.19
- Forward contracts premium	0.27	-	0.17	-
Interest accrued on deposits	51.87	0.01	75.90	1.16
Cash and bank balances (refer note 17)	-	2.51	-	10.21
Total	**6,802.47**	**825.56**	**6,362.26**	**961.88**

*mainly include receivables against derivative contracts, interest, investment sale, litigation matters, defeasement of sales tax and refunds / reimbursements

20. Revenue from operations

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of petroleum products	60,132.14	89,512.88
Sale of traded goods - crude and petroleum products	5,774.10	3,465.81
Sales - others	1.79	4.29
Other operating revenues	171.66	223.33
Total	**66,079.69**	**93,206.31**

21. Other income

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest		
a) On deposits	116.40	183.65
b) Others	1,542.00	754.47
	1,658.40	**938.12**
Profit on sale of fixed assets	-	0.01
Profit on sale of current investments	138.84	2.49
Others	135.25	85.79
Total	**1,932.49**	**1,026.41**

Notes to Financial Statements

for the year ended March 31, 2016

22. Cost of raw materials consumed

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost of raw materials consumed {refer note 32(a)}	36,654.96	70,336.40

23. Purchase of stock-in-trade

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Traded crude and petroleum products	5,030.24	2,919.35
Total	**5,030.24**	**2,919.35**

24. Changes in inventory of finished goods, work-in-progress and stock-in-trade

(₹ in crore)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Opening inventory:			
- Finished goods		556.55	819.66
- Work-in-progress		1,412.61	2,628.55
- Stock-in-trade		0.41	0.37
	(A)	**1,969.57**	**3,448.58**
Closing inventory:			
- Finished goods		507.87	556.55
- Work-in-progress		731.36	1,412.61
- Stock-in-trade		13.58	0.41
	(B)	**1,252.81**	**1,969.57**
Net Decrease in Inventory	**Total (A) - (B)**	**716.76**	**1,479.01**

25. Employee benefits expense

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	290.54	201.39
Contribution to / for provident and other funds	17.98	17.67
Staff welfare expenses	12.49	10.15
Total	**321.01**	**229.21**

Remuneration paid to the Managing Director and Chief Executive Officer in excess of the approved limits by ₹ 6.27 crore is subject to the approval of shareholders at the ensuing annual general meeting.

Notes to Financial Statements

for the year ended March 31, 2016

26. Other expenses

(₹ in crore)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Operating Expenses:			
Consumption of stores and spare parts		85.35	67.66
Intermediate material handling charges		133.18	133.09
Consumption of fuel		584.75	674.07
Power and Fuel {Net of consumed out of own production ₹ 579.07 crore (Previous year ₹ 1,587.25 crore)}		728.40	645.69
Excise duty (difference between duty on opening and closing stock)		105.66	55.46
Other operating expenses		528.26	442.33
	(A)	**2,165.60**	**2,018.30**
Selling and Marketing Expenses			
Terminalisation charges		15.75	4.52
Rent / ROI for retail outlets		15.24	15.12
Adhoc compensation to retail outlets		0.11	15.07
Product handling charges		382.80	389.71
Other selling and distribution expenses		80.55	139.20
	(B)	**494.45**	**563.62**
General and Administrative Expenses			
Rates and taxes		2.93	2.37
Insurance		54.78	58.15
Legal and professional fees		221.67	186.45
Rent		26.02	23.98
Repairs and maintenance			
a) Buildings		35.25	25.70
b) Plant and machinery		61.56	57.34
c) Others		31.64	30.72
Fixed assets written off		96.48	0.14
Exchange differences (net)		314.54	343.06
Sundry expenses		397.88	194.65
	(C)	**1,242.75**	**922.56**
Total	**(A)+(B)+(C)**	**3,902.80**	**3,504.48**

Notes to Financial Statements

for the year ended March 31, 2016

27. Finance costs

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest		
a) On debentures {refer note 7(ii)(a)}	25.01	69.16
b) On fixed loans	1,080.66	1,704.11
c) On others	542.62	324.84
Change in present obligation of certain loans {refer note 7(ii)(c)}	306.44	206.06
Other finance charges	439.94	263.01
Total	**2,394.67**	**2,567.18**

28. Earnings per share

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
Profit after tax (₹ In crore)		2,162.29	1,521.47
Profit attributable to ordinary shareholders for Basic EPS (₹ In crore)	**(A)**	**2,162.29**	**1,521.47**
Impact on Profit (Net of Tax) for Diluted EPS (₹ In crore)		-	-
Profit attributable to ordinary shareholders for Diluted EPS (₹ In crore)	**(B)**	**2,162.29**	**1,521.47**
		Nos.	**Nos.**
Ordinary shares at the beginning of the year for basic EPS		1,449,516,900	1,449,516,900
Add: Weighted average number of ordinary shares issued during the year		410,989	-
Weighted average number of ordinary shares for basic EPS	**(C)**	**1,449,927,889**	**1,449,516,900**
Add: Shares deemed to be issued		2,642,222	1,792,731
Weighted average number of ordinary shares for diluted EPS	**(D)**	**1,452,570,111**	**1,451,309,631**
Nominal value of ordinary shares (₹)		10/-	10/-
Basic earnings per share (₹)	**(A/C)**	**14.91**	**10.50**
Diluted earnings per share (₹)*	**(B/D)**	**14.89**	**10.48**

*Advances against GDS not considered since the number of underlying shares per GDS has not presently been determined- (refer note 6).

29. Capital and other commitments

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) {including ₹ 0.12 crore (Previous year ₹ 0.11 crore) pertaining to joint ventures (refer note 38)}	961.11	1,268.21

Notes to Financial Statements
for the year ended March 31, 2016

Other commitments

Other commitments include material non-cancellable commitments which if cancelled could result in penalties disproportionate to the benefits involved.

a) The shareholders of the Company, on May 06, 2014, approved the acquisition of equity and participating preference shares of Vadinar Power Company Limited, for an amount not exceeding ₹ 2,100 crore from Essar Power Limited against which an advance payment of ₹ 1,400 crore has been made (also refer note 34).

b) Based on past performance, market conditions and business plans, the Company expects to fully meet the Export Obligation under Advance Authorization amounting to ₹ 16,586.05 crore (Previous year ₹ Nil) in the near future, and accordingly has not recognised the customs duty amounting to ₹ 22.04 crore (Previous year ₹ Nil) at balance sheet date.

c) The Board of Directors of the Company, pursuant to Share Purchase Agreements (refer note 34), on October 19, 2016 approved the acquisition of 97.51% of the equity share capital of Vadinar Oil Terminal Limited from its majority shareholders for a consideration not exceeding ₹ 9,946 crore (against which dues of ₹ 3,648 crore to the Company will be adjusted) and the balance shares at a price not exceeding ₹ 317.50 per share, subject to necessary approvals.

d) The Board of Directors of the Company on October 19, 2016, approved enhancement of the Company's investment in Vadinar Liquid Terminals Limited (VLTL) to 75% to be acquired from Essar Ports Limited for an amount not exceeding ₹ 2.45 lakhs, subject to necessary approvals.

e) The Company has given guarantees to lenders of certain related party suppliers / service providers for honoring its commitments under the supply / service contracts.

30. Contingent liabilities

(₹ in crore)

Particulars		As at March 31, 2016	As at March 31, 2015
a)	Claims against the Company not acknowledged as debts		
	(i) In respect of income tax	70.93	68.34
	(ii) In respect of sales tax / VAT (includes ₹ 191.65 crore which amount is net of expected reimbursement of ₹ 1,378.12 crore)	254.63	40.74
	(iii) In respect of custom duty / excise duty / service tax	494.94	650.82
	(iv) Others {including ₹ 0.54 crore (Previous year ₹ 0.51 crore) pertaining to joint ventures (refer note 38)}	210.77	244.43
	Others includes certain arbitration matters ₹ 5.55 crore (Previous year ₹ 98.76 crore), Insurance related claim ₹ 109.99 crore (Previous year ₹ 102.99 crore), Gujarat entry tax ₹ 3.51 crore (Previous year ₹ 3.51 crore), additional compensation in land acquisition matter ₹ 0.77 crore (Previous year ₹ 0.74 crore), E & P legal disputes / claims ₹ 29.23 crore (Previous year ₹ 28.09 crore), Green cess matter ₹ 13.10 crore (Previous year ₹ 10.10 crore), Renewable Purchase Obligation of ₹ 13.12 crore (Previous year ₹ Nil) and Other miscellaneous claims of ₹ 35.50 crore (Previous year ₹ 0.24 crore).		

Notes to Financial Statements

for the year ended March 31, 2016

b) Other money for which the Company is contingently liable

The Company has entered into an arrangement for standby bareboat charter with Essar Shipping (Cyprus) Limited (ESCL) for 3 ships at an average rate of USD 8,300 per day per ship for upto a period of 8 years. This bareboat charter gets implemented only if ESCL defaults its payment with its lenders. However, ESCL has agreed to indemnify the Company against all losses, in the event of the bareboat charters becoming effective.

The Company has continued recognition of income booked during the year /earlier years in respect of duty drawback ₹ 210.92 crore and contractual matter ₹ 207.14 crore, based on legal advice regarding the probability of succeeding before relevant authorities.

Third party claims where the possibility of outflow of resources embodying economic benefits is remote, and show cause notices which have not yet converted to regulatory demands, have not been considered as contingent liabilities.

31. CIF value of imports including goods in transit

(₹ in crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a) Raw materials	30,456.62	58,111.74
b) Components and spare parts (including other consumable spares and coal)	425.03	613.74
c) Capital goods	134.39	295.01

32. Details of cost of raw materials consumed and stores and spare parts consumption

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	₹ in crore	%	₹ in crore	%
a) Cost of raw materials consumed *(including expenditure during construction)				
(1) Imported	31,107.17	83.25	59,100.05	82.91
(2) Indigenous	6,260.56	16.75	12,178.47	17.09
Total	**37,367.73**	**100.00**	**71,278.52**	**100.00**
b) Consumption of stores and spare parts (including expenditure during construction)				
(1) Imported	13.02	15.25	11.84	17.28
(2) Indigenous	72.33	84.75	56.68	82.72
Total	**85.35**	**100.00**	**68.52**	**100.00**

*Includes ₹ 712.77 crore (Previous year ₹ 918.00 crore) considered as exceptional item in statement of profit & loss (refer note 36)

Notes to Financial Statements
for the year ended March 31, 2016

33. Expenditure and earnings in foreign currency including expenditure during construction / pre production activities

(₹ in crore)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
a)	**Expenditure**		
(i)	Interest	498.74	274.92
(ii)	Travelling expenses	1.00	0.97
(iii)	Professional / consultancy fees	5.18	20.21
(iv)	Services	181.61	301.45
(v)	On commodity hedging	1,158.96	313.40
(vi)	Demurrage	91.87	71.58
(vii)	Overseas Trading of Crude	1,300.32	249.57
(viii)	Others	61.86	45.45
b)	**Earnings**		
(i)	Interest	360.21	96.79
(ii)	FOB value of exports	23,088.47	36,981.99
(iii)	On commodity hedging	1,207.89	2,387.83
(iv)	Income from technical services	4.64	24.80
(v)	Overseas Trading of Crude	1,304.91	248.12
(vi)	Others	14.58	2.51

34. Current Assets include amounts due from related parties and certain other entities aggregating at March 31, 2016 to ₹ 23,960.45 crore (net of subsequent receipts). On October 15, 2016 the majority shareholders of the Company have entered into agreements to sell their shares, (which include as conditions precedent to the completion of sale, inter alia, an escrow arrangement with respect to the deployment of the sale consideration and acquisition of shares in identified related parties – also refer note 29), pursuant to which the Company will be able to realize the aforesaid amounts and settle its liability for payment to the National Iranian Oil Company aggregating at March 31, 2016 to ₹ 17,614.20 crore (net of subsequent payments, also refer note 9), as and when it falls due for payment and banking channels are available to make remittances (following lifting of US sanctions). The Company's ability, therefore, to collect the amounts due in the near to short term and have the required cash flow to discharge the said liability, and, be able to continue as a going concern is predicated on the successful implementation of the said agreements, including the escrow arrangement and acquisition of shares.

The Company has reckoned with the carrying values of the dues from related parties and other entities having regard to, inter alia, fair values of the net assets of the parties / guarantors, letters of support / the aforesaid agreements including the escrow mechanism and acquisition of shares.

35. GDS proceeds utilisation

As at balance sheet date, the unutilized balance of proceeds from issue of GDS / advance towards issue of GDS amounting to ₹ 3.97 crore (Previous year ₹ 12.37 crore) is lying in current / deposit accounts with banks.

Notes to Financial Statements

for the year ended March 31, 2016

36. Exceptional items

Exceptional items comprise of

i) Inventory losses of ₹ 712.77 crore (Previous year ₹ 918.00 crore), consequent upon the month to month steep and unprecedented fluctuations in the global prices of crude oil during the year.

ii) Expenses of ₹ 213.36 crore (Previous year ₹ Nil) incurred during a planned shutdown of the refinery.

iii) Compensation of ₹ 240.00 crore (Previous year ₹ Nil) on account of non / short supply of CBM gas under a Gas Supply Agreement.

iv) During the year, the Company changed its accounting policy in respect of Oil and Gas exploration and production activities from Full Cost Method to Successful Efforts Method, for a more appropriate presentation of the financial statements. Accordingly, in line with the Guidance Note on Accounting for Oil and Gas Production Activities, the effect of the change has been calculated retrospectively and the resulting deficiency of ₹ 422.50 crore has been charged to the statement of profit and loss.

37. Leases

a) Finance lease:-

(i) Future lease rental payable and reconciliation of minimum lease payments and its present value in respect of the assets:-

(₹ in crore)

Particulars	Minimum Lease payments/ Future lease rent payable		Interest		Present value of minimum lease payments	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Future lease rental obligation payable:						
Not later than one year	9.73	14.61	3.25	4.65	6.48	9.96
Later than one year but not later than five years	15.10	21.05	10.57	11.40	4.53	9.65
Later than five years	25.34	29.09	9.09	11.48	16.25	17.61
Total	**50.17**	**64.75**	**22.91**	**27.53**	**27.26**	**37.22**

(ii) General description of the leasing arrangements:

- Leased Assets – Residential township, Transit accommodation and supply depot.
- Future lease rental payments are determined on the basis of quarterly / monthly lease payments as provided in the agreements.
- At the expiry of the lease term, the Company has an option to extend the lease on mutual terms and conditions. In case of the supply depot, the ownership gets transferred to the Company at the end of the lease term.
- Assets are taken on lease over a period of 10 to 20 years.

Notes to Financial Statements

for the year ended March 31, 2016

b) Operating lease:

(i) The Company's major leasing arrangements are in respect of commercial /residential premises (including furniture and fittings)/ retail outlet facilities. The lease rentals are recognised under "Other Expenses" or "Expenditure during construction / pre-production activities" as applicable. These leasing arrangements are usually renewable by mutually agreed terms and conditions.

(ii) Future minimum lease rentals payable as per the lease agreements:

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Not later than one year	7.19	7.19
Later than one year but not later than five years	-	7.19
Later than five years	-	-
Total	**7.19**	**14.38**

38. Exploration and production activities

a) During the year, the Company has adopted Successful Efforts Method (SEM) of Accounting, prescribed under the Guidance Note on "Accounting for Oil and Gas Producing Activities" issued by the "Institute of Chartered Accountants of India". Accordingly net exploration expenses amounting to ₹ 422.50 crore, which were earlier carried under "Producing Properties" and "Capital Work-In Progress/Intangible Assets under Development" under the Full Cost Method (FCM) were charged off to Statement of Profit & Loss (refer note 36).

b) Company's interest in oil & gas and CBM Joint Ventures as at March 31, 2016:

Sr. No.	Name of the Block	As at March 31, 2016	As at March 31, 2015
1	CB-ON/3 (Gujarat, India) #	100%	0%
2	Ratna & R-Series (Maharashtra, India) ##	-	50%
3	AA-ONN-2004/3 (Assam, India) ###	-	10%
4	RG (East) 2001/1 (West Bengal, India)	100%	100%
5	RM-(E)-CBM-2008/IV (Rajmahal, Jharkhand, India)	100%	100%
6	TL-CBM-2008/IV (Talcher, Orissa, India)	100%	100%
7	IB-CBM-2008/IV (IB Valley, Orissa, India)	100%	100%
8	SP(NE)-CBM-2008/4 (Sohagpur, Madhya Pradesh, India)	100%	100%

ONGC has exercised its back-in rights of 30% in ESU field, excluding well ESU#4, leaving the Company with a 70% participating Interest. However, the Company holds 100% interest in rest of CB-ON/3 Block.

Balance 40% interest held by ONGC and 10% by Premier Oil. During FY 2015-16, the award was cancelled by Govt. of India.

Block AA-ONN-2004/3 was relinquished w.e.f. 11.09.2015.

Notes to Financial Statements

for the year ended March 31, 2016

c) i) Company's interest in Proved (1P) and Proved Developed reserves of crude oil as on March 31, 2016 is as under:

Area of operation		Proved		Proved developed	
		MT	MT	MT	MT
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Essar South Unawa (ESU) field Block CB-ON/3 - onshore Cambay Basin, India	Opening	78,826	80,326	25,475	26,975
	Addition	-	-	-	-
	Production	962	1,500	962	1,500
	Closing	77,864	78,826	24,513	25,475

ii) Company's interest in Proved (1P) and Proved Developed reserves of coal bed methane gas as on March 31, 2016 is as under:

Area of operation		Proved		Proved developed	
		MMSCM	MMSCM	MMSCM	MMSCM
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
RG(East)-CBM-2001/1 block, West Bengal, India	Opening	490	581	261	352
	Addition	-	-	-	-
	Production	237	91	237	91
	Closing	253	490	24	261

d) i) The Company uses proved and probable reserves as the basis for impairment assessment for both crude oil and coal bed methane gas blocks.

ii) Fields, which uses common production and transportation facilities and are economically interdependent, have been considered as single cash generating unit for impairment purpose. Accordingly, Essar South Unawa (ESU), Essar North Pali (ENP), Essar North Sapad (ENS) and the Essar East Unawa (EEU) fields in block CB-ON/3 have been considered as single cash generating unit. CBM Raniganj Block has been considered as separate cash generating unit for impairment purpose.

iii) Crude oil reserves are evaluated on yearly basis by inhouse technical team, based on available geological, geophysical and production data.

iv) CBM reserve certification exercise was carried out by an independent external agency in September 2009 and September 2011. All estimates have been prepared in accordance with the definition and guidelines set forth in the 2007 Petroleum Resource Management System (PRMS) approved by Society of Petroleum Engineers (SPE).

Notes to Financial Statements

for the year ended March 31, 2016

39. Derivative instruments and unhedged foreign currency exposures

a) The following table presents the movements in cashflow hedge reserves (₹ in crore)

Particulars	Year ended March 31, 2016			Year ended March 31, 2015		
	Commodity derivatives	Financial derivatives	Total	Commodity derivatives	Financial derivatives	Total
Opening balance	232.09	(403.17)	(171.08)	24.58	(12.74)	11.84
Transferred from Foreign currency monetary item translation difference account	-	-	-	-	(112.82)	(112.82)
Recognised during the year	325.46	(200.28)	125.18	332.26	(316.65)	15.61
Recycled to statement of profit and loss	(508.51)	235.33	(273.18)	(124.75)	39.04	(85.71)
Closing balance	49.04	(368.12)	(319.08)	232.09	(403.17)	(171.08)

b) Derivative contracts entered into by the Company and outstanding as at balance sheet date:

For hedging currency and interest related risks:

(i) The Company uses forward exchange contracts, interest rate swap contracts and currency swap contracts to hedge its exposure in foreign currency and interest rate. The information on outstanding contracts is given below:

Currency	Amount		Buy/Sell	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Forward contracts:				
US Dollar in million	113.20	141.90	Buy	Buy
Interest rate swaps:				
US Dollar in million floating to fixed (Notional value)	363.07	387.22	Swap	Swap
Currency swaps:				
US Dollar in million	332.27	603.56	Sell	Sell

(ii) The foreign currency exposure of the Company as at balance sheet date that have not been hedged by a derivative instrument or otherwise are given below:

Currency	Payables		Receivables		Loan Liabilities (Including Interest accrued)	
	₹ in Crore	FC in Million	₹ in Crore	FC in Million	₹ in Crore	FC in Million
JPY	**0.23**	**3.87**	**-**	**-**	**-**	**-**
	(0.08)	(1.60)	-	-	-	-
USD	**7,749.99**	**1,168.35**	**15,667.40**	**2,361.94**	**19,314.57**	**2,911.76**
	(7,062.13)	(1,128.30)	(12,368.51)	(1,976.09)	(15,950.20)	(2,548.33)
EURO	**3.29**	**0.44**	**0.94**	**0.13**	**44.24**	**5.89**
	(1.65)	(0.24)	(1.00)	(0.15)	(6.00)	(0.89)
GBP	**1.08**	**0.11**	**1.40**	**0.15**	**-**	**-**
	(0.65)	(0.07)	(0.66)	(0.07)	-	-
AUD	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(0.86)	(0.18)	-	-
SGD	**-**	**-**	**0.01**	**0.00**	**-**	**-**
	-	-	(0.01)	(0.00)	-	-

Notes to Financial Statements

for the year ended March 31, 2016

Currency	Payables		Receivables		Loan Liabilities (Including Interest accrued)	
	₹ in Crore	FC in Million	₹ in Crore	FC in Million	₹ in Crore	FC in Million
CAD	**0.72**	**0.14**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
AED	**0.00**	**0.00**	**-**	**-**	**-**	**-**
	-	-	(0.00)	(0.00)	-	-
CHF	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Total	**7,755.31**		**15,669.75**		**19,358.81**	
	(7,064.51)		(12,371.04)		(15,956.20)	

"0.00" represents amount less than 0.01 million in FC
"0.00" represents amount less than ₹ 0.01 crore in INR
Previous year figures have been shown in brackets.

(iii) Bank balance in foreign currency as at March 31, 2016 ₹ 0.03 crore (USD 0.00 million) {Previous year ₹ 90.79 crore (USD 14.50 million)}

c) For hedging commodity related risks:

Category wise break-up of commodity derivative contracts entered into by the Company and outstanding as at balance sheet date:

Sr. No.	Nature of instrument	Crude oil purchases / (sales)		Petroleum products purchases / (sales)	
		Qty. in Barrels ('000)		Qty. in Barrels ('000)	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
1	Spreads	510	5,571	(6,950)	(5,550)
2	Net Options	(3,000)	(2,200)	-	-
3	Margin hedging	-	-	1,025	(1,950)

Notes to Financial Statements

for the year ended March 31, 2016

40. Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
- Audit fees	2.79	1.98
- Taxation matters	0.54	0.26
- Other services	1.63	1.53
- Reimbursement of expenses	0.03	0.04
Total	**4.99**	**3.81**

41. Segment information

As per Accounting Standard (AS) 17 on “Segment Reporting”, segment information has been provided under the Notes to Consolidated Financial Statements.

42. The Company’s Board of Directors has, subject to shareholders and other requisite approvals and formalities to be fulfilled as required, consented to the disposal of the Company’s Exploration and Production operations (E&P), as a going concern, and the plans for the disposal are in the process of being formalized. (The separation of E&P is also a condition precedent to the sale of shares - refer note 34).

43. Details of dues to micro and small enterprises

The information regarding principal and interest pertaining to micro and small enterprises based on available details is as under:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1	Principal amount due and remaining unpaid	0.18	-
2	Interest due on (1) above and the unpaid interest	0.01	-
3	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	0.02	0.01
4	Payments made beyond the appointed day during the year	4.07	1.71
5	Interest due and payable for the period of delay	0.02	-
6	Interest accrued and remaining unpaid	0.03	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

Notes to Financial Statements

for the year ended March 31, 2016

44. Defined benefit plans / long term compensated absences

(a) Defined benefit plans / long term compensated absences - as per actuarial valuations as at March 31, 2016:

(₹ in crore)

Sr. No.	Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)		Employer Established Provident Fund {refer note (iii) below}	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
A	**Net assets / liability recognised in the balance sheet {refer note (v) below}**						
1	Present value of defined benefit obligation	32.06	26.62	10.83	12.34	168.24	136.71
2	Fair value of plan assets	15.21	14.90	-	-	168.24	136.71
3	Funded status - surplus / (deficit)	(16.85)	(11.72)	(10.83)	(12.34)	-	-
4	Net assets / (liability) recognised in the balance sheet	(16.85)	(11.72)	(10.83)	(12.34)	-	-
B	**Expenses recognised in statement of profit and loss or expenditure during construction, as applicable for the year ended March 31, 2016**						
1	Current services cost	3.32	2.37	-	3.30	9.00	8.05
2	Interest cost	2.01	1.56	0.92	3.04	13.25	11.02
3	Expected / actual return on plan assets	(1.23)	(1.18)	-	-	(13.14)	(10.96)
4	Past services cost	-	-	-	-	-	-
5	Actuarial losses/(gains)	1.83	5.79	(1.31)	(26.68)	(0.11)	(0.06)
6	Total expenses	5.93	8.54	(0.39)	(20.34)	9.00	8.05
C	**Change in obligation and assets**						
C1	**Change in defined benefit obligation**						
1	Defined benefit obligation at beginning of the year	26.62	18.15	12.34	33.67	136.71	115.67
2	Service cost	3.32	2.37	-	3.30	9.00	8.05
3	Interest cost	2.01	1.56	0.92	3.04	13.25	11.02
4	Plan Amendments	-	-	-	-	-	-
5	Acquisition adjustment/Transfer In/ (Transfer Out)@	-	0.98	-	0.29	11.39	7.71
6	Actuarial losses/(gains)	1.71	5.88	(1.31)	(26.68)	(0.11)	(0.06)
7	Benefit payments	(1.60)	(2.32)	(1.12)	(1.28)	(15.78)	(17.94)
8	Employees contribution	-	-	-	-	13.78	12.26
9	Defined Benefit obligation at the end of the year	32.06	26.62	10.83	12.34	168.24	136.71
C2	**Change in fair value of assets**						
1	Fair value of plan assets at the beginning of the year	14.90	14.09	-	-	136.71	115.67
2	Acquisition adjustment/Transfer In/ (Transfer Out)@	-	-	-	-	-	-
3	Expected return on plan assets	1.23	1.18	-	-	13.14	10.96
4	Actual Company & employees contributions	0.80	1.86	-	-	34.17	28.02

Notes to Financial Statements

for the year ended March 31, 2016

(₹ in crore)

Sr. No.	Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)		Employer Established Provident Fund {refer note (iii) below}	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
5	Actuarial (losses)/gains	(0.12)	0.09	-	-	-	-
6	Benefits payments	(1.60)	(2.32)	-	-	(15.78)	(17.94)
7	Fair value of plan assets at the end of the year	15.21	14.90	-	-	168.24	136.71
D	**Actuarial assumptions**						
1	Discount rate (per annum)	7.70%	7.80%	7.70%	7.80%	7.70%	7.80%
2	Expected rate of return on assets (per annum)	8.50%	8.50%	NA	NA	8.75%	8.75%
3	Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified					
E	**Percentage of each category of plan assets to total fair value of plan assets**						
	Administered by Life Insurance Corporation of India	100%	100%	NA	NA	NA	NA
	Central Govt Securities / Bond	-	-	-	-	21%	26%
	State Govt Securities / Bond	-	-	-	-	22%	15%
	Public Sector Bonds	-	-	-	-	54%	57%
	Units of Mutual Fund	-	-	-	-	1%	0%
	Others (Including bank balances)	-	-	-	-	2%	2%
F	**Experience adjustment: {Refer note (v) below}**						
	Plan liabilities loss/(gain)	1.52	(0.17)	(1.34)	(20.06)	NA	NA
	Plan assets loss/(gain)	0.12	(0.09)	-	-	NA	NA
	Actuarial loss/(gain) due to change in assumption	0.18	6.05	0.04	(6.62)	NA	NA
G	**Employer's best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date**	4.35	3.48	NA	NA	9.89	8.85

@ Employees were transferred from / to related parties / other body corporates with credit for past services.

Notes:

(i) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.

(ii) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.

(iii) The employer managed provident fund is considered as a defined benefit plan.

(iv) The Company is unable to obtain the details of plan assets from the Insurance Company (LIC of India / SBI Life Insurance) and hence the disclosure thereof is not made.

Notes to Financial Statements

for the year ended March 31, 2016

(v) Amounts for the current year and previous four years are as follows:

(₹ in crore)

Sr. No.	Particulars	Gratuity (Funded)				
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
a)	**Net assets / liability recognised in the Balance sheet**					
1	Present value of defined benefit obligation	32.06	26.62	18.15	15.16	11.71
2	Fair value of plan assets	15.21	14.90	14.09	12.00	11.71
3	Funded status - surplus / (deficit)	(16.85)	(11.72)	(4.06)	(3.16)	-
4	Net assets / (liability) recognised in the balance sheet	(16.85)	(11.72)	(4.06)	(3.16)	-
b)	**Experience adjustment:**					
1	Plan liabilities loss/(gain)	1.52	(0.17)	0.47	0.38	0.27
2	Plan assets loss/(gain)	0.12	(0.09)	(0.08)	(0.04)	(0.08)

(₹ in crore)

Sr. No.	Particulars	Employer Established Provident Fund				
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
a)	**Net assets / liability recognised in the Balance sheet**					
1	Present value of defined benefit obligation	168.24	136.71	115.67	95.95	78.10
2	Fair value of plan assets	168.24	136.71	115.67	95.95	78.10
3	Funded status - surplus / (deficit)	-	-	-	-	-
4	Net assets / (liability) recognised in the balance sheet	-	-	-	-	-
b)	**Experience adjustment:**					
1	Plan liabilities loss/(gain)	NA	NA	NA	NA	NA
2	Plan assets loss/(gain)	NA	NA	NA	NA	NA

(b) Defined contribution plans :

Company's contribution to superannuation fund aggregating to ₹ 0.85 crore (Previous year ₹ 0.55 crore) are recognised in the statement of profit and loss / expenditure during construction / pre-production activities, as applicable. There is no obligation other than the contribution payable to the respective trusts.

Notes to Financial Statements

for the year ended March 31, 2016

45. Related party disclosures

I. Transactions with related parties

(₹ in crore)

Nature of transactions	Holding Company / Intermediate Holding Company	Subsidiaries	Fellow Subsidiaries	Associates
Advance received from customers (net)	**-**	**-**	**0.34**	**-**
(EBTL - ₹ 0.16 crore, EPGL - ₹ 0.15 crore) (Previous year - EEOL - ₹ 254.76 crore)	-	-	(254.91)	-
Expenses incurred on behalf of Joint Venture	**0.04**	**-**	**0.15**	**-**
(EEHL - ₹ 0.19 crore) (Previous year - EEHL - ₹ 0.12 crore)	-	-	(0.12)	-
Purchase of fixed assets / intangible assets (including CWIP)	**-**	**-**	**85.07**	**-**
(EOSIL - ₹ 31.08 crore, EPIL - ₹ 53.33 crore) (Previous year EOSIL - ₹ 55.73 crore, ERPL - ₹ 350.35 crore)	-	-	(435.46)	-
Advances given on capital account (net of repayments)	**-**	**-**	**110.42**	**-**
(EPIL - ₹ 105.00 crore) (Previous year - EOSIL - ₹ 1.15 crore)	-	-	(1.15)	-
Advances given to vendors for services (net of repayments)	**-**	**-**	**10.33**	**302.78**
(VPCL - ₹ 302.78 crore) (Previous year - ESL - ₹ 4.59 crore)	-	-	(4.66)	(0.00)
Deposits given by the Company	**-**	**-**	**790.78**	**-**
(VOTL-₹665.78crore,VPTL-₹125.00crore)(Previousyear-₹Nil)	-	-	-	-
Sale of goods / power net of cash discount (including taxes)	**-**	**-**	**329.97**	**-**
(EEOL - ₹ 218.78 crore, EEPDCL - ₹ 34.74 crore, ELL - ₹ 47.98 crore) (Previous year - EEOL - ₹ 1,772.30 crore, PTOL - ₹ 2,554.96 crore)	-	-	(4,808.15)	-
Interest income	**-**	**16.66**	**500.75**	**142.63**
(ESTL - ₹ 257.11 crore, VPCL - ₹ 142.63 crore, VPTL - ₹ 90.19 crore) (Previous year - ESTL - ₹ 89.92 crore, VPCL - ₹ 109.58 crore, VPTL - ₹ 40.42 crore)	-	(2.66)	(262.32)	(109.58)
Lease income (including lease tax)	**-**	**0.01**	**1.85**	**0.02**
(VOTL - ₹ 0.25 crore, VPTL - ₹ 1.58 crore) (Previous year - VOTL - ₹ 0.25 crore, VPTL - ₹ 1.52 crore)	-	(0.01)	(1.78)	(0.02)
Rendering of services	**-**	**-**	**55.23**	**37.71**
(VOTL - ₹ 45.36 crore, VPCL - ₹ 37.71 crore) (Previous year - EEHL - ₹ 24.80 crore, VOTL - ₹ 37.74 crore, VPCL - ₹ 39.09 crore)	(0.24)	-	(64.84)	(39.09)
Receiving of services	**-**	**-**	**1,028.06**	**619.64**
(VOTL - ₹ 562.01 crore, VPCL - ₹ 619.64 crore, VPTL - ₹ 322.37 crore) (Previous year - VOTL - ₹ 570.07 crore, VPCL - ₹ 533.43 crore, VPTL - ₹ 322.75 crore)	-	-	(1,042.88)	(533.43)
Purchase of goods / supply of materials (including material taken on loan)	**-**	**-**	**1.46**	**-**
(EEPDCL - ₹ 1.46 crore) (Previous year - EPGL ₹ 28.79 crore, ESTL ₹ 26.33 crore)	-	-	(55.12)	-

Notes to Financial Statements

for the year ended March 31, 2016

(₹ in crore)

Nature of transactions	Holding Company / Intermediate Holding Company	Subsidiaries	Fellow Subsidiaries	Associates
Commodity derivatives	**-**	**-**	**700.04**	**-**
(EEOL ₹ 700.04 crore loss) (Previous year - EEOL ₹ 2,008.29 crore Gain)	-	-	(2,008.29)	-
Lease rent charged to Company	**-**	**16.96**	**-**	**-**
(VPL - ₹ 16.96 crore) (Previous year - VPL - ₹ 2.82 crore)	-	(2.82)	-	-
Investments	**-**	**-**	**-**	**-**
(Previous year - Purchase of equity shares from VOTL of VLTL - ₹ 0.01 crore)	-	-	(0.01)	-
Interest / financial charges paid / funded	**-**	**-**	**7.52**	**-**
(ESTL - ₹ 7.37 crore) (Previous year - ESTL - ₹ 3.70 crore)	-	-	(3.84)	-
Advance received against global depositary shares	**-**	**-**	**-**	**-**
(Previous year - EEHL - ₹ 1,500.53 crore)	-	-	(1,500.53)	-
Inter Corporate Deposits given (including material given on loan)	**-**	**3.70**	**4,356.40**	**-**
(ESTL - ₹ 2,047.94 crore, VPTL - ₹ 1,750.00 crore) (Previous year - EPIL - ₹ 370.00 crore, ESTL - ₹ 2,063.21 crore)	-	-	(3,265.57)	-
Reimbursement of capital expenditure	**-**	**-**	**-**	**-**
(Previous year - EGPL ₹148.60 crore)	-	-	(148.60)	-
Sale of fixed assets	**-**	**-**	**-**	**-**
(Previous year - EPIL - ₹ 9.67 crore)	-	-	(9.67)	-
Advance paid against purchase of shares	**-**	**-**	0.02	**-**
(VOTL - ₹ 0.02 crore)(Previous year - EPOL - ₹ 1,400.00 crore)	-	-	(1,400.00)	-

Transactions with other classes of related parties

a) Key management personnel (remuneration)@

(Shri L K Gupta - ₹ 13.87 crore, Shri C Manoharan - ₹ 5.01 crore) (Previous year -	18.88
Shri L K Gupta - ₹ 4.57 crore, Shri C Manoharan - ₹ 2.77 crore)	(7.34)

@exclusive of provisions for liability in respect of leave earned and gratuity, since this is based on actuarial valuation done on an overall basis for all employees. Performance bonus/incentive amount considered on payment basis. The remuneration of ₹ 5.01 crore of Mr. C. Manoharan includes perquisite value of options exercised by him.

Notes to Financial Statements
for the year ended March 31, 2016

II. Balances with related parties

(₹ in crore)

Nature of balances	Holding Company / Intermediate Holding Company	Subsidiaries	Fellow Subsidiaries	Associates
Debit balances				
Security deposits	**-**	**63.00**	**1,102.18**	**590.00**
(VOTL - ₹ 665.78 crore, VPCL - ₹ 590.00 crore, VPTL - ₹ 423.00 crore) (Previous year - VPCL - ₹ 590.00 crore, VPTL - ₹ 298.00 crore)	-	(63.00)	(311.40)	(590.00)
Investments	**-**	**1.74**	**1,025.00**	**103.01**
(Preference shares of EPoL - ₹ 1,025.00 crore) (Previous year - Preference shares of EPoL - ₹ 1,025.00 crore)	-	(1.74)	(1,025.00)	(103.01)
Trade receivables	**32.28**	**-**	**360.61**	**0.01**
(EPGL - ₹ 41.66 crore, EPOL - ₹ 215.50 crore) (Previous year - EPOL - ₹ 203.61 crore, EPGL - ₹ 39.35 crore, EPMPL - ₹ 38.18 crore)	-	-	(374.09)	(0.01)
Advances recoverable in cash or in kind or for value to be received	**17.87**	**43.00**	**12.08**	**1,357.45**
(VPCL - ₹ 1,357.45 crore) (Previous year - VPCL - ₹ 1,054.67 crore)	(0.00)	(43.01)	(24.08)	(1,054.67)
Capital advances	**-**	**77.14**	**127.09**	**-**
(EOSIL - ₹ 22.09 crore, EPIL - ₹ 105.00 crore, VPL - ₹ 77.14 crore) (Previous year - EOSIL - ₹ 16.71 crore, VPL - ₹ 77.14 crore)	-	(77.14)	(16.94)	-
Prepaid Expenses	**-**	**7.90**	**-**	**-**
(VPL - ₹ 7.90 crore) (Previous year - VPL ₹ 6.13 crore)	-	(6.13)	-	-
Other receivables	**2.24**	**47.72**	**3,400.45**	**171.69**
(ESTL - ₹ 2,591.72 crore) (Previous year - EEOL - ₹ 2,044.68 crore, ESTL - ₹ 2,354.15 crore)	(1.53)	(41.57)	(4,666.36)	(46.33)
Inter Corporate Deposits	**-**	**1.20**	**5,021.19**	**-**
(ESTL - ₹ 2,320.99 crore, VPTL - ₹ 1,750.00 crore) (Previous year - EPIL - ₹ 216.74 crore, EPOL - ₹ 255.00 crore, ESTL - ₹ 916.82 crore, VOTL - ₹ 200.00 crore, VPTL - ₹ 300.00 crore)	-	(4.31)	(1,888.55)	-
Advance against purchase of shares	**-**	**-**	**1,400.02**	**-**
(EPOL - ₹ 1,400.00 crore)(Previous year - EPOL - ₹ 1,400.00 crore)	-	-	(1,400.00)	-
Credit balances				
Security deposits	**-**	**-**	**0.02**	**-**
(ESTL - ₹ 0.02 crore) (Previous year - EPIL - ₹ 1.13 crore)	-	-	(1.15)	-
Finance Lease obligation	**-**	**26.94**	**-**	**-**
(VPL - ₹ 26.94 crore) (Previous year - VPL - ₹ 36.43 crore)	-	(36.43)	-	-
Trade payables / Other liabilities	**-**	**-**	**276.66**	**-**
(EEOL - ₹ 191.06 crore, EESML - ₹ 34.81 crore) (Previous year - EPIL- ₹ 8.97 crore, EESML- ₹ 18.18 crore)	(0.01)	-	(57.07)	-

Notes to Financial Statements

for the year ended March 31, 2016

(₹ in crore)

Nature of balances	Holding Company / Intermediate Holding Company	Subsidiaries	Fellow Subsidiaries	Associates
Advance received from customers	**-**	**-**	**0.36**	**-**
(EBTL - ₹ 0.16 crore, EPGL - ₹ 0.15 crore)(Previous year - EEOL - ₹ 260.57 crore)	-	-	(260.72)	-
Advance towards global depository shares	**1,500.53**	**-**	**-**	**-**
(EEHL - ₹ 1,500.53 crore) (Previous year - EEHL - ₹ 1,500.53 crore)	-	-	(1,500.53)	-
Other balances				
Outstanding guarantees given on behalf of the Company	**1,179.00**	**-**	**-**	**-**
(EGFL - ₹ 1,179.00 crore) (Previous year - EGFL - ₹ 1,872.97 crore)	(1,921.26)	-	-	-

"0.00" represents amount less than ₹ 0.01 crore.

Notes :

1) Names of related parties and description of relationship:

Ultimate holding Company	Essar Global Fund Limited, Cayman (EGFL)
Intermediate holding Companies	Essar Energy Limited (Formerly Known As Essar Energy PLC)(EEL) Essar Oil & Gas Limited, Mauritius (EOGL) w.e.f. February 16, 2016
Holding Companies	Essar Oil & Gas Limited, Mauritius (EOGL) upto February 15, 2016 Essar Energy Holdings Limited (EEHL) w.e.f. February 16, 2016
Subsidiaries	Essar Oil Trading Mauritius Limited(EOTML) Vadinar Properties Limited (VPL) w.e.f. February 18, 2015
Associates	Vadinar Power Company Limited (VPCL) Vadinar Liquid Terminals Limited (VLTL) w.e.f. March 27, 2015
Key management personnel	Shri Lalit Kumar Gupta, Managing Director and CEO Shri C Manoharan, Director - Refinery

Notes to Financial Statements

for the year ended March 31, 2016

Fellow Subsidiaries	Aegis Limited(AEGIS), AGC Networks Limited(AGCNET), AGC Networks Pte. Ltd.(AGCNETPTE), Equinox Business Parks Private Limited(EBPPL), Essar Bulk Terminal Limited(EBTL), Essar Bulk Terminal Paradip Limited(EBTPL), Essar Bulk Terminal (Salaya) Limited(EBTSL), Essar Energy Overseas Limited(EEOL), Essar Electric Power Development Corporation Limited(EEPDCL), Essar Exploration & Production Limited(EEPL), Essar Exploration & Production Limited, Nigeria(EEPLN), Essar Energy Services (Mauritius) Limited(EESML), Essar Exploration & Production (India) Limited(EEXPIL), Essar Gujarat Petrochemicals Limited(EGPL), Arkay Logistics Limited (FKA Essar Logistics Limited)(ELL), Essar Oil (UK) Limited(EOLUK), Essar Oilfields Services India Limited(EOSIL), Essar Power Gujarat Limited(EPGL), Essar Project (India) Limited(EPIL), Essar Ports Limited(EPL), Essar Power MP Limited(EPMPL), Essar Power Limited(EPOL), Equinox Realty & Infrastructure Private Limited(ERIPL), Essar Shipping Limited(ESL), Essar Steel Logistics Limited(ESTLL), Essar Steel India Limited(ESTL), Energy Transportation International Limited(ETIL), Brahmani Thermal Power Private Limited (FKA Navbharat Power Private Limited)(NPPL), Peak Trading Overseas Limited(PTOL), Vadinar Oil Terminal Limited(VOTL), Vadinar Ports & Terminal Limited(VPTL), Essar Refinery Projects Limited, India (FKA Essar Road Projects Limited) upto February 26, 2015(ERPL), Essar Power Hazira Holdings Limited(EPHHL), Essar Energy Holdings Limited Upto February 15, 2016(EEHL).

2) Names of related parties, where the transactions during the year / balances as at March 31, 2016 with a single party are 10% or more, are disclosed under each nature of transaction / class of balances.

3) Previous year figures have been shown in brackets.

46. Figures of previous year have been regrouped / rearranged, wherever necessary, to conform to those of the current year.

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Lalit Kumar Gupta
Managing Director and
Chief Executive Officer

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Suresh Jain
Director - Finance

Independent Auditor's Report

TO
THE MEMBERS OF ESSAR OIL LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of ESSAR OIL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

   We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, in particular our comment in paragraph 8 (a) below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and it associates as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

8. Attention is invited to the following Notes of the Consolidated Financial Statements:

   a. Note No. 34 regarding the Company's ability to collect amounts due from related parties and certain other entities aggregating to ₹ 23,876.41 crore, in the near to short term and having the required cash flow to discharge its liability for payment to the National Iranian Oil Company aggregating to ₹ 17,614.20 crore, and be able to continue as a going concern, which is predicated on the timely closure and successful implementation of the agreements including the escrow arrangement and acquisition of shares in identified companies, as detailed in the note.

   b. Note No. 7(ii) (a) regarding accounting for interest on debentures for the period October 1998 to April 2012 on cash basis, in accordance with the orders of the Gujarat High Court.

   c. Note No. 7(ii) (c) regarding measurement of certain borrowings in accordance with the Accounting Standard 30 on Financial Instruments, Recognition and Measurement as per the accounting policy consistently followed by the Holding Company.

Our Audit Report is not qualified in respect of above matters.

Other Matters

9. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 391.64 crores as at 31st March, 2016, total revenues of ₹ 14.47 crores and net cash flows amounting to ₹ (0.34) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 2.05 crores for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, having regard and further to the matters described in paragraph 8(b) above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) Having regard and further to the matters described in the paragraphs 8(b) and (c) above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

e) The going concern matter described in paragraph 8 (a) above could, if the agreements are not successfully implemented as stated in Note No. 34 to the Consolidated Financial Statements, have an adverse effect on the functioning of the Group.

f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and its associate companies incorporated in India, none of the directors of the Group company and its associate companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and its associates incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and its associate companies' incorporated in India internal financial controls over financial reporting.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, to the best of our knowledge and belief and according to the explanations given to us by the Management and the basis of the reports of the associate companies incorporated in India:

  i. The Group has disclosed the impact as estimated of pending litigations on the consolidated financial position of the Group and its associates in accordance with generally accepted accounting principles.

  ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company. In case of subsidiary company and its associate companies incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

P. B. Pardiwalla
Partner
Membership No. 40005
Mumbai, 23rd November, 2016

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 10g under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Essar Oil Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its one subsidiary company and its two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

P. B. Pardiwalla
Partner
Membership No. 40005
Mumbai, 23rd November, 2016

Consolidated Balance Sheet

as at March 31, 2016

(₹ in crore)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	4	1,467.27	1,466.12
b) Reserves and surplus	5	4,207.80	2,445.68
Advance towards issue of global depository shares	6	1,500.53	1,500.53
Non-current liabilities			
a) Long-term borrowings	7	16,923.74	15,240.51
b) Deferred tax liabilities (Net)	8(b)	-	-
c) Other long term liabilities	10	594.16	706.60
d) Long-term provisions	11	5.14	5.14
Current liabilities			
a) Short-term borrowings	12	11,254.57	10,069.92
b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		0.95	1.94
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 34)		25,308.88	21,095.62
c) Other current liabilities	10	6,462.00	8,074.69
d) Short-term provisions	11	472.86	36.09
TOTAL		**68,197.90**	**60,642.84**
ASSETS			
Non-current assets			
a) Fixed assets	13		
(i) Tangible assets		20,326.25	21,109.60
(ii) Intangible assets		30.07	181.66
(iii) Capital work-in-progress		3,841.97	3,536.32
(iv) Intangible assets under development		-	262.46
b) Goodwill on consolidation		11.12	11.12
c) Non-current investments	14	148.46	1,183.94
d) Long-term loans and advances	18	2,449.66	3,090.15
e) Other non-current assets)	19	825.56	961.96
Current assets (refer note 34)			
a) Current investments	14	1,025.00	1,195.00
b) Inventories	15	3,951.10	5,130.90
c) Trade receivables	16	15,771.78	12,411.47
d) Cash and bank balances	17	1,588.67	2,045.32
e) Short-term loans and advances	18	11,445.62	3,186.98
f) Other current assets	19	6,782.64	6,335.96
TOTAL		**68,197.90**	**60,642.84**
The accompanying notes 1 to 48 are an integral part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner
Mumbai, November 23, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Lalit Kumar Gupta
Managing Director and
Chief Executive Officer

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Suresh Jain
Director - Finance

Statement of Consolidated Profit and Loss

for the year ended March 31, 2016

(₹ in crore)

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations (Gross)	20	66,079.69	93,206.31
Less: Excise duty		9,678.65	6,141.72
Revenue from operations before Sales tax / VAT		56,401.04	87,064.59
Less: Sales tax / VAT		3,935.12	3,858.78
Revenue from operations (net)		52,465.92	83,205.81
Other income	21	1,930.31	1,026.04
Total Revenue		**54,396.23**	**84,231.85**
Expenses			
Cost of raw materials consumed	22	36,654.96	70,336.40
Purchase of stock-in-trade	23	5,030.24	2,919.35
Changes in inventory of finished goods, work-in-progress and stock-in-trade	24	716.76	1,479.01
Employee benefits expense	25	321.01	229.21
Other expenses	26	3,898.52	3,504.51
		46,621.49	**78,468.48**
Earnings before finance costs, depreciation / amortisation and depletion expense, exceptional items and tax (EBIDTA)		**7,774.74**	**5,763.37**
Finance costs	27	2,399.43	2,567.27
Depreciation / amortisation and depletion expense	13	1,627.05	757.12
Profit before exceptional items and tax		**3,748.26**	**2,438.98**
Exceptional items	36	1,588.63	918.00
Profit before tax		**2,159.63**	**1,520.98**
Tax expense:	8		
(a) Current tax		440.09	0.15
(b) MAT Credit Entitlement		(437.31)	-
(c) Short / (Excess) provision in respect of earlier years		2.64	-
(d) Deferred tax		-	-
Profit for the year before share of profit of Associates		**2,154.21**	**1,520.83**
Add: Share of profit of associates (refer note 46 and 47)		2.05	5.72
Profit for the year after share of profit of Associates		**2,156.26**	**1,526.55**
Earnings per equity share (Face value ₹ 10 per share) :	28		
(1) Basic (in ₹)		14.87	10.53
(2) Diluted (in ₹)		14.84	10.52
The accompanying notes 1 to 48 are an integral part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner
Mumbai, November 23, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Lalit Kumar Gupta
Managing Director and
Chief Executive Officer

Suresh Jain
Director - Finance

ESSAR OIL & GAS

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ in crore)

	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A	**Cash flow from operating activities**		
	Net profit before tax	2,159.63	1,520.98
	Adjustments for :		
	Depreciation / amortisation and depletion expense	1,627.05	757.12
	Fixed assets / CWIP written off (including ₹ 422.50 crore (Previous year ₹ Nil) shown under exceptional items) (refer note 36)	518.98	0.14
	Interest on income tax refund	(4.01)	(7.65)
	Interest income on inter corporate deposits	(512.04)	(105.61)
	Interest income on bank deposits (other than margin deposits)	(7.23)	(4.22)
	(Profit) / Loss on sale of current Investments (net)	(126.77)	-
	(Profit) / Loss on sale of fixed assets (net)	-	(0.01)
	Unrealised exchange differences	(76.85)	(133.47)
	Mark to market - commodity and currency swap hedging (gain) / losses (net)	(45.22)	171.93
	Interest expenses (including funding of interest)	1,959.47	2,304.25
	Provision for doubtful debts and debit balances written off	104.06	2.20
	Credit balances written back	(32.08)	(1.81)
	Operating profit before working capital changes	5,564.99	4,503.85
	Adjustments for :		
	Changes in inventories	1,177.87	4,179.11
	Changes in receivables, advances and other assets	(3,383.44)	(6,863.87)
	Changes in payables, liabilities and provision	3,134.65	1,120.89
	Net Cash generated from operating activities	6,494.07	2,939.98
	Income tax refund / (payment) (net) (including interest)	(89.46)	51.99
	Net cash generated from operating activities (A)	6,404.61	2,991.97
B	**Cash flow from investing activities**		
	Additions to fixed assets	(806.25)	(769.74)
	Sale of fixed assets	-	7.68
	Purchase of Investments in a subsidiary and an associate	-	(1.75)
	Sale / (Purchase) of current Investment	492.86	(700.00)
	Advances against purchase of shares / debentures	(17.34)	(1,435.06)
	Advances refunded against purchase of shares / debentures	6.17	-
	Placement of long term bank deposits	(32.45)	(0.36)
	Encashment of long term bank deposits	9.40	10.74
	Placement of inter corporate deposits	(7,089.90)	(3,294.27)
	Refund of inter corporate deposits	1,258.26	1,299.66
	Interest received on inter corporate deposits	27.82	49.37
	Interest received on bank deposits (other than margin deposits)	6.73	5.67
	Net cash used in investing activities (B)	(6,144.71)	(4,828.06)

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ in crore)

	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
C	**Cash flow from financing activities**		
	Proceeds from borrowings {including funding of interest (refer note 7)}	11,690.52	6,713.11
	Repayment of borrowings and deferred sales tax liabilities	(8,856.44)	(8,713.30)
	Changes in short term borrowings (net)	(1,234.29)	3,831.09
	Advances received towards issue of GDS	-	1,500.53
	Proceeds towards Equity shares issued under ESOP	7.95	-
	Interest paid (including funding of interest)	(2,096.63)	(2,435.60)
	Net cash (used) / generated from financing activities (C)	(488.89)	895.83
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(228.99)	(940.26)
	Cash and cash equivalents at the beginning of the year	328.35	1,267.81
	Cash and cash equivalents on acquisition of subsidiary	-	0.80
	Cash and cash equivalents at the end of the year	99.36	328.35
	Net (decrease) / increase in cash and cash equivalents	(228.99)	(940.26)

Notes:

1 Non cash transaction:
During the previous year, Company has received 10.25% cumulative redeemable preference shares of Essar Power Limited, having an aggregate face value of ₹ 1,025.00 crore, from Essar House Private Limited (EHL) at par in part settlement of their dues.

2 Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash on hand and balances with banks		
Cash and cash equivalents	99.37	328.36
Less : Effect of exchange rate changes	0.01	0.01
Cash and cash equivalents as restated*	**99.36**	**328.35**

* does not include cash and cash equivalents which are not readily available for use

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P. B. Pardiwalla
Partner
Mumbai, November 23, 2016

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Lalit Kumar Gupta
Managing Director and Chief Executive Officer

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Suresh Jain
Director - Finance

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

1. Corporate information

Essar Oil Limited (the Company) is a public limited company incorporated under the provisions of the Companies Act, 1956. It is primarily engaged in the business of refining of crude oil and marketing of petroleum products in domestic and overseas markets. It is also engaged in oil and gas exploration and production activities. The equity shares of the company were delisted with effect from February 17, 2016.

Essar Oil Trading Mauritius Limited, Mauritius (EOTML), a subsidiary, engaged in investment holding activities. There have been no operations in this company post acquisition till March 31, 2016.

Vadinar Properties Limited (VPL), a subsidiary, is engaged in construction and development of residential township, colonies and residential complexes. This company was acquired by the Company on February 18, 2015 as a wholly owned subsidiary.

Vadinar Power Company Limited (VPCL), an associate, owns and operates power plants at Vadinar and supplies steam and electricity to the Company.

Vadinar Liquid Terminals Limited (VLTL), an associate is engaged in the business of development of marine liquid terminal facilities including single point mooring (SPM) and product jetties. There have been no operations in this company till March 31, 2016.

2. Basis of preparation

The consolidated financial statements comprising of Essar Oil Limited (the Company) and its subsidiaries are together referred as "the Group" and the Group's share of profit / loss in its associates have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. Attention is invited to note (7) (ii) (a) and (c).

(i) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the subsidiaries and associates used in this consolidation are drawn upto the same reporting date of the Company.

b) The financial statements of the Company and its subsidiaries have been combined on a line by line basis adding together the book values of like items of assets, liabilities, income and expenses, after duly eliminating intra-group balances and intra group transactions and resulting unrealised profits or losses, if any.

c) Investment in associates are accounted using the equity method and are initially recognised at cost.

d) The excess of cost to the Company of its investment in a subsidiary over its share of the equity of subsidiary at the date on which the investment is made, is recognised as "Goodwill" in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary as at the date of investment is in excess of the cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head Reserves and Surplus in the consolidated financial statements.

e) Since there were no operations in EOTML, a wholly owned subsidiary post acquisition, for the limited purpose of consolidation the entity has been treated as "Non integral foreign subsidiary". Accordingly, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

(ii) The consolidated financial statements of the Company, its subsidiaries and associate companies have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Also refer 3(b) and 3(k) below.

3. Summary of significant accounting policies

a) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures relating to contingent liabilities, at the end of the reporting period. Actual results could differ from these estimates and adjustments are recognised in the periods in which the results are known / materialise.

b) Tangible fixed assets and depreciation (other than oil and gas exploration and production assets)

Tangible fixed assets are recorded at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

Cost of acquisition comprises of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to their intended use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction or project activity in general and can be allocated to specific assets up to the date the assets are put to their intended use.

Depreciation on tangible fixed assets including assets whose ownership vests with a third party, is provided, pro-rata for the period of use, by the straight line method, as specified in schedule II of Companies Act, 2013 except in respect of the following assets:

- Buildings constructed on Leasehold Land: Over the period of lease of land.
- Catalysts: Over the useful life of 2-4 years, as technically assessed.

In case of one of the associates, depreciation on fixed assets is provided as per straight line basis in case of plant and machinery and written down value basis in case of other assets. The depreciation charge in respect of other assets for this entity is not material in the context of the consolidated financial statements. Depreciation is provided on the basis of useful life of Plant & Machinery and Buildings as assessed by the associate and certified by an independent chartered engineer and on other assets as per the useful lives specified in Schedule II to the Companies Act, 2013.

Following is the comparison of Useful life as certified by independent chartered engineer and useful life prescribed in Schedule II to the Companies Act, 2013.

Description of Asset	As per technical assessment	Schedule II
Plant & Machinery	25-30 Years	40 Years
Buildings	40 Years	30 Years

c) Intangible fixed assets and amortisation (other than oil and gas exploration and production assets)

Intangible fixed assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets are amortised over the best estimate of their useful lives, subject to a rebuttable presumption that such useful lives will not exceed ten years.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

The Company has estimated the useful life of software and licenses ranging from 3 - 5 years from the date of acquisition.

d) Oil and gas exploration and production assets

The Company has adopted the successful efforts method of accounting for oil and gas assets as set out by the Guidance Note issued by the ICAI on "Accounting for Oil and Gas Producing Activities".

Expenditure incurred on acquisition including cost incurred for obtaining license is initially capitalised. Such costs are held, undepleted, within intangible assets under development until the well in such area is ready to commence commercial production.

Exploration expenditure incurred in the process of determining exploration targets which cannot be directly related to individual exploration wells is expensed in the period in which it is incurred.

Exploration/appraisal drilling costs are initially capitalised within intangible assets under development on a well by well basis until the success or otherwise of the well has been established. The success or failure of each exploration/appraisal effort is judged on a well by well basis. Drilling costs are written off on completion of a well unless the results indicate that oil and gas reserves exist and there is a reasonable prospect that these reserves are commercial. Where results of exploration drilling indicate the presence of oil and gas reserves which are ultimately not considered commercially viable, all related costs are written off to the consolidated statement of profit and loss immediately.

All costs relating to Development Wells are initially capitalised as 'Capital Work-In Progress'. When a well is ready for commencement of commercial production, the related Capital Work- In Progress/ Intangible assets under development are transferred to producing properties, after testing for impairment.

Depletion is charged on a unit of production basis, based on proved reserves for acquisition costs and proved developed reserves for all capitalised costs excluding acquisition cost. These assets are depleted within each cost center.

Oil and gas joint ventures are in the nature of jointly controlled assets. Accordingly, assets and liabilities as well as income and expenditures are accounted on a line-by-line basis with similar items in the company's financial statements, according to the participating interest of the company.

e) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of consolidated profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation / amortisation and depletion) had no impairment loss been recognised in prior accounting periods.

f) Lease

Operating lease

Lease expenses and lease income are recognised on a straight line basis over the lease term in the statement of consolidated profit and loss or expenditure during construction / pre-production activities as applicable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

Finance lease- As lessee

Assets taken on lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Depreciation on the assets taken on lease is charged over the lower of useful life of the asset specified in Schedule II to the Companies Act, 2013 and the lease period.

g) Investments

Investments are classified into long term and current investments. Long term investments are carried at cost. Diminution in value of long term investments is provided for when it is considered as being other than temporary in nature. Current investments are carried at the lower of cost and fair value.

h) Valuation of inventories

Inventories (other than crude oil extracted) are valued at the lower of cost and net realisable value.

Cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil and coal inventory is determined on a first in first out basis and the cost of all other inventories is determined on a weighted average basis.

Closing stock of crude oil extracted is valued at net realisable value.

i) Revenue recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

Revenue from sale of goods is recognised when property in the goods is transferred to the buyer for a price, when significant risks and rewards of ownership have been transferred to the buyer and no effective control, to a degree usually associated with ownership, is retained by the Company. Sale of goods are stated net of trade discounts and include duty draw back, recoverable sales tax / Value added tax (VAT) and excise duty. Revenue from sale of services is recognised under the completed service contract method.

Interest income is recognised on a time proportion basis.

j) Government grants

Government grants are recognised when there is reasonable assurance that the conditions attached to the grants will be complied with and where such benefits have been earned and it is reasonably certain that the ultimate collection will be made.

k) Employee benefits

i. In respect of Defined Contribution Plans/ Defined Benefit Plans

The Company's contributions paid/payable during the year to employee state insurance scheme are recognised in the statement of consolidated profit and loss or expenditure during construction / pre-production activities, as applicable.

Employee benefits under defined benefit plans, such as gratuity, compensated absences and provident fund, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognised immediately in the statement of consolidated profit and loss or expenditure during construction / pre-production activities, as applicable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

Short term employee benefits are recognised as an expense at the undiscounted amounts in the statement of consolidated profit and loss or expenditure during construction / pre-production activities, as applicable, of the year in which the related service is rendered.

ii. In respect of Employee Stock Options Scheme

Stock options granted to employees under the Employees' Stock Option Scheme (ESOS) are accounted by adopting the intrinsic value method in accordance with the Guidance Note on accounting for employee share based payments issued by the Institute of Chartered Accountants of India (ICAI). Accordingly, the excess of market price of the shares over the exercise price is recognised as deferred employee compensation and is charged to statement of consolidated profit and loss account or expenditure during construction / pre-production activities, as applicable on straight-line basis over the vesting period.

In case of one of the associates, Compensation cost relating to employee stock appreciation rights as Cash Settled Scheme is measured using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured if there are material changes in assumption, with any changes in fair value recognised in profit or loss for the year.

l) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the transaction date.

Exchange differences arising in a non-integral operation are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the same is recognised in the statement of consolidated profit and loss.

Monetary items denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date or where relevant, at rates at which the amount is likely to be realised or settled.

Exchange differences relating to long term monetary items are accounted for as under:

(i) in so far as they relate to the acquisition of a depreciable capital asset, these are added to / deducted from the cost of the asset and depreciated over the balance useful life of the asset;

(ii) in other cases such differences are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised in the statement of consolidated profit and loss over the balance life of the long term monetary item.

All other exchange differences are dealt with in the statement of consolidated profit and loss or expenditure during construction / pre-production activities, as applicable.

Premia or discounts arising on forward exchange contracts, are recognised as finance costs over the life of the contracts.

m) Derivative instruments

In order to manage its exposure to certain commercial risks associated with commodity price, foreign exchange and interest rate fluctuations, the Company enters into derivative contracts.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The Company applies the hedge accounting principles set out in "Accounting Standard 30 (AS 30) - Financial Instruments: Recognition and Measurement" and accordingly designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

Derivative liabilities / assets are presented under other current liabilities / other long term liabilities (note 10) or other current assets / other non-current assets (note 19).

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account". The gain or loss relating to the ineffective portion is recognised immediately in statement of consolidated profit and loss. Amounts deferred in the Hedging Reserve Account are recycled in the statement of consolidated profit and loss in the periods when the hedged item is recognised in the statement of consolidated profit and loss, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognised when the forecast transaction is ultimately recognised in the statement of consolidated profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognised immediately in the statement of consolidated profit and loss.

Derivative contracts which are not designated for hedge accounting (in terms of AS 30) and not covered under Accounting Standard (AS) 11: The Effects of Changes in Foreign Exchange Rates, the gains / losses arising from settled derivative contracts and net marked to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are recognised in the same line as the hedge item in the statement of consolidated profit and loss or expenditure during construction / pre-production activities, as applicable. The net MTM gains in respect of outstanding derivatives contracts are not recognised adopting the principles of prudence.

n) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalised as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

o) Taxation

Tax expense comprises current and deferred taxes.

Current tax is measured at the amount expected to be paid to revenue authorities using, applicable rates and tax laws.

Minimum Alternative Tax (MAT) credit entitlement available under section 115JAA of the Income Tax Act, 1961 is recognised in accordance with the principles laid down in the Guidance Note on Accounting for credit available in respect of MAT under the Income Tax Act, 1961 issued by the ICAI, to the extent the credit will be available for discharge of future normal tax liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

Deferred tax is recognised on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date.

Deferred tax assets are recognised only when there is a reasonable or virtual certainty, as relevant, in accordance with the principles laid down in Accounting Standard 22 on Accounting for Taxes on Income, that sufficient future taxable income will be available against which they will be realised.

p) Measurement of EBIDTA

The Company has elected to present earnings before interest (including finance costs), depreciation / amortisation and depletion expenses and tax (EBIDTA) as a separate line item on the face of the statement of consolidated profit and loss. The Company measures EBIDTA on the basis of profit / (loss) and does not include interest (including finance costs), depreciation / amortisation and depletion expenses, exceptional and extraordinary items and tax.

q) Earnings per share (EPS)

The Company reports basic and diluted EPS in accordance with Accounting Standard 20 “Earnings per Share”. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

r) Cash Flow Statement

The Cash Flow Statement is prepared using the “indirect method” as set out in Accounting Standard 3 “Cash Flow Statements” and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

s) Provisions, contingent liabilities and contingent assets

A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources is remote. Contingent assets are neither recognised nor disclosed.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

4. Share capital

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each	5,000,000,000	5,000.00	5,000,000,000	5,000.00
Issued and subscribed				
Equity shares of ₹ 10 each	1,512,594,359	1,512.59	1,511,442,900	1,511.44
Paid up				
Equity shares of ₹ 10 each fully paid up	1,450,668,359	1,450.67	1,449,516,900	1,449.52
Add : Forfeited shares - Equity shares of ₹ 10 each	61,926,000	16.60	61,926,000	16.60
		1,467.27		**1,466.12**

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	1,449,516,900	1,449.52	1,449,516,900	1,449.52
Add : Equity shares issued under ESOS	1,151,459	1.15	-	-
Shares outstanding at the end of the year	**1,450,668,359**	**1,450.67**	**1,449,516,900**	**1,449.52**

The above includes 951,463,854 equity shares underlying 6,218,718 outstanding global depository shares (GDS). Each GDS represents 153 underlying equity shares.

b) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of an equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Holders of GDS are entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of shares, less the fees and expenses payable under the Deposit Agreement and any Indian tax applicable to such dividends. Holders of GDS have no direct voting rights in respect of shares, which underlie the GDS.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

c) Shares held by holding / ultimate and Intermediate holding company and / or their subsidiaries / associates and shareholders holding more than 5% shares (including GDS) in the Company:

(₹ in crore)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Number of shares	Amount	% of shares	Number of shares	Amount	% of shares
Nil (previous year 4,761,000) GDS held by Essar Oil & Gas Limited, Mauritius*	-	-	-	728,433,000	728.43	50.25%
6,218,718 (Previous years 1,457,718) GDS held by Essar Energy Holdings Limited, Mauritius*	951,463,854	951.46	65.59%	223,030,854	223.03	15.39%
Equity shares held by Essar Energy Holdings Limited, Mauritius*	354,714,547	354.71	24.45%	354,714,547	354.71	24.47%
Equity Shares held by Essar Power Hazira Holdings Limited*	100	0.00	0.00%	100	0.00	0.00%
Equity Shares held by Oil Bidco (Mauritius) Limited, a promoter entity as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009.	112,105,503	112.11	7.73%	-	-	-

* Refer note 45

"0.00" represents amount less than ₹ 0.01 crore

d) Stock Options:

i) Details of stock options granted to eligible employees under the Essar Oil Employee Stock Option Scheme 2011 are as under:

Particulars	Information w.r.t. Scheme
Date of Shareholders Approval	August 12, 2011. The Shareholders approval was modified on December 20, 2012
Total Number of Options Approved	1,36,56,670
Vesting Requirements	The options shall vest in a graded manner in three equal installments, at the end of 3rd/ 4th / 5th years from the grant date.
Maximum Term of options granted	12 years from the date of grant.
Source of Shares	Primary
Variations in terms of options	Not applicable

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

Exercise period	7 years from date of vesting	
	Tranche I	Tranche II
No. of options Granted	3,211,391	2,313,292
Exercise price	₹ 69.05	₹ 52.20
Grant dates	December 02, 2011	November 20, 2013
Total options forfeited / cancelled	1,515,949	433,124
Total options exercised during the year	1,151,459	Not Applicable
Options outstanding at the end of the year	543,983	1,880,168
Weighted average exercise price of the stock options	₹ 69.05	₹ 52.20
Weighted average share price for the stock options exercised during the period	₹ 207.34	
Weighted average remaining contractual life (in years)	7.68	9.65

ii) Movement of Options Granted:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Options outstanding at the beginning of the year	3,900,853	4,124,218
Granted during the year	-	-
Options forfeited / cancelled during the year	325,243	223,365
Options exercised during the year	1,151,459	-
Options outstanding at the end of the year	2,424,151	3,900,853
Options vested but not exercised	-	-

iii) Method used to account the stock options – Intrinsic method

iv) Method of settlement - Settlement through equity.

v) The Company has recognised a compensation cost of Nil in financial year 2015 – 2016 based on the intrinsic value of options. However, had the Company used the fair value of options to determine the compensation cost for the year ended March 31, 2016, the profit after tax for the year would have been lower by ₹ 4.92 crore. Accordingly, basic and diluted earnings per share would have been ₹ 14.84 and ₹ 14.81 respectively for the year ended March 31, 2016.

vi) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Details	Year of Grant 2011–12	Year of Grant 2013-14
Risk – free interest rate	7.65%	7.60%
Expected life (years) *	12	12
Expected volatility **	48.77%	46.28%
Expected dividend	0.00%	0.00%
The price of underlying share in market at the time of option grant	₹ 69.05 per share	₹ 52.20 per share
Weighted average fair value	₹ 228.49 per share	₹ 232.40 per share

*Expected life of the options is based on the actual life of the options as per the scheme of the company as no historical data for early exercise of options is available.

Notes to Consolidated Financial Statements
for the year ended March 31, 2016

**Volatility is measurement of the amount by which the price has fluctuated or is expected to fluctuate during a period. Volatility used in the Black-Scholes options pricing model has been derived based on the volatility in the stock prices of the earlier periods.

5. Reserves and surplus

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital reserve		
Balance as per last consolidated balance sheet	40.89	40.89
Securities premium account		
Balance as per last consolidated balance sheet	6,184.60	6,184.60
Add : Premium on ESOS Shares Issued	6.80	-
	6,191.40	**6,184.60**
Debenture redemption reserve		
Balance as per last consolidated balance sheet	37.33	37.33
Add / (Less) : Transferred to General Reserve	(26.59)	-
	10.74	**37.33**
General reserve		
Balance as per last consolidated balance sheet	22.25	22.25
Add: Transferred from Debenture Redemption Reserve	26.59	-
	48.84	**22.25**
Cashflow hedge reserve {refer note 39 (a)}	**(319.08)**	**(171.08)**
Surplus / (Deficit) - Balance in statement of consolidated profit and loss		
Balance as per last consolidated balance sheet	(3,689.03)	(5,181.95)
Less : Depreciation on transition to schedule II to the Companies Act, 2013	-	(33.63)
Add : Net profit for the year	2,156.26	1,526.55
	(1,532.77)	**(3,689.03)**
Foreign currency monetary item translation difference account {refer note 3(l)}		
Balance as per last consolidated balance sheet	20.72	(112.82)
Add: Effect of foreign exchange rate variation during the year	(293.24)	20.88
Less: Amortisation during the year	(40.31)	0.16
Less: Transferred to cashflow hedge reserve	-	(112.82)
	(232.21)	**20.72**
Foreign currency translation reserve {refer note 2(i)(e)}	**(0.01)**	**(0.00)**
Total	**4,207.80**	**2,445.68**

"0.00" represents amount less than ₹ 0.01 crore

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

6. Advance towards issue of global depository shares

The Company had received ₹ 1,500.53 crore (USD 246.10 million) as advance towards Global Depository Shares ("GDS") during the year ended March 31, 2015 from Essar Energy Holdings Limited. The Company is in the process of regularizing allotment in accordance with RBI regulations.

7. Long term borrowings

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non current	Current	Non current	Current
(A) Secured Borrowings				
Debentures {refer note (ii)(a) below}				
Non convertible debentures	29.33	13.59	117.97	22.40
Amount included under Other current liabilities (refer note 10)		(13.59)		(22.40)
(i)	**29.33**	**-**	**117.97**	**-**
Term loans				
From banks	7,035.18	980.81	9,560.38	1,456.55
From financial institutions	642.32	263.95	788.52	174.28
Funded interest facilities {refer note (ii)(c) below}				
From banks	857.98	20.43	1,196.55	20.16
From financial institutions	645.16	17.14	637.72	16.75
Export advances from customers	7,653.19	293.09	2,878.80	125.56
Amount included under Other current liabilities (refer note 10)		(1,575.42)		(1,793.30)
(ii)	**16,833.83**	**-**	**15,061.97**	**-**
(A) - (i+ii)	**16,863.16**	**-**	**15,179.94**	**-**
(B) Unsecured Borrowings				
Debentures				
Fully convertible debentures {refer note (ii)(r) below}	52.38	-	52.38	-
Finance lease obligation {refer note 37(a)(i)}				
From others	-	0.32	0.32	0.47
Other loans				
Conditional grant from a bank	8.20	-	7.87	-
Amount included under Other current liabilities (refer note 10)		(0.32)		(0.47)
(B)	**60.58**	**-**	**60.57**	**-**
Total (A+B)	**16,923.74**	**-**	**15,240.51**	**-**

(i) Security for term loans and funded interest facilities from banks and financial institutions and debentures

a) Term loans and funded interest facilities of ₹ 3,535.38 crore (Previous year ₹ 4,898.25 crore) and debentures of ₹ 42.92 crore (Previous year ₹ 140.37 crore) are secured / to be secured by first ranking security interests {pari passu with loans for refinery expansion, refinery optimisation, certain External Commercial Borrowing (ECB) loans, Sales tax / General purpose term loan and Export Performance Bank Guarantee Facilities (EPBG)} on all present and future immovable

Notes to Consolidated Financial Statements
for the year ended March 31, 2016

assets of refinery division, all present and future movable assets other than current assets of refinery division, first ranking charge over the rights, title and interests under project documents and over all licenses, permits, approvals, assignments, concessions and consents of project, security interest on rights, title and interests in trust and retention accounts and all sub accounts created there under, insurance policies in relation to the refinery including refinery expansion, refinery optimisation and HMU II and second ranking security interests on current assets, first ranking pledge of certain shares of the Company held by a related party, personal guarantees of some of the promoters and other collaterals being pledge of certain shares of related parties and mortgage over a property of a body corporate. Term Lenders have (barring one) released personal guarantees and collaterals thereto.

b) Corporate term loan from a bank of ₹ Nil (Previous year ₹ 500.02 crore) is secured by first charge on all present and future current assets (ranking pari passu with working capital facility), excluding that of exploration and production division, second charge by way of mortgage on all present and future fixed assets including the plant site of the refinery excluding certain category of assets, personal guarantees of some of the promoters and corporate guarantee by body corporate and other collaterals being second ranking on pledge of certain shares of the Company and that of a related party held by related parties and the company and second ranking mortgage over a property of a body corporate.

c) Sales tax / General purpose term loan from a bank of ₹ 657.96 crore (Previous year ₹ 1,500.00 crore) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, certain ECB loans, refinery optimisation and EPBG) on all present and future fixed assets and second ranking security interests on all present and future current assets excluding that of exploration and production division, personal guarantees of some of the promoters and certain undertakings provided by related parties, first ranking pari passu pledge of certain investments of the Company.

d) Term loan from a bank of ₹ 227.20 crore (Previous year ₹ 500.00 crore) is secured by subservient charge on moveable fixed assets of the Refinery Division and personal guarantee of one of the promoters.

e) Term loan from a bank of ₹ 1,022.64 crore (Previous year ₹ Nil) is secured by subservient charge on moveable fixed assets of the Refinery Division and extension of pledge of certain equity shares of related parties / body corporate.

f) ECB loan of ₹ 1,592.26 crore (Previous year ₹ 1,654.36 crore) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets (except certain leased out assets) of refinery project, all present and future movable assets of refinery project excluding current assets, security interest on the rights, title and interest under project documents, trust and retention accounts, insurance policies all in relation to the refinery including refinery expansion, refinery optimisation and HMU II and second pari-passu charge on the current assets, pledge of certain shares of the Company held by a related party and certain undertakings provided by the related parties.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

g) ECB loan of ₹ 1,556.49 crore (Previous year ₹ 1,502.19 crore) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets in relation to the refinery project, including the rights to the refinery project land and the project site (but excluding (I) all immovable property leased to or provided for use by the entities implementing the terminal utility, the power utility and township project, and (II) any land for the second train); a first ranking charge by way of hypothecation of all moveable fixed assets in relation to the refinery project, both present and future (but excluding all upstream oil & gas, coal bed methane related assets including but not limited to Ratna & R-series oil fields, CBON-3 (Mehsana), Raniganj RG (East), CR-ON-90/1 (Cachar), Blocks L&A2 (Myanmar) and AA-ONN (Assam) blocks and Naphtha Receivables, all intangible and tangible assets with respect to the refinery project (but excluding Current Assets in relation to the refinery project and all upstream oil & gas, coal bed methane related assets including but not limited to Ratna & R-series oil fields, CBON-3 (Mehsana), Raniganj RG (East), CR-ON-90/1 (Cachar), Blocks L&A2 (Myanmar) and AA-ONN (Assam) blocks and Naphtha Receivables, all the bank accounts in relation to the refinery project, including without limitation the Trust and Retention Accounts, the Debt Service Reserve Account, the Escrow Account, all the rights, titles, permits, approvals, interests etc., under project documents, a second ranking charge by way of hypothecation on all current assets in relation to the refinery project, pledge of certain shares of the Company held by a related party and certain undertakings provided by related parties.

h) Long term advances against export performance bank guarantees ₹ 7,946.28 crore (USD 1,197.94 million) (Previous year ₹ 3,004.36 crore (USD 480 million)) from customers are secured by EPBG issued by domestic banks:

(i) EPBG of ₹ 4,416.11 crore (USD 665.75 million) (Previous year ₹ 2,378.45 crore (USD 380 million)) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery optimisation, certain ECB loan, Sales tax / General purpose term loan and refinery expansion) on plant site, all present and future fixed assets (except excluded assets), second ranking security interest on all present and future current assets (except excluded assets) and further by pledge of certain shares of the Company held by a related party, personal guarantees of promoters' of the Company together with collateral securities i.e. pledge over certain shares of related parties and mortgage over certain assets of a body corporate and certain guarantees from body corporates and undertakings from related parties and first ranking pari passu pledge of certain investments of the Company.

(ii) EPBG of ₹ 3,530.17 crore (USD 532.19 million) (Previous year ₹ 625.91 crore (USD 100 million)) is secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and refinery expansion) on plant

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for the year ended March 31, 2016

site, over the rights, title and interest to the Refinery project including the HMU project, tangible and intangible assets, all present and future fixed assets (except excluded assets), second ranking security interest on present and future current assets (except excluded assets), pledge of certain shares of the Company held by a related party and undertaking of certain related parties.

i) Term loans of ₹ 829.36 crore (Previous year ₹ 2,420.47 crore) for the refinery expansion are secured / to be secured by first ranking security interests (pari passu with loans for refinery, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets of refinery, all present and future movable assets, other than current assets of refinery, all tangible and intangible assets of refinery, all the bank accounts of refinery including without limitation the cash sweep account, debt service reserve account, first charge on security interest on rights, title and interests under project documents, trust and retention accounts, insurance policies in relation to the refinery, including refinery expansion, charge over immovable properties leased to entities implementing the terminal utility, power utility and township utility (subject to prior charge in favour of the lenders financing the said utilities) and second ranking security interest on current assets of refinery and further by pledge and non-disposal undertaking of certain shares / global depository shares of the Company, certain shares of the Company and that of a related party held by related parties and the Company, first ranking pari passu pledge of certain investment of the company, personal guarantees of promoters of the Company together with collateral securities i.e. pledge over certain shares of related parties, mortgage over certain assets of a body corporate, certain undertakings from related parties, residual charge on the company's participating interest, cash flows related to upstream oil and gas, coal bed methane fields and related assets subject to certain approvals.

j) Term loans of ₹ Nil (Previous year ₹ 805.53 crore) for the refinery optimisation are secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets (except certain leased out assets) of refinery project, all present and future movable assets other than current assets of refinery project, all tangible and intangible assets of refinery project, bank accounts of optimisation project, security interest on rights, title and interests under project documents, trust and retention accounts, insurance policies in relation to the refinery, refinery expansion and refinery optimisation and second ranking security interests on current assets.

k) Term loans of ₹ 421.59 crore (Previous year ₹ 502.06 crore) are secured / to be secured by first charge on immovable assets and movable assets (present and future), first charge over book debts, operational cash flows, receivables, trust and retention account, Debt Service Reserve account, participating interest under CBM contract, security interest on rights, title and interests under the project documents, insurance policies, clearences, rights under letter of credit and guarantees, performance bond, corporate guarantee and bank guarantees, all in relation to CBM Project.

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l) Term loans of ₹ 757.88 crore (Previous year ₹ Nil) are secured / to be secured by first charge on all present and future movable assets, immovable assets, current assets and intangible assets, first charge on all the bank accounts of the Company including Trust and Retention Account, Debt Service Reserve account and the monies deposited therein, a sub-ordinate charge on participating interest under CBM contract, security interest on all present and future right, title, interest, benefits, claims and demands under the project documents and under the approvals and insurance contracts/insurance proceeds including all right, title and interest, claims and demands under any letter of credit, guarantees related to the project.

m) ECB Loan ₹ 601.42 crore (Previous year ₹ 603.71 crore) is secured by first ranking security interests (pari passu with loans for refinery, refinery expansion, refinery optimisation, certain ECB loans, Sales tax / General purpose term loan and EPBG) on all present and future immovable assets (except certain leased out assets) of refinery, security interest on rights, title and interests under project documents, all present and future movable assets of refinery, all tangible and intangible assets of refinery, all the bank accounts of HMU II project including without limitation to trust and retention accounts, debt service reserve account, project implementation account and second ranking security interests on current assets of refinery, pledge of certain shares of the Company held by a related party and certain undertakings provided by related parties.

n) Term loan of ₹ 25.60 crore (Previous year ₹ 35.57 crore) is secured by mortgage of certain immovable properties owned by a Company and a body corporate.

(ii) Repayment and other terms:

a) Outstanding debentures consists of :

5,174,950 (Previous year 13,595,950) – Secured redeemable non – convertible debentures (NCDs) of ₹ 105/- each, amount outstanding ₹ 42.92 crore (Previous year ₹ 134.19 crore). These amounts carry interest ranging from fixed rate of 12.50% p.a to a prime lending rate/ base rate of respective banks plus margin and is repayable from December 2014 to June 2018.

Nil (Previous year 700,000) – Secured redeemable non – convertible debentures (NCDs) of ₹ 100 each on private placement basis partly paid up at ₹ 93.86 per debenture amounting to ₹ Nil (Previous year ₹ 6.18 crore). These debentures carry interest at a prime lending rate / base rate of the bank plus margin and has been prepaid during the year.

The Hon'ble High Court of Gujarat had, in response to the Company's petition, ruled vide its orders dated August 04, 2006 and August 11, 2006 that the interest on debentures for the period October 1998 to April 2012 should be accounted for on cash basis. Accordingly, accrued interest liabilities amounting to ₹ 140.29 crore (Previous year ₹ 251.90 crore) as at March 31, 2016 have not been accounted for in the books. These accrued interest liabilities are at rates ranging from fixed rate of 4.98% p.a. to a prime lending rate / base rate of respective banks plus margin and are repayable from December 2014 to March 2027.

b) The Interest rates for the loans covered under the Common Loan Agreement (the CLA) with Banks and Financial institutions amounting to ₹ 2,723.54 crore (Previous year ₹ 3,784.42 crore) is based on their prime lending rate / base rate / 1 month LIBOR plus margin (margin ranges from 2.12% p.a. to 3.00% p.a.) with different repayment installments starting from December 2009 to March 2026.

c) Certain loan facilities i.e. Facility VI of ₹ 1,675.72 crore (Previous year ₹ 2,265.63 crore) is repayable in installments from March 2021 to March 2026 and Facility VII Interest thereon as at March 31, 2016 amounting to ₹ 422.92 crore (Previous year ₹ 469.92 crore) is repayable in 40 equal quarterly installments beginning June 30, 2015. The Company has an option, subject to consent of the lenders, to prepay these facilities as per agreed terms at a reduced amount at any point of time during its term.

In order to give accounting effect to reflect the substance of the transaction, these facilities have, since inception, been measured by the Company in accordance with the principles of IAS 39, Financial Instruments, Recognition and Measurement, then in absence of specific guidance in Indian GAAP to cover the specific situation. Applying the principle of Accounting Standard 30, Financial Instruments, Recognition and Measurement, the facilities continue to be measured in line with the above principles, considering the present value of cash flows inclusive of future interest. Accordingly, the gross liability of ₹ 2,098.64 crore (Previous year ₹ 2,735.55 crore) of the above facilities as at March 31, 2016 {comprising of ₹ 1,081.76 crore to banks and ₹ 1,016.88 crore to financial institutions (Previous year comprising of ₹ 1,696.04 crore to banks and ₹ 1,039.51 crore to financial institutions)} have been measured at ₹ 1,493.69 crore (Previous year ₹ 1,828.58 crore) (comprising of ₹ 831.39 crore to banks and ₹ 662.30 crore to financial institutions) (Previous year comprising of ₹ 1,174.11 crore to banks and ₹ 654.47 crore to financial institutions).

The changes in the present obligation of the said loans ₹ 302.02 crore (Previous year ₹ 202.05 crore) have been treated as finance cost in the statement of profit and loss.

A funded interest loan of ₹ 206.88 crore (Previous year ₹ 206.88 crore) is payable in a single bullet payment in 2031 and is continued to be measured in accordance with the aforementioned principles at ₹ 47.02 crore (Previous year ₹ 42.60 crore).

d) Term Loans amounting to ₹ 590.00 crore (Previous year ₹ 2,906.68 crore) carry interest rate linked with respective banks' prime lending rate / base rate plus 4% (margin / liquidity premium) and are repayable in installments starting from December 2012 and ending in September 2018.

e) Term loans amounting to ₹ 421.59 crore (Previous year ₹ 502.06 crore) carry interest rate linked with respective banks base rate / 3 months LIBOR plus margin and are repayable in installments starting from March 2014 and ending in April 2022. Out of above ₹ Nil (Previous year ₹ 17.68 crore) pertains to Buyers' credit which will be ultimately converted into term loan.

f) Term loans amounting to ₹ 757.88 crore (Previous year ₹ Nil) carry interest rate linked with respective banks base rate 6 months LIBOR plus margin and are repayable in installments starting from June 2018 and ending in September 2028.

g) ECB Loan amounting to ₹ 239.36 crore (Previous year ₹ 319.31 crore) carry interest rate of 3 months LIBOR + 2.75% p.a. are

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for the year ended March 31, 2016

repayable in installments starting from January 2012 and ending in October 2018.

h) ECB Loans amounting to ₹ 3,148.75 crore (Previous year ₹ 3,156.54 crore) carry interest rate of 3 months / 6 months LIBOR + margin ranging from 4.70% p.a. to 5.00% p.a. are repayable in installments starting from March 2015 and ending in March 2024.

i) EPBG advances amounting to ₹ 7,946.28 crore (USD 1,197.94 million) (Previous year ₹ 3,004.36 crore (USD 480 million)) carry interest rate of 3 months / 12 months LIBOR + 2% margin are repayable over a period of two years with a rollover option, subject to discretion of the buyer, upto a period of 10 years.

j) Corporate term loan amounting to ₹ Nil (Previous year ₹ 500.02 crore) carry interest rate at banks' prime lending rate / base rate plus 3.75% p.a.(margin / liquidity premium) and is repayable in installments from June 2014 to March 2017 has been repaid during the year.

k) General purpose term loan amounting to ₹ 657.96 crore (Previous year ₹ 1,500.00 crore) carry interest rate at banks' prime lending rate / base rate plus 3.25% p.a.(margin / liquidity premium) and is repayable in installments from December 2012 to September 2018.

l) Term loan amounting to ₹ 227.20 crore (Previous year ₹ 500.00 crore) carry interest rate at banks' prime lending rate / base rate plus 0.75% p.a.(margin / liquidity premium) and is repayable in 8 quarterly installments starting from June 2015 and ending on March 2017.

m) Term loan amounting to ₹ 1,022.64 crore (Previous year ₹ Nil) carry interest rate at banks' prime lending rate / base rate plus 0.75% p.a.(margin / liquidity premium) and is repayable in installments starting from June 2018 and ending on March 2023.

n) ECB Loan amounting to ₹ 601.42 crore (Previous year ₹ 603.71 crore) carry interest of LIBOR + 4.96% p.a. and is repayable in installments starting from June 2015 and ending in March 2021.

o) The pilot project for coal bed methane gas was partially financed by a conditional grant of USD 0.89 million (Previous year USD 0.89 million) and ₹ 2.31 crore (Previous year ₹ 2.31 crore) received from a bank.

The conditional grant, in terms of the agreement, will be repayable in the event the Company puts the project to commercial use, and repayments to the bank will be based on gross annual sales derived from the commercial exploitation of the project, subject to a maximum repayment of 200% of the conditional grant. Commercial exploitation of the project is dependent upon getting necessary approvals from the Government of India.

p) Term loan of ₹ 19.39 crore (Previous year ₹ 27.41 crore) is repayable by May 2017 and carry interest rate of lender's Current Prime Lending Rate (CPLR) payable monthly.

q) Term loan of ₹ 6.21 crore (Previous year ₹ 8.15 crore) is repayable by December 2017 and carry interest rate of lender's Current Prime Lending Rate (CPLR) payable monthly.

Notes to Consolidated Financial Statements
for the year ended March 31, 2016

r) Fully Convertible Debentures Series I consists of 6,26,850 debentures of ₹ 100 each and Series II consists of 46,10,981 debentures of ₹ 100 each. Each Fully Convertible Debenture shall compulsorily get converted into equity share(s) of ₹ 10 each at such premium as may be agreed between the issuer and the holder at the expiry of 7 years from the date of allotment (i.e. March 31, 2011 in case of Series I and March 31, 2012 in case of Series II).The holder of the debentures shall also have the option to convert them into equity share(s) of ₹ 10 each any time after March 31, 2012 in case of Series I and March 31, 2013 in case of Series II at such premium as may be agreed between the issuer and the holder. The debentures shall not carry any interest and shall not be listed in any stock exchange.

8. Taxation

(a) Tax Expense

Provision for Minimum Alternate Tax (MAT) has been computed on book profits under section 115JB of the Income tax Act 1961. The Company has also recorded MAT Credit entitlement under section 115JAA of the Act, which amount will be available for set off against normal taxable profits subject to payment of the MAT.

(b) Deferred tax liabilities (Net)

(₹ in crore)

Particulars		As at March 31, 2016	As at March 31, 2015
Deferred tax liability			
Depreciation on Fixed asset (excess net book value over written down value as per the provisions of the Income Tax Act, 1961)		(3,110.79)	(3,079.47)
	(A)	**(3,110.79)**	**(3,079.47)**
Deferred tax assets (restricted to the extent of deferred tax liability considering virtual / reasonable certainty, as applicable)			
Expenses allowed on payment basis		540.27	676.05
Unabsorbed depreciation / losses carried forward as per provisions of the Income Tax Act, 1961		2,570.07	2,402.97
Others		0.45	0.45
	(B)	**3,110.79**	**3,079.47**
Net deferred tax liabilities (net)	**(A)+(B)**	**-**	**-**

9. Trade Payables

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.95	1.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,308.88	21,095.62
	25,309.83	**21,097.56**

In accordance with the terms of its contract with National Iranian Oil Company (NIOC) and the MOU between the Ministry of Petroleum and Natural Gas, Government of India, (MOPNG) and the Central Bank of Iran, the Company is not liable for foreign exchange variations and interest after the credit period, due to the non-availability of payment channels (on account of the US sanctions, which have been lifted in January 2016). Based, however, on the advice of the MOPNG, the

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

Company has till March 31, 2016 remitted US$ 1,969.00 million to the NIOC at prevailing exchange rates. The negative exchange variation of ₹ 283.75 crore (net) has not been reckoned with in the consolidated statement of profit and loss and will be adjusted against subsequent payments. The sum of ₹ 22,360.60 crore at March 31, 2016 carried in the books reflects the amount at which the total liability to NIOC is likely to be settled.

10. Other long term liabilities / Current liabilities

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Short term	Long term	Short term	Long term
Current maturities of Long term borrowings (refer note 7)	1,589.33	-	1,816.17	-
Interest accrued but not due on borrowings	132.48	-	21.13	-
Capital creditors**	297.54	-	360.47	-
Statutory dues	512.41	-	1,191.83	-
Advances received from customers	3,280.91	-	4,316.61	-
Security deposits**	60.41	42.53	39.93	49.91
Unclaimed debenture interest and principal (secured)* {For security details refer notes under note 7(i)(a)}	14.40	-	22.32	-
Other liabilities***	574.52	551.63	306.23	656.69
Total	**6,462.00**	**594.16**	**8,074.69**	**706.60**

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at balance sheet date.

** Includes an amount payable by a Subsidiary to one of its vendors aggregating to ₹ 38.33 crore against which an additional claim of ₹ 169.97 crore has been received. The Subsidiary has disputed the additional claim as infructuous and accordingly not provided for the same.

*** mainly include liabilities towards derivative contracts and compensation for non/ short supply of CBM Gas.

11. Long term provisions / Short term provisions

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Short term	Long term	Short term	Long term
Provision for employee benefits (refer note 44)				
Earned leave	10.83	-	12.34	-
Gratuity	16.85	-	11.72	-
Other Provisions				
Provision for taxation	445.18	-	12.03	-
Site restoration *	-	5.14	-	5.14
Total	**472.86**	**5.14**	**36.09**	**5.14**

*Represents current cost of restoring the Exploration and production sites on abandonment or decommissioning of oil and gas wells and facilities at the end of their economic life. There is no movement in provision for site restoration during the year.

Notes to Consolidated Financial Statements
for the year ended March 31, 2016

12. Short term borrowings

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Borrowings		
Buyers' credits and bills discounting	8,393.37	10,069.55
Bank overdraft / Cash credit	111.20	0.37
Term loan from bank	1,450.00	-
Working capital demand loan from bank	1,300.00	-
Total	**11,254.57**	**10,069.92**

Security for short term borrowing:

(i) Buyers' credits and bills discounting:

a) ₹ 8,284.60 crore (Previous year ₹ 9,540.66 crore) secured / to be secured by first charge on all current assets (ranking pari passu with Corporate term loan) excluding that of exploration and production division, second charge by way of mortgage of land and building and plant and machinery and other movable assets, present and future excluding certain category of assets, personal guarantees of some of the promoters, corporate guarantee by body corporates, other collaterals being second ranking pledge of certain shares of the Company and that of related parties held by other related parties, second ranking mortgage over a property of a body corporate and first ranking pari passu pledge of certain investments of the Company.

b) ₹ Nil (Previous year ₹ 441.38 crore) secured by charge over receivables.

c) ₹ 108.77 crore (Previous year ₹ 87.51 crore) secured by fixed deposits maintained with a bank.

(ii) Short Term Loan from bank of ₹ 1,450.00 crore (Previous year ₹ Nil) is secured by subservient charge on movable fixed and current assets of the Refinery Division, personal guarantee of one of the promoters, Corporate guarantee of body corporate and pledge of certain shares of a related parties / body corporate.

(iii) Working Capital Demand loan from bank of ₹ 1,300.00 crore (Previous year ₹ Nil) is secured / to be secured by first charge on all current assets both present and future including all receivables of Refinery and Marketing Division (ranking pari passu with Corporate term loan) excluding that of exploration and production division, second charge by way of mortgage of immovable and movable properties, including revenues both present and future excluding certain category of assets, personal guarantees of some of the promoters, corporate guarantee by body corporates, other colleterals being second ranking pledge of certain shares of the Company and that of related parties held by other related parties and second ranking mortgage over a property of a body corporate.

(iv) Bank overdraft / cash credit from bank of ₹ 111.20 crore (Previous year ₹ 0.37 crore) is secured by fixed deposits maintained with a bank.

Notes to Consolidated Financial Statements

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13. Fixed assets

(₹ in crore)

Description of the assets	Gross block (I)					Depreciation / amortisation (II)					Net block (III) = (I - II)	
	As at April 01, 2015	Additions/ adjustments consequent to acquisition of subsidiary	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	Additions/ adjustments consequent to acquisition of subsidiary	During the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
A) Tangible assets												
Land	179.62	-	7.07	-	186.69	-	-	-	-	-	186.69	179.62
Buildings	817.12	-	26.27	-	843.39	171.37	-	35.25	-	206.62	636.77	645.75
Plant and machinery	26,322.78	-	823.11	327.33	26,818.56	6,116.58	-	1,575.43	298.45	7,393.56	19,425.00	20,206.20
Producing properties	31.82	-	-	-	31.82	2.66	-	0.55	-	3.21	28.61	29.16
Furniture and fixtures	26.60	-	0.11	4.06	22.65	12.05	-	2.35	3.78	10.62	12.03	14.55
Office equipments	66.29	-	14.51	6.52	74.28	45.69	-	9.78	6.16	49.31	24.97	20.60
Vehicles	13.59	-	0.56	0.71	13.44	8.63	-	1.48	0.68	9.43	4.01	4.96
Aircraft	10.00	-	-	-	10.00	2.72	-	0.45	-	3.17	6.83	7.28
Total (A)	**27,467.82**	**-**	**871.63**	**338.62**	**28,000.83**	**6,359.70**	**-**	**1,625.29**	**309.07**	**7,675.92**	**20,324.91**	**21,108.12**
B) Tangible assets taken on lease												
Land	0.17	-	-	-	0.17	0.13	-	0.03	-	0.16	0.01	0.04
Plant and machinery	2.39	-	-	-	2.39	0.95	-	0.11	-	1.06	1.33	1.44
Total (B)	**2.56**	**-**	**-**	**-**	**2.56**	**1.08**	**-**	**0.14**	**-**	**1.22**	**1.34**	**1.48**
C) Tangible assets given on lease												
Plant and machinery	18.20	-	-	-	18.20	18.20	-	-	-	18.20	-	-
Total (C)	**18.20**	**-**	**-**	**-**	**18.20**	**18.20**	**-**	**-**	**-**	**18.20**	**-**	**-**
Total Tangible assets (A+B+C)	**27,488.58**	**-**	**871.63**	**338.62**	**28,021.59**	**6,378.98**	**-**	**1,625.43**	**309.07**	**7,695.34**	**20,326.25**	**21,109.60**
D) Intangible assets												
Softwares and licenses	82.07	-	13.20	5.55	89.72	56.59	-	8.32	5.26	59.65	30.07	25.48
Producing properties (refer note 36)	170.36	-	-	170.36	-	14.18	-	-	14.18	-	-	156.18
Total Intangible assets (D)	**252.43**	**-**	**13.20**	**175.91**	**89.72**	**70.77**	**-**	**8.32**	**19.44**	**59.65**	**30.07**	**181.66**
Total (A+B+C+D)	**27,741.01**	**-**	**884.83**	**514.53**	**28,111.31**	**6,449.75**	**-**	**1,633.75**	**328.51**	**7,754.99**	**20,356.32**	**21,291.26**
Previous Year	26,310.51	100.37	1,441.50	111.37	27,741.01	5,677.29	27.82	762.66	18.02	6,449.75	21,291.26	
Intangible assets under development (Including pre production activities) (refer note 36)											-	262.46
Capital work-in-progress (Including expenditure during construction / pre production activities) (refer note 36) (also refer note 5 below)											3,841.97	3,536.32

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

NOTES:

1 Total depreciation / amortisation / depletion for the year ₹ 1,633.75 crore (Previous year ₹ 762.66 crore) is charged / allocated as under:

(i) ₹ 1,627.05 crore (Previous year ₹ 757.12 crore) includes prior period depreciation of ₹ 582.15 crore (Previous year ₹ Nil) to consolidated statement of profit and loss.

(ii) ₹ 6.70 crore (Previous year ₹ 5.54 crore) to capital work-in-progress (includes exploration activities).

2 Depreciation of the previous year had been adjusted for surplus on retrospective recomputation, pursuant to a change in method of depreciation amounting to ₹ 207.87 crore

3 Land includes ₹ 35.78 crore (Previous year ₹ 35.78 crore) representing cost of land leased to Vadinar Oil Terminal Limited (VOTL), Vadinar Power Company Limited (VPCL), Vadinar Ports and Terminals Limited (VPTL) and Vadinar Properties Limited (VPL). A charge has been created against the land leased to VOTL, VPCL and VPL in favour of lenders of VOTL, VPCL and VPL respectively.

4 Additions to plant and machinery includes exchange differences of ₹ 256.21 crore (Previous year ₹ 158.78 crore) and borrowing cost of ₹ 107.68 crore (Previous year ₹ 25.54 crore).

5 A Subsidiary had entered into agreements with certain related parties and the Holding Company for construction of an integrated township to be given on lease on completion of construction. Out of the total chargeable area under the proposed lease agreements, 63% of the area will be leased to the Holding Company and the balance area of 37% will be leased to certain related parties. As at the end of the year by applying the aforesaid percentages the property under construction (integrated township) to be leased out to the Holding Company and certain related parties works out to ₹ 130.29 crore (P.Y. ₹ 124.21 crore) and ₹ 76.52 crore (P.Y. ₹ 72.95 crore), respectively.

6 Expenditure during construction / pre production activities includes:

(₹ in crore)

Particulars		As at March 31, 2016	As at March 31, 2015
Opening Balance	**(A)**	384.37	557.24
Add: Incurred during the year			
Revenue from CBM sale		(152.88)	(111.77)
Interest income		(9.47)	(18.40)
Interest and other finance charges		96.51	154.88
Consumption of stores and spares		0.22	0.86
Salaries, wages and bonus		31.91	49.30
Contribution to / provision for provident and other funds		1.55	2.56
Staff welfare expenses		5.00	6.46
Insurance		1.57	3.03
Legal and professional fees		8.08	26.53
Rent		5.42	25.09
Repairs and maintenance		4.04	6.33
Depreciation		6.70	5.54
Sundry expenses		44.23	40.30
Exchange difference(Net)		17.26	24.02
Value of intermediates / products consumed during trial run (net)		-	24.27
Total	**(B)**	**60.14**	**239.00**
Less: Capitalised / transferred / written off during the year	**(C)**	**61.03**	**411.87**
Expenditure during construction / pre production activities pending allocation	**(A+B-C)**	**383.48**	**384.37**

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for the year ended March 31, 2016

14. Non current investments / Current investments (Unquoted)

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current	Non Current	Current
(1) Trade Investment				
(a) Investment in equity				
(i) Investment in associates (fully paid-up) (long- term)				
102,999,994 (Previous year 102,999,994) equity shares of ₹ 10 each of Vadinar Power Company Limited (VPCL)	148.45	-	146.40	-
13,000 (Previous year 13,000) equity shares of ₹ 10 each of Vadinar Liquid Terminal Limited (VLTL)	0.01	-	0.01	-
(2) Other Investments				
(a) Investment in Essar Power Limited - 10.25% Cumulative redeemable preference shares	-	1,025.00	1,025.00	-
512,500,000 (Previous year 512,500,000) preference shares of ₹ 20 each of Essar Power Limited (EPoL)*				
(b) Investments in debentures				
Nil (Previous year 54,000) Fully Convertible Debentures of Prajakta Estates Pvt Ltd of ₹ 100 each	-	-	0.54	-
Nil (Previous year 320,000) Fully Convertible Debentures of Trikaya Township Pvt. Ltd. (Formerly known as Trikaya Cultivations Private Limited) of ₹ 100 each	-	-	3.20	-
Nil (Previous year 878,820) Fully Convertible Debentures of Sangam Cultivators Pvt Ltd of ₹ 100 each	-	-	8.79	-
(c) Investments in equity instruments (long term)				
13,000,000 (Previous year 13,000,000) equity shares of ₹ 10 each of Petronet VK Limited	13.00	-	13.00	-
1,584,000 (Previous year 1,584,000) equity shares of ₹ 10 each of Petronet CI Limited (company under liquidation)	1.58	-	1.58	-
10,000,000 (Previous year 10,000,000) equity shares of ₹ 10 each of Petronet India Limited	10.00	-	10.00	-

Notes to Consolidated Financial Statements
for the year ended March 31, 2016

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current	Non Current	Current
(d) Investment in a mutual fund (current)	-	-	-	1,195.00
(Previous year 119,500,000 units of ₹ 100 each of India Growth Opportunities Fund of Srei multiple asset investment trust)				
	173.04	**1,025.00**	**1,208.52**	**1,195.00**
Less : Provision for diminution in value of Other Investments	24.58	-	24.58	-
Total	**148.46**	**1,025.00**	**1,183.94**	**1,195.00**

Refer note 3 (g) for basis of valuation.

* Being pledged with lender / guarantor

15. Inventories

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw materials {including in transit ₹ 1,398.08 crore (Previous year ₹ 607.39 crore)}	2,289.10	2,516.69
Work-in-progress	731.36	1,412.61
Finished goods	507.87	556.55
Stock-in-trade	13.58	0.41
Stores and spare parts {including in transit ₹ 2.68 crore (Previous year ₹ 16.23 crore)}	302.22	324.01
Other consumables including coal {including in transit ₹ 10.58 crore (Previous year ₹ 104.80 crore)}	106.97	320.63
Total	**3,951.10**	**5,130.90**

Refer note 3 (h) for basis of valuation.

16. Trade receivables (Unsecured and considered good, unless otherwise stated)

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from due date of payment		
-Considered good*	1,454.84	151.95
-Considered doubtful	1.27	1.29
Others - considered good	14,301.85	12,250.14
Bills Receivable*	15.09	9.38
	15,773.05	**12,412.76**
Less : Provision for doubtful debts	1.27	1.29
Total	**15,771.78**	**12,411.47**

*₹ 18.39 crore (Previous year ₹ 17.15 crore) secured by corporate / bank guarantees and / or letters of credit.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

17. Cash and bank balances

(₹ in crore)

Particulars		As at March 31, 2016		As at March 31, 2015	
		Current	Non Current	Current	Non Current
Cash and cash equivalents (As per AS - 3 Cash Flow Statement)					
Balances with banks in:					
- Current accounts		96.73	-	312.17	-
- Deposits with maturities less than 3 months		1.92	-	11.98	-
Cheques on hand		0.03	-	3.66	-
Cash on hand		0.69	-	0.55	-
	(A)	**99.37**	**-**	**328.36**	**-**
Other bank balances					
- Balances with banks in Current accounts / deposits - Earmarked accounts (debenture / unclaimed debenture interest)		13.76	-	21.83	-
- Margin deposits and escrow accounts*		1,452.12	2.51	1,694.77	10.21
- Other deposits		23.42	-	0.36	-
Amount disclosed under the head "Other current / Non current assets" (refer note 19)			(2.51)		(10.21)
	(B)	**1,489.30**	**-**	**1,716.96**	**-**
Total	**(A+B)**	**1,588.67**	**-**	**2,045.32**	**-**

*Deposit accounts comprises ₹ 1,454.63 crore (Previous year ₹ 1,704.98 crore) margin deposits mainly placed for letters of credit facilities, guarantees and short term borrowings from banks.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

18. Long term loans and advances / Short term loans and advances

(Unsecured and considered good, unless otherwise stated)

(₹ in crore)

Particulars		As at March 31, 2016		As at March 31, 2015	
		Current	Non Current	Current	Non Current
Advances recoverable in cash or in kind or for value to be received					
- From related parties		1,387.40	-	1,078.75	-
- From others		76.09	-	85.53	-
Prepaid expenses		123.19	2.46	58.16	8.80
Balances with government authorities		50.31	0.62	44.95	7.82
	(A)	**1,636.99**	**3.08**	**1,267.39**	**16.62**
Inter Corporate Deposits					
- To related parties		5,098.98	-	1,672.11	320.00
- To others		2,827.33	-	120.49	-
	(B)	**7,926.31**	**-**	**1,792.60**	**320.00**
Advances against purchase of shares / debentures					
- To related parties		-	1,400.02	-	1,400.00
- To others		16.79	52.38	-	35.06
	(C)	**16.79**	**1,452.40**	**-**	**1,435.06**
Capital Advances					
- To related parties		-	127.09	-	16.94
- To others		-	313.77	-	277.12
	(D)	**-**	**440.86**	**-**	**294.06**
Security deposits					
- To related parties		1,692.18	-	-	901.40
- To others					
- - Considered good		140.67	6.36	81.33	107.05
- - Considered doubtful		0.00	-	0.35	-
Less: Provision for doubtful deposits		(0.00)	-	(0.35)	-
	(E)	**1,832.85**	**6.36**	**81.33**	**1,008.45**
Advance income tax / Tax deducted at source					
- Considered good		32.68	109.65	45.66	15.96
	(F)	**32.68**	**109.65**	**45.66**	**15.96**
MAT Credit Entitlements		-	437.31	-	-
	(G)	**-**	**437.31**	**-**	**-**
Total	**(A+B+C+D+E+F+G)**	**11,445.62**	**2,449.66**	**3,186.98**	**3,090.15**

"0.00" represents amount less than ₹ 0.01 crore

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

19. Other current / Non current assets

(₹ in crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Current	Non Current	Current	Non Current
Other receivables*	6,619.31	462.91	6,177.17	590.03
Export incentive receivables	-	258.45	-	179.37
Unamortised expenses				
- Ancillary borrowing costs	111.19	101.68	82.72	181.19
- Forward contracts premium	0.27	-	0.17	-
Interest accrued on deposits	51.87	0.01	75.90	1.16
Cash and bank balances (refer note 17)	-	2.51	-	10.21
Total	**6,782.64**	**825.56**	**6,335.96**	**961.96**

* mainly include receivables against derivative contacts, interest, investment sale, litigation matters, defeasement of sales tax and refunds / reimbursements

20. Revenue from operations

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of petroleum products	60,132.14	89,512.88
Sale of traded goods - crude and petroleum products	5,774.10	3,465.81
Sales - others	1.79	4.29
Other operating revenues	171.66	223.33
Total	**66,079.69**	**93,206.31**

21. Other income

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest		
a) On deposits	116.40	183.65
b) Others	1,539.84	754.10
	1,656.24	**937.75**
Profit on sale of fixed assets	-	0.01
Profit on sale of current investments	138.84	2.49
Others	135.23	85.79
Total	**1,930.31**	**1,026.04**

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

22. Cost of raw materials consumed

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost of raw materials consumed {refer note 32(a)}	36,654.96	70,336.40

23. Purchase of stock-in-trade

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Traded crude and petroleum products	5,030.24	2,919.35

24. Changes in inventory of finished goods, work-in-progress and stock-in-trade

(₹ in crore)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Opening inventory:			
- Finished goods		556.55	819.66
- Work-in-progress		1,412.61	2,628.55
- Stock-in-trade		0.41	0.37
	(A)	**1,969.57**	**3,448.58**
Closing inventory:			
- Finished goods		507.87	556.55
- Work-in-progress		731.36	1,412.61
- Stock-in-trade		13.58	0.41
	(B)	**1,252.81**	**1,969.57**
Net Decrease in Inventory	**Total (A) - (B)**	**716.76**	**1,479.01**

25. Employee benefits expense

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	290.54	201.39
Contribution to / for provident and other funds	17.98	17.67
Staff welfare expenses	12.49	10.15
Total	**321.01**	**229.21**

Remuneration paid to the Managing Director and Chief Executive Officer in excess of the approved limits by ₹ 6.27 crore is subject to the approval of shareholders at the ensuing annual general meeting.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

26. Other expenses

(₹ in crore)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Operating Expenses:			
Consumption of stores and spare parts		85.35	67.66
Intermediate material handling charges		133.18	133.09
Consumption of fuel		584.75	674.07
Power and Fuel {Net of consumed out of own production ₹ 579.07 crore (Previous year ₹ 1,587.25 crore)}		728.40	645.69
Excise duty (difference between duty on opening and closing stock)		105.66	55.46
Other operating expenses		528.26	442.33
	(A)	**2,165.60**	**2,018.30**
Selling and Marketing Expenses			
Terminalisation charges		15.75	4.52
Rent / ROI for retail outlets		15.24	15.12
Adhoc compensation to retail outlets		0.11	15.07
Product handling charges		382.80	389.71
Other selling and distribution expenses		80.55	139.20
	(B)	**494.45**	**563.62**
General and Administrative Expenses			
Rates and taxes		2.93	2.37
Insurance		54.78	58.15
Legal and professional fees		221.72	186.47
Rent		21.47	23.97
Repairs and maintenance			
a) Buildings		35.25	25.70
b) Plant and machinery		61.56	57.34
c) Others		31.64	30.72
Fixed assets written off		96.48	0.14
Exchange differences (net)		314.54	343.06
Sundry expenses		398.10	194.67
	(C)	**1,238.47**	**922.59**
Total	**(A)+(B)+(C)**	**3,898.52**	**3,504.51**

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

27. Finance costs

(₹ in crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest		
a) On debentures {refer note 7(ii)(a)}	25.01	69.16
b) On fixed loans	1,085.40	1,705.07
c) On others	542.62	323.96
Change in present obligation of certain loans {refer note 7(ii)(c)}	306.44	206.06
Other finance charges	439.96	263.02
Total	**2,399.43**	**2,567.27**

28. Earnings per share

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
Profit after tax (₹ In crore)		2,156.26	1,526.55
Profit attributable to ordinary shareholders for Basic EPS (₹ In crore)	**(A)**	**2,156.26**	**1,526.55**
Impact on Profit (Net of Tax) for Diluted EPS (₹ In crore)		-	-
Profit attributable to ordinary shareholders for Diluted EPS (₹ In crore)	**(B)**	**2,156.26**	**1,526.55**
		Nos.	**Nos.**
Ordinary shares at the beginning of the year for basic EPS		1,449,516,900	1,449,516,900
Add: Weighted average number of ordinary shares converted during the year		410,989	-
Weighted average number of ordinary shares for basic EPS	**(C)**	**1,449,927,889**	**1,449,516,900**
Add: Shares deemed to be issued		2,642,222	1,792,731
Weighted average number of ordinary shares for diluted EPS	**(D)**	**1,452,570,111**	**1,451,309,631**
Nominal value of ordinary shares (₹)		10/-	10/-
Basic earnings per share (₹)	**(A/C)**	**14.87**	**10.53**
Diluted earnings per share (₹)*	**(B/D)**	**14.84**	**10.52**

*Advances against GDS not considered since the number of underlying shares per GDS has not presently been determined- (refer note 6).

29. Capital and other commitments

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) {including ₹ 0.12 crore (Previous year ₹ 0.11 crore) pertaining to joint ventures (refer note 38)}*	956.26	1,512.36

*Group's share in associates is ₹ 0.01 crore (Previous year ₹ 7.31 crore)

Other commitments

Other commitments include material non-cancellable commitments which if cancelled could result in penalties disproportionate to the benefits involved.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

a) The shareholders of the Company, on May 06, 2014, approved the acquisition of equity and participating preference shares of Vadinar Power Company Limited, for an amount not exceeding ₹ 2,100 crore from Essar Power Limited against which an advance payment of ₹ 1,400 crore has been made (also refer note 34).

b) Based on past performance, market conditions and business plans, the Company expects to fully meet the Export Obligation under Advance Authorization amounting to ₹ 16,586.05 crore (Previous year ₹ Nil) in the near future, and accordingly has not recognised the customs duty amounting to ₹ 22.04 crore (Previous year ₹ Nil) at balance sheet date.

c) The Board of Directors of the Company, pursuant to Share Purchase Agreements (refer note 34), on October 19, 2016 approved the acquisition of 97.51% of the equity share capital of Vadinar Oil Terminal Limited from its majority shareholders for a consideration not exceeding ₹ 9,946 crore (against which dues of ₹ 3,648 crore to the Company will be adjusted) and the balance shares at a price not exceeding ₹ 317.50 per share, subject to necessary approvals.

d) The Board of Directors of the Company on October 19, 2016, approved enhancement of the Company's investment in Vadinar Liquid Terminals Limited (VLTL) to 75% to be acquired from Essar Ports Limited for an amount not exceeding ₹ 2.45 lakhs, subject to necessary approvals.

e) Group's share in an associate for exports obligations is ₹ 239.86 crore (Previous year ₹ 226.34 crore) under Exports Promotion Capital Goods Scheme (EPCG) at balance sheet date, which is to be fulfilled by supplying power under the deemed export category or to SEZ as per the provisions of Foreign trade policy within a period of 8/12 years.

f) The Company has given guarantees to lenders of certain related party suppliers / service providers for honoring its commitments under the supply / service contracts

30. Contingent liabilities

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Claims against the Group and its associates not acknowledged as debts		
(i) In respect of income tax*	71.37	68.63
(ii) In respect of sales tax / VAT (includes ₹ 191.65 crore which amount is net of expected reimbursement of ₹ 1,378.12 crore)	254.63	40.74
(iii) In respect of custom duty / excise duty / service tax*	495.42	651.30
(iv) Others {including ₹ 0.54 crore (Previous year ₹ 0.51 crore) pertaining to joint ventures (refer note 38)}	218.23	244.43
Others includes certain arbitration matters ₹ 5.55 crore (Previous year ₹ 98.76 crore), Insurance related claim ₹ 109.99 crore (Previous year ₹ 102.99 crore), Gujarat entry tax ₹ 3.51 crore (Previous year ₹ 3.51 crore), additional compensation in land acquisition matter ₹ 0.77 crore (Previous year ₹ 0.74 crore), E & P legal disputes / claims ₹ 29.23 crore (Previous year ₹ 28.09 crore), Green cess matter ₹ 13.10 crore (Previous year ₹ 10.10 crore), Renewable Purchase Obligation ₹ 13.12 crore (Previous year ₹ Nil) and Other miscellaneous claims of ₹ 42.96 crore (Previous year ₹ 0.24 crore).		
*Group's share in associates is ₹ 0.92 crore (Previous year ₹ 0.76 crore)		

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

b) Other money for which the Company is contingently liable

The Company has entered into an arrangement for standby bareboat charter with Essar Shipping (Cyprus) Limited (ESCL) for 3 ships at an average rate of USD 8,300 per day per ship for upto a period of 8 years. This bareboat charter gets implemented only if ESCL defaults its payment with its lenders. However, ESCL has agreed to indemnify the Company against all losses, in the event of the bareboat charters becoming effective.

The Company has continued recognition of income booked during the year /earlier years in respect of duty drawback ₹ 210.92 crore and contractual matter ₹ 207.14 crore, based on legal advice regarding the probability of succeeding before relevant authorities. Third party claims where the possibility of outflow of resources embodying economic benefits is remote, and show cause notices which have not yet converted to regulatory demands, have not been considered as contingent liabilities.

31. CIF value of imports including goods in transit

(₹ in crore)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
a)	Raw materials	30,456.62	58,111.74
b)	Components and spare parts (including other consumable spares and coal)	425.03	613.74
c)	Capital goods	134.39	295.01

32. Details of cost of raw materials consumed and stores and spare parts consumption

Particulars		Year ended March 31, 2016		Year ended March 31, 2015	
		₹ in crore	%	₹ in crore	%
a)	**Cost of raw materials consumed*(including expenditure during construction)**				
	(1) Imported	31,107.17	83.25	59,100.05	82.91
	(2) Indigenous	6,260.56	16.75	12,178.47	17.09
Total		**37,367.73**	**100.00**	**71,278.52**	**100.00**
b)	**Consumption of stores and spare parts (including expenditure during construction)**				
	(1) Imported	13.02	15.25	11.84	17.28
	(2) Indigenous	72.33	84.75	56.68	82.72
Total		**85.35**	**100.00**	**68.52**	**100.00**

*Includes ₹ 712.77 crore (Previous year ₹ 918.00 crore) considered as exceptional item in statement of profit & loss (refer note 36)

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

33. Expenditure and earnings in foreign currency including expenditure during construction / pre production activities

(₹ in crore)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
a)	**Expenditure**		
(i)	Interest	498.74	274.92
(ii)	Travelling expenses	1.00	0.97
(iii)	Professional / consultancy fees	5.18	20.21
(iv)	Services	181.61	301.45
(v)	On commodity hedging	1,158.96	313.40
(vi)	Demurrage	91.87	71.58
(vii)	Overseas Trading of Crude	1,300.32	249.57
(viii)	Others	61.86	45.45
b)	**Earnings**		
(i)	Interest	360.21	96.79
(ii)	FOB value of exports	23,088.47	36,981.99
(iii)	On commodity hedging	1,207.89	2,387.83
(iv)	Income from technical services	4.64	24.80
(v)	Overseas Trading of Crude	1,304.91	248.12
(vi)	Others	14.58	2.51

34. Current Assets include amounts due from related parties and certain other entities aggregating at March 31, 2016 to ₹ 23,876.41 crore (net of subsequent receipts). On October 15, 2016 the majority shareholders of the Company have entered into agreements to sell their shares, (which include as conditions precedent to the completion of sale, inter alia, an escrow arrangement with respect to the deployment of the sale consideration and acquisition of shares in identified related parties – also refer note 29), pursuant to which the Group will be able to realize the aforesaid amounts and settle its liability for payment to the National Iranian Oil Company aggregating at March 31, 2016 to ₹ 17,614.20 crore (net of subsequent payments, also refer note 9), as and when it falls due for payment and banking channels are available to make remittances (following lifting of US sanctions). The Group's ability, therefore, to collect the amounts due in the near to short term and have the required cash flow to discharge the said liability, and, be able to continue as a going concern is predicated on the successful implementation of the said agreements, including the escrow arrangement and acquisition of shares.

The Group has reckoned with the carrying values of the dues from related parties and other entities having regard to, inter alia, fair values of the net assets of the parties / guarantors, letters of support / the aforesaid agreements including the escrow mechanism and acquisition of shares.

35. GDS proceeds utilisation

As at balance sheet date, the unutilized balance of proceeds from issue of GDS / advance towards issue of GDS amounting to ₹ 3.97 crore (Previous year ₹ 12.37 crore) is lying in current / deposit accounts with banks.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

36. Exceptional items

Exceptional items comprise of

i) Inventory losses of ₹ 712.77 crore (Previous year ₹ 918.00 crore), consequent upon the month to month steep and unprecedented fluctuations in the global prices of crude oil during the year.

ii) Expenses of ₹ 213.36 crore (Previous year ₹ Nil) incurred during a planned shutdown of the refinery.

iii) Compensation of ₹ 240.00 crore (Previous year ₹ Nil) on account of non / short supply of CBM gas under a Gas Supply Agreement.

iv) During the year, the Company changed its accounting policy in respect of Oil and Gas exploration and production activities from Full Cost Method to Successful Efforts Method, for a more appropriate presentation of the financial statements. Accordingly, in line with the Guidance Note on Accounting for Oil and Gas Production Activities, the effect of the change has been calculated retrospectively and the resulting deficiency of ₹ 422.50 crore has been charged to the consolidated statement of profit and loss.

37. Leases

a) Finance lease:-

(i) Future lease rental payable and reconciliation of minimum lease payments and its present value in respect of the assets:-

(₹ in crore)

Particulars	Minimum Lease payments/ Future lease rent payable		Interest		Present value of minimum lease payments	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Future lease rental obligation payable:						
Not later than one year	0.34	0.59	0.02	0.12	0.32	0.47
Later than one year but not later than five years	-	0.34	-	0.02	-	0.32
Later than five years	-	-	-	-	-	-
Total	**0.34**	**0.93**	**0.02**	**0.14**	**0.32**	**0.79**

(ii) General description of the leasing arrangements:

- Leased Assets – Supply depot.
- Future lease rental payments are determined on the basis of quarterly / monthly lease payments as provided in the agreements.
- At the expiry of the lease term, the Company has an option to extend the lease on mutual terms and conditions. In case of the supply depot, the ownership gets transferred to the Company at the end of the lease term.
- Assets are taken on lease over a period of 10 years.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

b) Operating lease:

(i) The Group's major leasing arrangements are in respect of commercial / residential premises (including furniture and fittings)/ retail outlet facilities. The lease rentals are recognised under "Other Expenses" or "Expenditure during construction / pre-production activities" as applicable. These leasing arrangements are usually renewable by mutually agreed terms and conditions.

(ii) Future minimum lease rentals payable as per the lease agreements:

(₹ in crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Not later than one year	7.19	7.19
Later than one year but not later than five years	-	7.19
Later than five years	-	-
Total	**7.19**	**14.38**

38. Exploration and production activities

a) During the year, the Company has adopted Successful Efforts Method (SEM) of Accounting, prescribed under the Guidance Note on "Accounting for Oil and Gas Producing Activities" issued by the "Institute of Chartered Accountants of India". Accordingly net exploration expenses amounting to ₹ 422.50 crore, which were earlier carried under "Producing Properties" and "Capital Work-In Progress/Intangible Assets under Development" under the Full Cost Method (FCM) were charged off to Consolidated Statement of Profit & Loss (refer note 36).

b) Company's interest in oil & gas and CBM Joint Ventures as at March 31, 2016:

Sr. No.	Name of the Block	As at March 31, 2016	As at March 31, 2015
1	CB-ON/3 (Gujarat, India) #	100%	0%
2	Ratna & R-Series (Maharashtra, India) ##	-	50%
3	AA-ONN-2004/3 (Assam, India) ###	-	10%
4	RG (East) 2001/1 (West Bengal, India)	100%	100%
5	RM-(E)-CBM-2008/IV (Rajmahal, Jharkhand, India)	100%	100%
6	TL-CBM-2008/IV (Talcher, Orissa, India)	100%	100%
7	IB-CBM-2008/IV (IB Valley, Orissa, India)	100%	100%
8	SP(NE)-CBM-2008/4 (Sohagpur, Madhya Pradesh, India)	100%	100%

ONGC has exercised its back-in rights of 30% in ESU field, excluding well ESU#4, leaving the Company with a 70% participating Interest. However, the Company holds 100% interest in rest of CB-ON/3 Block.

Balance 40% interest held by ONGC and 10% by Premier Oil. During FY 2015-16, the award was cancelled by Govt. of India.

Block AA-ONN-2004/3 was relinquished w.e.f. 11.09.2015.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

c) i) Company's interest in Proved (1P) and Proved Developed reserves of crude oil as on March 31, 2016 is as under:

Area of operation		Proved		Proved developed	
		MT	MT	MT	MT
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Essar South Unawa (ESU) field Block CB-ON/3 - onshore Cambay Basin, India	Opening	78,826	80,326	25,475	26,975
	Addition	-	-	-	-
	Production	962	1,500	962	1,500
	Closing	77,864	78,826	24,513	25,475

ii) Company's interest in Proved (1P) and Proved Developed reserves of coal bed methane gas as on March 31, 2016 is as under:

Area of operation		Proved		Proved developed	
		MMSCM	MMSCM	MMSCM	MMSCM
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
RG(East)-CBM-2001/1 block, West Bengal, India	Opening	490	581	261	352
	Addition	-	-	-	-
	Production	237	91	237	91
	Closing	253	490	24	261

d) i) The Company uses proved and probable reserves as the basis for impairment assessment for both crude oil and coal bed methane gas blocks.

ii) Fields, which uses common production and transportation facilities and are economically interdependent, have been considered as single cash generating unit for impairment purpose. Accordingly, Essar South Unawa (ESU), Essar North Pali (ENP), Essar North Sapad (ENS) and the Essar East Unawa (EEU) fields in block CB-ON/3 have been considered as single cash generating unit. CBM Raniganj Block has been considered as separate cash generating unit for impairment purpose.

iii) Crude oil reserves are evaluated on yearly basis by inhouse technical team, based on available geological, geophysical and production data.

iv) CBM reserve certification exercise was carried out by an independent external agency in September 2009 and September 2011. All estimates have been prepared in accordance with the definition and guidelines set forth in the 2007 Petroleum Resource Management System (PRMS) approved by Society of Petroleum Engineers (SPE).

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

39. Derivative instruments and unhedged foreign currency exposures

a) The following table presents the movements in cashflow hedge reserves

(₹ in crore)

Particulars	Year ended March 31, 2016			Year ended March 31, 2015		
	Commodity derivatives	Financial derivatives	Total	Commodity derivatives	Financial derivatives	Total
Opening balance	232.09	(403.17)	(171.08)	24.58	(12.74)	11.84
Transferred from Foreign currency monetary item translation difference account	-	-	-	-	(112.82)	(112.82)
Recognised during the year	325.46	(200.28)	125.18	332.26	(316.65)	15.61
Recycled to statement of consolidated profit and loss	(508.51)	235.33	(273.18)	(124.75)	39.04	(85.71)
Closing balance	49.04	(368.12)	(319.08)	232.09	(403.17)	(171.08)

b) Derivative contracts entered into by the Company and outstanding as at balance sheet date:
For hedging currency and interest related risks:

(i) The Company uses forward exchange contracts, interest rate swap contracts and currency swap contracts to hedge its exposure in foreign currency and interest rate. The information on outstanding contracts is given below:

Currency	Amount		Buy/Sell	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Forward contracts:				
US Dollar in million	113.20	141.90	Buy	Buy
Interest rate swaps:				
US Dollar in million floating to fixed (Notional value)	363.07	387.22	Swap	Swap
Currency swaps:				
US Dollar in million	332.27	603.56	Sell	Sell

Notes to Consolidated Financial Statements

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(ii) The foreign currency exposure of the Company as at balance sheet date that have not been hedged by a derivative instrument or otherwise are given below:

Currency	Payables		Receivables		Loan Liabilities (Including Interest accrued)	
	₹ in Crore	FC in Million	₹ in Crore	FC in Million	₹ in Crore	FC in Million
JPY	**0.23**	**3.87**	**-**	**-**	**-**	**-**
	(0.08)	(1.60)	-	-	-	-
USD	**7,749.99**	**1,168.35**	**15,667.40**	**2,361.94**	**19,314.57**	**2,911.76**
	(7,062.13)	(1,128.30)	(12,368.51)	(1,976.09)	(15,950.20)	(2,548.33)
EURO	**3.29**	**0.44**	**0.94**	**0.13**	**44.24**	**5.89**
	(1.65)	(0.24)	(1.00)	(0.15)	(6.00)	(0.89)
GBP	**1.08**	**0.11**	**1.40**	**0.15**	**-**	**-**
	(0.65)	(0.07)	(0.66)	(0.07)	-	-
AUD	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(0.86)	(0.18)	-	-
SGD	**-**	**-**	**0.01**	**0.00**	**-**	**-**
	-	-	(0.01)	(0.00)	-	-
CAD	**0.72**	**0.14**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
AED	**0.00**	**0.00**	**-**	**-**	**-**	**-**
	-	-	(0.00)	(0.00)	-	-
CHF	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Total	**7,755.31**		**15,669.75**		**19,358.81**	
	(7,064.51)		(12,371.04)		(15,956.20)	

"0.00" represents amount less than 0.01 million in FC
"0.00" represents amount less than ₹ 0.01 crore in INR
Previous year figures have been shown in brackets.

(iii) Bank balance in foreign currency as at March 31, 2016 ₹ 0.03 crore (USD 0.00 million) {Previous year ₹ 90.79 crore (USD 14.50 million)}

b) For hedging commodity related risks:
Category wise break-up of commodity derivative contracts entered into by the Company and outstanding as at balance sheet date:

Sr. No.	Nature of instrument	Crude oil purchases / (sales)		Petroleum products purchases / (sales)	
		Qty. in Barrels ('000)		Qty. in Barrels ('000)	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
1	Spreads	510	5,571	(6,950)	(5,550)
2	Net Options	(3,000)	(2,200)	-	-
3	Margin hedging	-	-	1,025	(1,950)

Notes to Consolidated Financial Statements

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40. Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
- Audit fees	2.79	1.98
- Taxation matters	0.54	0.26
- Other services	1.63	1.53
- Reimbursement of expenses	0.03	0.04
Total	**4.99**	**3.81**

41. Segment information

(₹ in crore)

Sr. No.	Particulars	2015-16	2014-15
1	**Information about primary segment - business:-**		
	Segment revenue		
	Refining and marketing	52,618.63	83,426.49
	Exploration and production activities	4.05	6.68
	Unallocated	62.79	40.28
	Total segment revenue	**52,685.47**	**83,473.45**
	Add : Interest income	1,539.84	754.10
	Add : Profit on sale of investment	138.84	2.49
	Add : Credit balances written back	32.08	1.81
	Total revenue	**54,396.23**	**84,231.85**
2	**Segment result before interest, extraordinary items and tax**		
	Refining and marketing	3,583.85	3,389.09
	Exploration and production activities	(666.78)	(7.67)
	Unallocated	(508.72)	(314.58)
	Total	**2,408.35**	**3,066.84**
	Less : Interest expense	1,959.48	2,304.26
	Add : Interest income	1,539.84	754.10
	Add : Profit on sale of Investments	138.84	2.49
	Add : Credit balances written back	32.08	1.81
	Profit / (Loss) before tax	**2,159.63**	**1,520.98**
	Less : Taxes	5.42	0.15
	Profit / (Loss) after tax before share of profit of Associates	**2,154.21**	**1,520.83**
3	**Segment assets**		
	Refining and marketing	60,964.45	54,693.22
	Exploration and production activities	4,280.25	3,840.73
	Unallocated	1,634.45	946.88
	Total of segment assets	**66,879.15**	**59,480.83**
	Add : Amount recoverable against defeasement / assignment agreement	1,318.75	1,162.01
	Total assets	**68,197.90**	**60,642.84**

Notes to Consolidated Financial Statements
for the year ended March 31, 2016

(₹ in crore)

Sr. No.	Particulars	2015-16	2014-15
4	**Segment liabilities**		
	Refining and marketing	29,956.74	26,874.73
	Exploration and production activities	422.92	250.35
	Unallocated	742.49	263.74
	Total of segment liabilities	**31,122.15**	**27,388.82**
	Add : Loan funds (Including interest accrued but not due)	29,900.15	27,147.72
	Add : Liabilities towards deferred sales tax including interest thereon (refer note 2 below)	-	693.97
	Total liabilities	**61,022.30**	**55,230.51**
5	**Additions to Fixed Assets**		
	Refining and marketing	856.54	1,427.40
	Exploration and production activities	1.94	1.67
	Unallocated	26.35	12.43
	Total	**884.83**	**1,441.50**
6	**Depreciation / amortisation and depletion expense (excluding depreciation accounted in expenditure during construction / pre production activities)**		
	Refining and marketing	1,612.41	749.26
	Exploration and production activities	1.36	4.95
	Unallocated	13.28	2.91
	Total	**1,627.05**	**757.12**
7	**Significant non-cash expenses other than depreciation / amortisation and depletion expense**		
	Refining and marketing	73.35	38.87
	Exploration and production activities	422.51	-
	Unallocated	(26.97)	0.12
	Total	**468.89**	**38.99**

Notes:

1) The Group has disclosed Business Segment as the primary segment. Segments have been identified taking into account the organizational structure, nature of services, differing risks and internal reporting system. The Group's operation predominantly relates to Refining and marketing of petroleum products and Oil & Gas exploration.

2) The sales tax liability payable in eight quarterly installments w.e.f. January 02, 2013 with interest was not considered as segment liability considering the substance of the terms.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

3) The Group operates in two geographical segments namely "within India" and "outside India".

(₹ in crore)

Particulars	2015-16			2014-15		
		Outside India			Outside India	
	Within India	Singapore	Other countries	Within India	Singapore	Other countries
Segment revenue	28,939.70	5,883.84	17,861.93	47,077.87	4,072.30	32,323.28

(₹ in crore)

Particulars	2015-16		2014-15	
	Within India	Outside India	Within India	Outside India
Carrying amount of segment assets	52,442.40	14,436.75	49,633.04	9,847.79
Additions to fixed assets	884.83	-	1,441.50	-

42. The Company's Board of Directors has, subject to shareholders and other requisite approvals and formalities to be fulfilled as required, consented to the disposal of the Company's Exploration and Production operations (E&P), as a going concern, and the plans for the disposal are in the process of being formalized. (The separation of E&P is also a condition precedent to the sale of shares - refer note 34).

43. Details of dues to micro and small enterprises

The information regarding principal and interest pertaining to micro and small enterprises based on available details is as under:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1	Principal amount due and remaining unpaid	0.18	-
2	Interest due on (1) above and the unpaid interest	0.01	-
3	Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	0.02	0.01
4	Payments made beyond the appointed day during the year	4.07	1.71
5	Interest due and payable for the period of delay	0.02	-
6	Interest accrued and remaining unpaid	0.03	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

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44. Defined benefit plans / long term compensated absences

(a) Defined benefit plans / long term compensated absences - as per actuarial valuations as at March 31, 2016:

(₹ in crore)

Sr. No.	Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)		Employer Established Provident Fund {refer note (iii) below}	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
A	**Net assets / liability recognised in the consolidated balance sheet {refer note (v) below}**						
1	Present value of defined benefit obligation	32.06	26.62	10.83	12.34	168.24	136.71
2	Fair value of plan assets	15.21	14.90	-	-	168.24	136.71
3	Funded status - surplus / (deficit)	(16.85)	(11.72)	(10.83)	(12.34)	-	-
4	Net assets / (liability) recognised in the consolidated balance sheet	(16.85)	(11.72)	(10.83)	(12.34)	-	-
B	**Expenses recognised in statement of consolidated profit and loss or expenditure during construction, as applicable for the year ended March 31, 2016**						
1	Current services cost	3.32	2.37	-	3.30	9.00	8.05
2	Interest cost	2.01	1.56	0.92	3.04	13.25	11.02
3	Expected / Actual return on plan assets	(1.23)	(1.18)	-	-	(13.14)	(10.96)
4	Past services cost	-	-	-	-	-	-
5	Actuarial losses/(gains)	1.83	5.79	(1.31)	(26.68)	(0.11)	(0.06)
6	Total expenses	5.93	8.54	(0.39)	(20.34)	9.00	8.05
C	**Change in obligation and assets**						
C1	**Change in defined benefit obligation**						
1	Defined benefit obligation at beginning of the year	26.62	18.15	12.34	33.67	136.71	115.67
2	Service cost	3.32	2.37	-	3.30	9.00	8.05
3	Interest cost	2.01	1.56	0.92	3.04	13.25	11.02
4	Plan Amendments	-	-	-	-	-	-
5	Acquisition adjustment/Transfer In/ (Transfer Out)@	-	0.98	-	0.29	11.39	7.71
6	Actuarial losses/(gains)	1.71	5.88	(1.31)	(26.68)	(0.11)	(0.06)
7	Benefit payments	(1.60)	(2.32)	(1.12)	(1.28)	(15.78)	(17.94)
8	Employees contribution	-	-	-	-	13.78	12.26
9	Defined Benefit obligation at the end of the year	32.06	26.62	10.83	12.34	168.24	136.71
C2	**Change in fair value of assets**						
1	Fair value of plan assets at the beginning of the year	14.90	14.09	-	-	136.71	115.67
2	Acquisition adjustment/Transfer In/ (Transfer Out)@	-	-	-	-	-	-
3	Expected return on plan assets	1.23	1.18	-	-	13.14	10.96

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(₹ in crore)

Sr. No.	Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)		Employer Established Provident Fund {refer note (iii) below}	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
4	Actual Company & employees contributions	0.80	1.86	-	-	34.17	28.02
5	Actuarial (losses)/gains	(0.12)	0.09	-	-	-	-
6	Benefits payments	(1.60)	(2.32)	-	-	(15.78)	(17.94)
7	Fair value of plan assets at the end of the year	15.21	14.90	-	-	168.24	136.71
D	**Actuarial assumptions**						
1	Discount rate (per annum)	7.70%	7.80%	7.70%	7.80%	7.70%	7.80%
2	Expected rate of return on assets (per annum)	8.50%	8.50%	NA	NA	8.75%	8.75%
3	Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified					
E	**Percentage of each category of plan assets to total fair value of plan assets**						
	Administered by Life Insurance Corporation of India	100%	100%	NA	NA	NA	NA
	Central Govt Securities / Bond	-	-	-	-	21%	26%
	State Govt Securities / Bond	-	-	-	-	22%	15%
	Public Sector Bonds	-	-	-	-	54%	57%
	Units of Mutual Fund	-	-	-	-	1%	0%
	Others (Including bank balances)	-	-	-	-	2%	2%
F	**Experience adjustment: {Refer note (v) below}**						
	Plan liabilities loss/(gain)	1.52	(0.17)	(1.34)	(20.06)	NA	NA
	Plan assets loss/(gain)	0.12	(0.09)	-	-	NA	NA
	Actuarial loss/(gain) due to change in assumption	0.18	6.05	0.04	(6.62)	NA	NA
G	**Employer's best estimate of contributions expected to be paid to the plan during the annual period beginning after the consolidated balance sheet date**	4.35	3.48	NA	NA	9.89	8.85

@ Employees were transferred from / to related parties / other body corporates with credit for past services.

Notes:

(i) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.

(ii) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.

(iii) The employer managed provident fund is considered as a defined benefit plan.

Notes to Consolidated Financial Statements
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(iv) The Company is unable to obtain the details of plan assets from the Insurance Company (LIC of India / SBI Life Insurance) and hence the disclosure thereof is not made.

(v) Amounts for the current year and previous four years are as follows:

(₹ in crore)

Sr. No.	Particulars	Gratuity (Funded)				
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
a)	**Net assets / liability recognised in the consolidated balance sheet**					
1	Present value of defined benefit obligation	32.06	26.62	18.15	15.16	11.71
2	Fair value of plan assets	15.21	14.90	14.09	12.00	11.71
3	Funded status - surplus / (deficit)	(16.85)	(11.72)	(4.06)	(3.16)	-
4	Net assets / (liability) recognised in the consolidated balance sheet	(16.85)	(11.72)	(4.06)	(3.16)	-
b)	**Experience adjustment:**					
1	Plan liabilities loss/(gain)	1.52	(0.17)	0.47	0.38	0.27
2	Plan assets loss/(gain)	0.12	(0.09)	(0.08)	(0.04)	(0.08)

(₹ in crore)

Sr. No.	Particulars	Employer Established Provident Fund				
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
a)	**Net assets / liability recognised in the consolidated balance sheet**					
1	Present value of defined benefit obligation	168.24	136.71	115.67	95.95	78.10
2	Fair value of plan assets	168.24	136.71	115.67	95.95	78.10
3	Funded status - surplus / (deficit)	-	-	-	-	-
4	Net assets / (liability) recognised in the consolidated balance sheet	-	-	-	-	-
b)	**Experience adjustment:**					
1	Plan liabilities loss/(gain)	NA	NA	NA	NA	NA
2	Plan assets loss/(gain)	NA	NA	NA	NA	NA

(b) Defined contribution plans :

Company's contribution to superannuation fund aggregating to ₹ 0.85 crore (Previous year ₹ 0.55 crore) are recognised in the statement of consolidated profit and loss / expenditure during construction / pre-production activities, as applicable. There is no obligation other than the contribution payable to the respective trusts.

Notes to Consolidated Financial Statements

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45. Related party disclosures

I. Transactions with related parties

(₹ in crore)

Nature of transactions	Holding Company / Intermediate Holding Company	Fellow Subsidiaries	Associates
Advance received from customers (net)	**-**	**0.34**	**-**
(EBTL - ₹ 0.16 crore, EPGL - ₹ 0.15 crore) (Previous year - EEOL - ₹ 254.76 crore)	-	(254.99)	-
Expenses incurred on behalf of Joint Venture	**0.04**	**0.15**	**-**
(EEHL - ₹ 0.19 crore) (Previous year - EEHL - ₹ 0.12 crore)	-	(0.12)	-
Purchase of fixed assets / intangible assets (including CWIP)	**-**	**85.07**	**-**
(EOSIL - ₹ 31.08 crore, EPIL - ₹ 53.33 crore) (Previous year EOSIL - ₹ 55.73 crore, ERPL - ₹ 350.35 crore)	-	(435.46)	-
Advances given on capital account (net of repayments)	**-**	**110.42**	**-**
(EPIL - ₹ 105.00 crore) (Previous year - EOSIL - ₹ 1.15 crore)	-	(1.15)	-
Advances given to vendors for services (net of repayments)	**-**	**10.33**	**302.78**
(VPCL - ₹ 302.78 crore) (Previous year - ESL - ₹ 4.59 crore)	-	(4.66)	-
Deposits given by the Group	**-**	**790.78**	**-**
(VOTL - ₹ 665.78 crore, VPTL - ₹ 125.00 crore) (Previous year - ₹ Nil)	-	-	-
Sale of goods / power net of cash discount (including taxes)	**-**	**329.97**	**-**
(EEOL - ₹ 218.78 crore, EEPDCL - ₹ 34.74 crore, ELL - ₹ 47.98 crore) (Previous year - EEOL - ₹ 1,772.30 crore, PTOL - ₹ 2,554.96 crore)	-	(4,808.15)	-
Interest income	**-**	**514.49**	**142.63**
(ESTL - ₹ 257.11 crore, VPCL - ₹ 142.63 crore, VPTL - ₹ 90.19 crore) (Previous year - ESTL - ₹ 89.92 crore, VPCL - ₹ 109.58 crore, VPTL - ₹ 40.42 crore)	-	(264.61)	(109.58)
Lease income (including lease tax)	**-**	**1.85**	**0.02**
(VOTL - ₹ 0.25 crore, VPTL - ₹ 1.58 crore) (Previous year - VOTL - ₹ 0.25 crore, VPTL - ₹ 1.52 crore)	-	(1.78)	(0.02)
Rendering of services	**-**	**55.23**	**37.71**
(VOTL - ₹ 45.36 crore, VPCL - ₹ 37.71 crore) (Previous year - EEHL - ₹ 24.80 crore, VOTL - ₹ 37.74 crore, VPCL - ₹ 39.09 crore)	(0.24)	(64.84)	(39.09)
Receiving of services	**-**	**1,028.06**	**619.64**
(VOTL - ₹ 562.01 crore, VPCL - ₹ 619.64 crore, VPTL - ₹ 322.37 crore) (Previous year - VOTL - ₹ 570.07 crore, VPCL - ₹ 533.43 crore, VPTL - ₹ 322.75 crore)	-	(1,042.88)	(533.43)
Purchase of goods / supply of materials (including material taken on loan)	**-**	**1.46**	**-**
(EEPDCL - ₹ 1.46 crore) (Previous year - EPGL ₹ 28.79 crore, ESTL ₹ 26.33 crore)	-	(55.12)	-

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(₹ in crore)

Nature of transactions	Holding Company / Intermediate Holding Company	Fellow Subsidiaries	Associates
Commodity derivatives	**-**	**700.04**	**-**
(EEOL ₹ 700.04 crore loss) (Previous year - EEOL ₹ 2,008.29 crore Gain)	-	(2,008.29)	-
Investments	**-**	**-**	**-**
(Previous year - Purchase of equity shares from VOTL of VLTL - ₹ 0.01 crore)	-	(0.01)	-
Interest / financial charges paid / funded	**-**	**7.52**	**-**
(ESTL - ₹ 7.37 crore) (Previous year - ESTL - ₹ 3.70 crore)	-	(3.84)	-
Advance received against global depositary shares	**-**	**-**	**-**
(Previous year - EEHL - ₹ 1,500.53 crore)	-	(1,500.53)	-
Inter Corporate Deposits given (including material given on loan)	-	4,356.40	-
(ESTL - ₹ 2,047.94 crore, VPTL - ₹ 1,750.00 crore) (Previous year - EPIL - ₹ 370.00 crore, ESTL - ₹ 2,063.21 crore)	-	(3,265.57)	-
Reimbursement of capital expenditure	**-**	**-**	**-**
(Previous year - EGPL ₹148.60 crore)	-	(148.60)	-
Sale of fixed assets	**-**	**-**	**-**
(Previous year - EPIL - ₹ 9.67 crore)	-	(9.67)	-
Advance paid against purchase of shares	**-**	**0.02**	**-**
(VOTL - ₹ 0.02 crore) (Previous year - EPOL - ₹ 1,400.00 crore)	-	(1,400.00)	-

Transactions with other classes of related parties

a) Key management personnel (remuneration)@

(Shri L K Gupta - ₹ 13.87 crore, Shri C Manoharan - ₹ 5.01 crore) (Previous year -	18.88
Shri L K Gupta - ₹ 4.57 crore, Shri C Manoharan - ₹ 2.77 crore)	(7.34)

@exclusive of provisions for liability in respect of leave earned and gratuity, since this is based on actuarial valuation done on an overall basis for all employees. Performance bonus/incentive amount considered on payment basis. The remuneration of ₹ 5.01 crore of Mr. C. Manoharan includes perquisite value of options exercised by him.

II. Balances with related parties

(₹ in crore)

Nature of balances	Holding Company / Intermediate Holding Company	Fellow Subsidiaries	Associates
Debit balances			
Security deposits	**-**	**1,102.18**	**590.00**
(VOTL - ₹ 665.78 crore, VPCL - ₹ 590.00 crore, VPTL - ₹ 423.00 crore) (Previous year - VPCL - ₹ 590.00 crore, VPTL - ₹ 298.00 crore)	-	(311.40)	(590.00)

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

(₹ in crore)

Nature of balances	Holding Company / Intermediate Holding Company	Fellow Subsidiaries	Associates
Investments	**-**	**1,025.00**	**148.46**
(Preference shares of EPoL - ₹ 1,025.00 crore, Equity shares of VPCL - ₹ 148.45 crore) (Previous year - Preference shares of EPoL - ₹ 1,025.00 crore, Equity shares of VPCL - ₹ 146.40 crore)	-	(1,025.00)	(146.41)
Trade receivables	**32.28**	**360.61**	**0.01**
(EPGL - ₹ 41.66 crore, EPOL - ₹ 215.50 crore) (Previous year - EPOL - ₹ 203.61 crore, EPGL - ₹ 39.35 crore, EPMPL - ₹ 38.18 crore)	-	(374.09)	(0.01)
Advances recoverable in cash or in kind or for value to be received	**17.87**	**12.08**	**1,357.45**
(VPCL - ₹ 1,357.45 crore) (Previous year - VPCL - ₹ 1,054.67 crore)	(0.00)	(24.08)	(1,054.67)
Capital advances	**-**	**127.09**	**-**
(EOSIL - ₹ 22.09 crore, EPIL - ₹ 105.00 crore) (Previous year - EOSIL - ₹ 16.71 crore)	-	(16.94)	-
Other receivables	**2.24**	**3,424.33**	**171.69**
(ESTL - ₹ 2,599.77 crore) (Previous year - EEOL - ₹ 2,044.68 crore, ESTL - ₹ 2,359.67 crore)	(1.53)	(4,681.57)	(46.33)
Inter Corporate Deposits	**-**	**5,098.98**	**-**
(ESTL - ₹ 2,341.79 crore, VPTL - ₹ 1,750.00 crore) (Previous year - EPIL - ₹ 216.74 crore, EPOL - ₹ 255.00 crore, ESTL - ₹ 937.62 crore, VOTL - ₹ 200.00 crore, VPTL - ₹ 300.00 crore)	-	(1,992.11)	-
Advance against purchase of shares	**-**	**1,400.02**	**-**
(EPOL - ₹ 1,400.00 crore)(Previous year - EPOL - ₹ 1,400.00 crore)	-	(1,400.00)	-
Credit balances			
Security deposits	**-**	**30.02**	**8.00**
(EPGL - ₹ 24.00 crore, EPSL - ₹ 6.00 crore, VPCL - ₹ 8.00 crore) (Previous year - EPGL - ₹ 24.00 crore, EPSL - ₹ 6.00 crore, VPCL - ₹ 8.00 crore)	-	(31.15)	(8.00)
Trade payables / Other liabilities	**-**	**276.85**	**-**
(EEOL - ₹ 191.06 crore, EESML - ₹ 34.81 crore) (Previous year - EPIL- ₹ 8.97 crore, EESML- ₹ 18.18 crore)	(0.01)	(57.21)	-
Advance received	**-**	**16.36**	**-**
(EPGL - ₹ 16.00 crore)(Previous year - EEOL - ₹ 260.57 crore)	-	(276.72)	-
Advances received on capital account	**-**	**13.50**	**3.50**
(EPGL - ₹ 11.00 crore, EPSL - ₹ 2.50 crore, VPCL - ₹ 3.50 crore) (Previous year - EPGL - ₹ 11.00 crore, EPSL - ₹ 2.50 crore, VPCL - ₹ 3.50 crore)	-	(13.50)	(3.50)
Advance towards global depository shares	**1,500.53**	**-**	**-**
(EEHL - ₹ 1,500.53 crore) (Previous year - EEHL - ₹ 1,500.53 crore)	-	(1,500.53)	-
Other balances			
Outstanding guarantees given on behalf of the Company	**1,179.00**	**-**	**-**
(EGFL - ₹ 1,179.00 crore) (Previous year - EGFL - ₹ 1,872.97 crore)	(1,921.26)	-	-

"0.00" represents amount less than ₹ 0.01 crore.

Notes to Consolidated Financial Statements
for the year ended March 31, 2016

Notes :

1) Names of related parties and description of relationship:

Ultimate holding Company	Essar Global Fund Limited, Cayman (EGFL)
Intermediate holding Companies	Essar Energy Limited (Formerly Known As Essar Energy PLC)(EEL) Essar Oil & Gas Limited, Mauritius (EOGL) w.e.f. February 16, 2016
Holding Companies	Essar Oil & Gas Limited, Mauritius (EOGL) upto February 15, 2016 Essar Energy Holdings Limited (EEHL) w.e.f. February 16, 2016
Associates	Vadinar Power Company Limited (VPCL) Vadinar Liquid Terminals Limited (VLTL) w.e.f. March 27, 2015
Key management personnel	Shri Lalit Kumar Gupta, Managing Director and CEO Shri C Manoharan, Director - Refinery
Fellow Subsidiaries	Aegis Limited(AEGIS), AGC Networks Limited(AGCNET), AGC Networks Pte. Ltd.(AGCNETPTE), Equinox Business Parks Private Limited(EBPPL), Essar Bulk Terminal Limited(EBTL), Essar Bulk Terminal Paradip Limited(EBTPL), Essar Bulk Terminal (Salaya) Limited(EBTSL), Essar Energy Overseas Limited(EEOL), Essar Electric Power Development Corporation Limited(EEPDCL), Essar Exploration & Production Limited(EEPL), Essar Exploration & Production Limited, Nigeria(EEPLN), Essar Energy Services (Mauritius) Limited(EESML), Essar Exploration & Production (India) Limited(EEXPIL), Essar Gujarat Petrochemicals Limited(EGPL), Arkay Logistics Limited (FKA Essar Logistics Limited)(ELL), Essar Oil (UK) Limited(EOLUK), Essar Oilfields Services India Limited(EOSIL), Essar Power Gujarat Limited(EPGL), Essar Project (India) Limited(EPIL), Essar Ports Limited(EPL), Essar Power MP Limited(EPMPL), Essar Power Limited(EPOL), Equinox Realty & Infrastructure Private Limited(ERIPL), Essar Shipping Limited(ESL), Essar Steel Logistics Limited(ESTLL), Essar Steel India Limited(ESTL), Energy Transportation International Limited(ETIL), Brahmani Thermal Power Private Limited (FKA Navbharat Power Private Limited)(NPPL), Peak Trading Overseas Limited(PTOL), Vadinar Oil Terminal Limited(VOTL), Vadinar Ports & Terminal Limited(VPTL), Essar Refinery Projects Limited, India (FKA Essar Road Projects Limited) upto February 26, 2015(ERPL), Essar Power Hazira Holdings Limited(EPHHL),,Bhargava Properties Private Limited (upto December 31, 2015) (BPPL),Essar Power Salaya Limited (EPSL),Ibrox Estates Private Limited (upto March 4, 2016) (IBROX). Essar Energy Holdings Limited Upto February 15, 2016(EEHL).

2) Names of related parties, where the transactions during the year / balances as at March 31, 2016 with a single party are 10% or more, are disclosed under each nature of transaction / class of balances.

3) Previous year figures have been shown in brackets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2016

46. Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries / Associates

(₹ in crore)

Name of Entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent:				
Essar Oil Limited	99.49%	7,138.93	100.28%	2,162.29
Subsidiaries:-				
Indian:				
Vadinar Properties Limited	-0.12%	(8.64)	-0.37%	(8.04)
Foreign:				
Essar Oil Trading Mauritius Limited	-0.00%	(0.14)	-0.00%	(0.04)
Associates (Investment as per the equity method) :-				
Indian:				
1 Vadinar Power Company Limited	0.63%	45.45	0.10%	2.05
2 Vadinar Liquid Terminals Limited	-0.00%	(0.00)	-0.00%	(0.00)

"0.00" represents amount less than ₹ 0.01 crore.

"0.00%" represents % less than 0.01%.

47. Following subsidiaries and associates have been considered in the preparation of consolidated financial statements.

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership Interest (%)	
			As at March 31, 2016	As at March 31, 2015
1	Essar Oil Trading Mauritius Limited*	Mauritius	100%	100%
2	Vadinar Properties Limited (w.e.f. February 18, 2015)*	India	100%	100%
3	Vadinar Liquid Terminals Limited (w.e.f. March 27, 2015)*	India	26.00%	26.00%
4	Vadinar Power Company Limited (w.e.f. September 09, 2009)*#	India	26.01%	26.01%

* Audited financial statements have been considered for consolidation

Effective holding is 13.69%, considering the participating preference shares held by its holding company

48. Figures of previous year have been regrouped / rearranged, wherever necessary, to conform to those of the current year.

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Lalit Kumar Gupta
Managing Director and
Chief Executive Officer

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Suresh Jain
Director - Finance

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries /associates companies

Part "A" - Subsidiaries

Name of the subsidiary	(₹ in crore)	Amt in USD	Amt in INR
	Vadinar Properties Limited	Essar Oil Trading Mauritius Limited	
Reporting period	31-03-2016	31-03-2016	
The date since when subsidiary was acquired	18-02-2015	11-03-2014	
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	USD	1 US$ = ₹ 66.33
Share capital	0.05	100	6,633
Reserves & surplus	(18.00)	(28,859)	(1,914,301)
Total assets	418.54	1,021	67,726
Total liabilities	436.49	29,780	1,975,394
Investments	-	-	-
Turnover	5.22	-	-
Profit before taxation	(2.60)	(6,869)	(455,641)
Provision for taxation	4.84	-	-
Profit after taxation	(7.44)	(6,869)	(455,641)
Proposed dividend	-	-	-
% of shareholding	100%	100%	
Names of subsidiaries which are yet to commence operations	Essar Oil Trading Mauritius Limited		
Names of subsidiaries which have been liquidated or sold during the year	Nil		

Part "B" - Associates

Name of the associate	Vadinar Power Company Limited	Vadinar Liquid Terminals Limited
1. Latest audited balance sheet date	31-03-2016	31-03-2016
2. Date on which the Associate or Joint Venture was associated or acquired	09-09-2009	27-03-2015
3. Shares of associates held by the company at the year end		
Numbers	102,999,994	13,000
Amount of investment in associates (₹ in crore)	103.00	0.01
Extent of holding %	26.01%*	26.00%
4. Description of how there is significant influence	Based upon percentage holding	Based upon percentage holding
5. Reason why the associate is not consolidated	NA	NA
6. Networth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	148.45	0.01
7. Profit / Loss for the year		
i. Considered in consolidation (₹ in crore)	2.05	(0.00)
ii. Not considered in consolidation	NA	NA
Names of associates which are yet to commence operations	Vadinar Liquid Terminals Limited	
Names of associates which have been liquidated or sold during the year	Nil	

* Effective holding is 13.69 %, considering the participating preference shares held by its holding company.

"0.00" represents amount less than ₹ 0.01 crore

For and on behalf of the Board of Directors

Dilip J. Thakkar
Director

Lalit Kumar Gupta
Managing Director and
Chief Executive Officer

Mayank Bhargava
Company Secretary
Mumbai, November 23, 2016

Suresh Jain
Director - Finance

Notice

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of **ESSAR OIL LIMITED** will be held at the Registered Office of the Company at Refinery Complex, Khambhalia Post (39th km. stone on Jamnagar-Okha Highway), Dist. Devbhumi Dwarka - 361305, Gujarat on **Monday, the 26th December, 2016 at 3:00 p.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016 together with the reports of Board of Directors and Auditors thereon.

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2016 together with the report of Auditors thereon.

3. To appoint a Director in place of Mr. Prashant Ruia (DIN: 01187548) who retires from office by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. C. Manoharan (DIN: 00184471) who retires from office by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

5. **To appoint auditors and fix their remuneration.**

   To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration Number 117365W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

6. **Re-appointment of Mr. Dilip J Thakkar, as an Independent Director for a second term**

   To consider and if thought fit, to pass the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder (including any statutory modifications or re-enactment(s) thereof for the time being in force), Mr. Dilip J Thakkar (DIN: 00007339) who was appointed as an Additional Director by the Board of Directors with effect from December 24, 2015 pursuant to Section 161(1) of the Act on the expiry of his term in office and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act be and is hereby re-appointed as an Independent Director of the Company for a period of three years from December 24, 2015 to December 23, 2018."

7. **Appointment of Ms. Suparna Singh as Director of the Company.**

   To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder (including any statutory modifications or re-enactment(s) thereof for time being in force), Ms. Suparna Singh (DIN: 07142898), who was appointed as an Additional Director by the Board of Directors with effect from June 29, 2016 pursuant to Section 161(1) of the Act and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director be and is hereby appointed as Director of the Company."

8. Appointment of Mr. Suresh Jain as Director of the Company

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder (including any statutory modifications or re-enactment(s) thereof for time being in force), Mr. Suresh Jain (DIN: 02315644), who was appointed as an Additional Director by the Board of Directors with effect from April 7, 2016 pursuant to Section 161(1) of the Act and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director be and is hereby appointed as Director of the Company."

9. Appointment of Mr. Suresh Jain as Director Finance

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time and the Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, consent of the members be and is hereby accorded to the appointment of Mr. Suresh Jain (DIN: 02315644) as Director Finance of the Company for a period of five years with effect from April 7, 2016 to April 6, 2021 (both days inclusive) on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to this Notice which is hereby specifically approved with authority to the Board of Directors (herein after referred to as "the Board" which term shall include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions including period in office within the parameters set out in the Explanatory Statement, without being required to seek any further consent or approval of the members, as it may deem fit subject to the remuneration not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactments thereof."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

10. Increase in remuneration payable to Mr. C. Manoharan, Director (Refinery).

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification to the resolution passed by the members at the Annual General Meeting of the Company held on September 30, 2015 and pursuant to the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded for revision in the terms of remuneration of Mr. C. Manoharan, Director (Refinery) with effect from April 1, 2015 for the remaining period of his term in office upon the terms and conditions as set out in the Explanatory Statement annexed to this Notice which is hereby specifically approved with authority to the Board of Directors (herein after referred to as "the Board" which term shall include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of appointment within the parameters set out in the Explanatory

Statement, without being required to seek any further consent or approval of the members, as it may deem fit subject to the remuneration not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactments thereof."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. Increase in remuneration payable to Mr. L. K. Gupta, Managing Director & CEO.

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT in partial modification to the resolution passed by the members at the Annual General Meeting of the Company held on September 30, 2015 and pursuant to the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), the consent of the members be and is hereby accorded for revision in the terms of remuneration of Mr. L. K. Gupta, Managing Director & CEO of the Company with effect from April 1, 2015 for the remaining period of his term in office upon the terms and conditions within the parameters set out in the Explanatory Statement annexed to this Notice which is hereby specifically approved with authority to the Board of Directors (herein after referred to as "the Board" which term shall include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions as it may deem fit subject to the remuneration not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactments thereof."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

12. Re-appointment of Mr. L. K. Gupta as Managing Director & CEO.

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, the consent of the members be and is hereby accorded to the re-appointment of Mr. L. K. Gupta (DIN 00017344) as Managing Director & CEO of the Company for a period of five years with effect from December 2, 2016 to December 1, 2021 (both days inclusive), on terms and conditions including remuneration as set out in the Explanatory Statement annexed to this Notice which is hereby specifically approved with authority to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of re-appointment including period in office within the parameters set out in the Explanatory Statement, without being required to seek any further consent or approval of the members, as it may deem fit subject to the remuneration not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactments thereof."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

13. Investments in excess of prescribed limits

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, consents, sanctions and permissions, as may be necessary, approval of the members be and is hereby given to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for investment by way of acquisition of upto the entire issued and paid up share capital of Vadinar Oil Terminal Limited (VOTL), whether encumbered or not, from Essar Steel Jharkhand Limited and / or its associates / group companies/ affiliates, for an amount of Enterprise Value not exceeding Indian Rupee equivalent of USD 2,000 million in one or more tranches following which VOTL will become a subsidiary, notwithstanding that the amount to be invested by the Company together with the aggregate of the investments made, by the Company may exceed the limits of sixty per cent of paid-up share capital, free reserves and securities premium account of the Company or one hundred per cent of its free reserves and securities premium account, whichever is higher than as prescribed under section 186 of the Act."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary expedient or desirable in order to effect the investment/acquisition of shares of VOTL by the Company, including authorizing the execution of a share purchase agreement in this regard by the Company and such other documents, deeds, letters and other writings for completing the above-mentioned investment in one or more tranches including obtaining the necessary approvals whether statutory, contractual or otherwise in this regard and for this purpose, decide the timing for completion of the investment, the amount payable for such investment within the limit mentioned above and other terms and conditions of such transactions and also to take all other decisions including variation in any of the above, as they may, in their sole and absolute discretion, deem appropriate including making the necessary filings and applications, if any, with all necessary regulatory authorities without being required to seek further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

14. To acquire Vadinar Oil Terminal Limited from a related party

To consider and if thought it, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including the Companies (Meetings of Board and its Powers) Rules, 2014) and any amendments, statutory modifications and/or re-enactment thereof for the time being in force, and subject to the fulfilment of any consents and approvals as may be prescribed under applicable law or otherwise, consent of the Members is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for acquiring up to the entire issued and paid up share capital of Vadinar Oil Terminal Limited (VOTL), whether encumbered or not, from Essar Steel Jharkhand Limited, a related party and / or its associates / group companies/ affiliates, for an amount of Enterprise Value not exceeding Indian Rupee equivalent of USD 2,000 million in one or more tranches following which VOTL will become a subsidiary of the Company."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary expedient or desirable in order to effect the investment/acquisition of shares of VOTL by the Company, including authorizing the execution of a share purchase agreement in this regard by the Company and such other documents, deeds, letters and other writings for completing the above-mentioned investment in one or more tranches including obtaining the necessary approvals whether statutory, contractual or otherwise in this regard and for this purpose decide the timing for completion of the investment, the amount payable for such investment within the limit mentioned above and other terms and conditions of such transactions and also to take all other decisions including variation in any of the above, as they may, in their sole and absolute discretion, deem appropriate including making the necessary filings and applications, if any, with all necessary regulatory authorities without being required to seek further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

15. To approve issue of equity shares of the Company of up to ₹ 3000 crore on private placement basis

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999 (the "FEMA") and the rules, regulations, notification, circulars issued thereunder from time to time and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Reserve Bank of India ("RBI") and other competent authorities and as per the rational setout in the explanatory statement to this resolution and subject to the approvals, orders, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities including the RBI and all such other approvals (including approvals of the existing lenders of the Company, if required), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, orders, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, fully paid-up equity shares of the Company of ₹ 10/- each having an aggregate value of upto ₹ 3,000 crore at a price within the price band set out in the explanatory statement to this resolution in compliance with the pricing norms prescribed under the FEMA and the Act, to Essar Energy Holdings Limited, Mauritius, the holding company and Promoter of the Company, on private placement basis, to the extent and in the manner as may be decided by the Board."

"RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution shall be made fully paid up at the time of allotment and shall rank pari passu with the existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT the Company hereby takes note of the valuation of the shares of the Company as per the valuation report dated September 26, 2016 issued by M/s RBSA Capital Advisors LLP, a SEBI registered Merchant Banker. pursuant to the provisions of the Act and the FEMA and rules issued thereunder".

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to authorised representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of allotment, finalising other terms of issue and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, allotment, including utilisation of the issue proceeds and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any Director(s) or officer(s) of the Company, to give effect to the aforesaid resolution."

16. To approve the execution of an amended and restated brand license agreement with Balaji Trust.

To consider and if thought it, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder [including the Companies (Meetings of Board and its Powers) Rules, 2014] and any amendments, statutory modifications and/or re-enactment thereof for the time being in force, and subject to the fulfilment of any consents and approvals as may be prescribed under applicable law or otherwise, the consent of the members is hereby accorded to the Board of Directors to enter into an amended and restated brand license agreement with the Balaji Trust for the use of the brand "Essar" and related trademarks and certain agreed intellectual property rights by the Company in India on such terms and conditions as may be agreed by the Board of Directors and the Balaji Trust."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution, including the finalisation and execution of the aforesaid amended and restated brand license agreement and documents incidental and ancillary therewith, as the Board of Directors in its absolute discretion, may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

17. Approval of remuneration payable to the Cost Auditors.

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the

Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number:00239), appointed as the Cost Auditors of the Company by the Board of Directors, for the conduct of the audit of the cost records of the Company for the financial year ending on March 31, 2017, be paid remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Mayank Bhargava
Company Secretary

Mumbai
November 23, 2016

Registered Office:
Khambhalia Post, P. O. Box 24
Dist. Devbhumi Dwarka – 361305, Gujarat.
Phone: 91 02833 661444, Fax: 91 02833 662929
e-mail: eolinvestors@essar.com
website: http://essaroil.co.in

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.

2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting, i.e. before 3.00 p.m. on Saturday, December 24, 2016.**

3. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as a proxy on behalf of not more than 50 (fifty) members and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company between 10:00 a.m. to 1:00 p.m., provided that not less than three days of notice in writing of the intention so to inspect the proxies is given to the Company.

5. The annual report for 2015-16 along with the notice of Annual General Meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email IDs with the depository participants (DP) / Share transfer agent (STA) unless where any member has requested for the physical copy. Physical copies of said documents are being sent by permitted mode to members who have not registered their email IDs. Members may further note that the said documents will also be available on the Company's website http://essaroil.co.in and at website

of the service provider providing e-voting platform i.e. https://www.evoting.nsdl.com for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours i.e. from 10:00 a.m. to 1:00 p.m. on any working day, excluding Saturday and Sunday. For any communication, the shareholders may also send requests to the Company's investor email ID viz. eolinvestors@essar.com.

6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and Bank holidays, between 10:00 a.m. and 1:00 p.m. up to the date of the Annual General Meeting. Copies of the documents referred to in the accompanying Notice will also be kept open for inspection at the Corporate Office of the Company located at Equinox Business Park, 5th Floor, Tower-2, Off Bandra Kurla Complex, L.B.S. Marg, Kurla (West), Mumbai – 400070.

7. Pursuant to Section 101 of the Act and rules made there under, companies are allowed to send communication to shareholders electronically. We thus request you to kindly register/update your email IDs with your respective DP (in case of electronically held shares) and Company's Share Transfer Agents (in case of shares in physical form) and make this initiative a success.

8. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, December 23, 2016 to Monday, December 26, 2016 (both days inclusive).

9. Members / proxies should bring the attendance slip duly filled in for attending the meeting.

10. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the AGM.

11. Members desiring any information with regard to Accounts / Reports are requested to write to the Company at least ten days before the date of the meeting, so as to enable the management to keep the information ready.

12. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to M/s. Datamatics Financial Services Ltd. The prescribed form in this regard may also be obtained from M/s. Datamatics Financial Services Ltd. It can also be downloaded from the Company's website.

13. Pursuant to Section 124 of the Companies Act, 2013, all unclaimed principal amount of debentures remaining unpaid or unclaimed for a period of seven years from the date they became due for payment during the financial year 2008-09 have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

14. Mr. Prashant Ruia, Chairman and Mr. C. Manoharan Director (Refinery) retire by rotation at the annual general meeting and seek re-appointment. Details required to be disclosed under Secretarial Standards - 2 in respect of Mr. Prashant Ruia are set out below. Information relating to Mr. C Manoharan has been provided as part of explanatory statements to agenda item no. 10 annexed to this notice.

    Mr. Prashant Ruia, Chairman- Essar Oil Ltd. is part of the second generation of the Ruia family which founded Essar and are the sole investors in Essar Global Fund Limited ("EGFL"). Essar was founded 41 years ago by his father, Mr. Shashi Ruia and uncle Mr Ravi Ruia.

    EGFL is a diversified global private equity fund exclusively managed by its investment manager, Essar Capital Limited. The Fund is a global investor, controlling a number of world-class assets diversified across the core sectors of Energy, Metals & Mining, Infrastructure (comprising ports and EPC businesses) and Services.

Mr. Prashant Ruia is known for his project execution skills, financial expertise and people management capabilities. He was instrumental in commissioning of the refinery. Having been associated as a Board member of the Company since inception, after a short break in 2012, Mr. Prashant Ruia is serving on the Board since August 14, 2012. He took over as Non-Executive Chairman of the Company from his father, the Essar Patriarch, Mr. Shashi Ruia on August 14, 2013.

Mr. Prashant Ruia has been an integral part of Essar's operations and management since 1985 and has been a key driver of the Fund's growth story, diversification and value creation both within India and internationally.

Mr. Prashant Ruia holds several key positions on various regulatory and professional boards.

Mr. Prashant Ruia is member of Audit Committee and Nomination & Remuneration Committee of the Company and does not hold any shares in the Company. He is not related to any other Director or key managerial personnel of the Company. Details of the meetings attended by him in financial year 2015 – 16 have been given in Annexure to the Directors Report which forms part of the Annual Report. Details of sitting fees paid to him have been provided in Extract of Annual Return annexed to the Directors Report forming part of the Annual Report. The other companies in which Mr. Prashant Ruia is a Director are Essar Steel India Limited, Kama-Schachter Jewelry Private Limited, Essar Capital Limited, Essar Steel India Limited and Essar Investments Limited. He does not hold committee positions in these companies.

15. The retiring auditors M/s. Deloitte Haskins & Sells (DHS), Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 117365W) have been the Auditors of the Company since 2010-11 and have completed a term of five years. Prior to this, associates of DHS, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai and the firm that existed prior to its reorganization in 1999 – 2000 were the Auditors of the Company since the financial year 1996-97 till the financial year 2009-10. As per the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder, no public company with paid up share capital of ₹ 10 crore or more, can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. Accordingly, it is proposed to re-appoint DHS as auditors for a period of one year.

VOTING THROUGH ELECTRONIC MEANS

1. Pursuant to Section 108 of Act read with the Companies (Management and Administration) Rules, 2014, the Company will provide remote e-voting facility as an option to the members to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting. All business to be transacted at the Annual General Meeting can be transacted through the electronic voting system. The facility of casting the votes by the members using the electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

It may be noted that this remote e-voting facility is optional. The remote e-voting facility will be available at the link https://www.evoting.nsdl.com during the following voting period:

Commencement of remote e-voting	:	From 8:00 a.m. of December 21, 2016
End of remote e-voting	:	Up to 5:00 p.m. of December 25, 2016

Remote e-voting shall not be allowed beyond 5:00 p.m. of December 25, 2016. During the remote e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date may cast their vote electronically. The cut-off date for the purpose of remote e-voting is December 19, 2016.

You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

2. The notice of AGM will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on November 18, 2016 and any recipient of the notice whose name does not appear as a Member in relation to the shares as on the aforesaid date should treat the same as an intimation only.

3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

4. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

5. The shareholders shall have one vote per equity share held by them. The facility of remote e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.

6. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of December 19, 2016.

7. Any person, who acquires shares of the Company and become member after dispatch of the notice and holding shares as of the cut-off date i.e. December 19, 2016 may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in. Members may also contact Mr. Pradeep Mokale of the Share Transfer Agent i.e. Datamatics Financial Services Limited at 022-66712191 or send email at Pradeep_mokale@dfssl.com.

8. The Board of Directors of the Company has appointed Mr. Prakash Pandya (Membership No. FCS – 3901 COP No. 2311) of M/s P. K. Pandya & Co., Practicing Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

9. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Board of Directors, who shall countersign the same and declare the result of the voting forthwith.

10. The results of the voting on the resolution at the AGM shall be declared by the Chairman or his authorized representative or anyone of the Directors of the Company on/or after the date of the AGM within the prescribed time limits.

11. The result of the remote e-voting along with the report of scrutiniser will also be placed on the website of the Company viz. http://essaroil.co.in and on the website of NSDL.

12. The scrutinizer's decision on the validity of remote e-voting will be final.

INSTRUCTIONS FOR REMOTE E-VOTING

The physical copy of this Notice is being sent to members not having valid e-mail ID. The members whose e-mail IDs are registered with the Company / Depository Participant(s), an e-mail containing user ID and Password for casting votes by remote e-voting shall be sent by NSDL at the registered e-mail address of the member(s).

The member(s) whose email ID is not registered with the Company/Depository Participants(s) and they are not having their user ID and Password may obtain a login ID and password for casting his / her vote by remote e-voting by sending a request by email at evoting@nsdl.co.in or by contacting NSDL at the toll free no.: 1800-222-990 mentioning their demat account no / folio no. If members have their user ID and password they can use the same for e-voting. If the same is forgotten, then the password can be reset by using 'Forgot User Details/Password' option available on www.evoiting.nsdl.com or by contacting NSDL at toll free no.: 1800-222-990.

The member(s) who receives an email from NSDL is advised to take the following steps for casting his / her vote by remote e-voting:

a) Open email and open PDF file viz; "e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

b) Launch internet browser and type the URL: https://www.evoting.nsdl.com/.

c) Click on "Shareholder - Login".

d) Enter user ID and password as initial password/PIN noted in step (i) above. Click Login.

e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

f) Home page of remote e-voting opens. Click on "remote e-voting: Active Voting Cycles".

g) Select "E-voting event number" (EVEN- 105801) of "Essar Oil Limited" for casting your vote.

h) Now you are ready for remote e-voting as "Cast Vote" page opens.

i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

j) Upon confirmation, the message "Vote cast successfully" will be displayed.

k) Once you have voted on the resolution, you will not be allowed to modify your vote.

l) Institutional shareholders (i.e. Other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to info@pkpandya.com with a copy marked to evoting@nsdl.co.in.

m) If a member is already registered with NSDL for remote e-voting, then he/she can use his/her existing user ID and password for casting the vote. If a member forgets the password, the password can be reset by using 'Forgot User Details / Password' option available on www.evoting.nsdl.com or by contacting NSDL at the toll free no.: 1800-222-990.

n) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

ANNEXURE TO NOTICE

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 6 to 17 of the accompanying Notice:

Item No. 6:

In accordance with the provisions of Section 149 of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors), Rules 2014, the Company is required to have minimum two Independent Directors who are not liable to retire by rotation and who shall hold office for a term of up to five years. They may be appointed for a maximum of two consecutive terms.

The first term of Mr. Dilip J Thakkar as Independent Director ended on December 23, 2015. Subject to approval by shareholders, the Board of Directors re-appointed him w.e.f. December 24, 2015 pursuant to Section 161(1) of the Act in the capacity of Independent Director for a second term of three years.

Mr. Dilip J Thakkar is 80 years old. He is a practicing Chartered Accountant with 56 years' experience in Taxation and FEMA matters. He joined the Board of the Company on November 3, 1994. He is Chairman of the Audit Committee. He is a member of Investors' Relations Committee and Banking & Finance Committee and generally chairs these meetings. He is also member of the Nomination & Remuneration Committee and Committee of Directors (Capital Issues) of the Board of the Company. He does not hold any shares in the Company. Details of the meetings attended by him in financial year 2015-16 have been given in Annexure to the Directors Report which forms part of the Annual Report. Details of sitting fee and commission paid to Mr. Dilip J Thakkar have been provided in Extract of Annual Return annexed to the Directors Report forming part of the Annual Report. He is not related to any Director or Key Managerial Personnel of the Company.

The other companies in which Mr. Dilip J Thakkar is a Director are: Skidata (India) Private Limited, Westlife Development Limited, Poddar Housing And Development Limited, Rajsvi Properties And Holdings Pvt Ltd, Ameya Logistics Private Limited, Hamlet Constructions (India) Private Limited, Universal Trustees Private Limited, Essar Ports Limited, Starrock Investments And Trading Private Limited, Indo Count Industries Limited, Walchandnagar Industries Limited, Windmere Hospitality (India) Private Limited, Premier Limited, Township Real Estate Developers (India) Private Limited, Provenance Land Private Limited. He is also member of Audit Committee and Nomination and Remuneration Committee of Essar Ports Limited; Remuneration Committee of Indo Count Industries Limited; Audit Committee and Nomination and Remuneration Committee of Walchandnagar Industries Limited; Audit Committee of Westlife Development Limited and Audit Committee of Premier Limited.

The Company has received the consent to act as Director from Mr. Dilip J Thakkar and also a declaration confirming that he is not disqualified from being re-appointed as Director in terms of Section 164 of the Act and that he meets the criteria of independence as prescribed under Section 149(6) of the Act.

Requisite notice in writing from a member has been received, proposing re-appointment of Mr. Dilip J Thakkar as candidate for the office of Director of the Company.

The terms and conditions for re-appointment of Mr. Dilip J Thakkar shall be available for inspection by the Members at the Registered Office and the Corporate Office of the Company during normal business hours on any working day, excluding Saturday, Sunday and Holidays.

A detailed evaluation of the Board and individual Directors, has been carried out by the Independent Directors and by the Board. The Nomination & Remuneration Committee, while recommending the re-appointment of Mr. Dilip J Thakkar as Independent Director, had considered the performance of Mr. Dilip J. Thakkar who had been rated as higher than 4 on a rating scale of 1 to 5. The Board is of the opinion that continued association of Mr. Dilip J. Thakkar would be beneficial to the Company.

In terms of sections 150, 152 and other applicable provisions of the Act, the appointment of Mr. Dilip J. Thakkar as Independent Director for a second term of three years is subject to approval of shareholders by way of special resolution in General Meeting. Accordingly, approval of shareholders is being sought by passing resolution at Item No. 6 of the Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Dilip J Thakkar, to whom the resolution relates, are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

Item No.7:

In accordance with the provisions of Section 149 of the Companies Act, 2013 (Act) read with Companies (Appointment and Qualification of Directors), Rules 2014, the Company is required to have at least one women Director. The tenure of Ms. Rugmani Shankar, Independent Director came to an end on March 30, 2016. To comply with the provisions of section 149 and to broadbase the Board, on June 29, 2016, the Board of Directors had appointed Ms. Suparna Singh as an Additional Director of the Company. In terms of section 161(1) of the Companies Act, 2013 and Article 82 of Articles of Association of the Company, Ms. Suparna Singh would hold office as a Director upto the date of the ensuing Annual General Meeting. Under section 152 of the Act, Ms. Suparna Singh's appointment to the office of director requires approval of the shareholders at General Meeting.

Mr. Suparna Singh, aged 48 years, is an Electrical Engineer by qualification and has done M.B.A. from IIM Kolkata. She has 26 years of experience. She started her career as maintenance engineer from the shop floor of a steel plant and has gained experience over the years in the fields of corporate management, governance framework, Business Risks, Project evaluation, Business Process Excellence, Supply Chain Management etc. She is not member of any committee of the Company's Board and does not hold any shares in the Company. She is not related to any Directors or Key Managerial Personnel of the Company and did not draw any remuneration from the Company in the last financial year. She has waived her entitlement to receive sitting fees for attending meetings of the Board.

The other companies in which Ms. Suparna Singh is a Director are: Vadinar Oil Terminal Limited, Essar Securities Limited, The MobileStore Services Limited, Vadinar Power Company Limited, Essar Oilfield Services India Limited, Essar Bulk Terminal (Salaya) Limited, Starbit Oilfields Services India Limited. She is also member of Audit Committee in Essar Oilfield Services India Limited, Nomination and Remuneration Committee in Essar Securities Limited and CSR Committee in The MobileStore Services Limited.

The Company has received consent to act as Director from Ms. Suparna Singh and also declaration confirming that she is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Company has received a notice in writing from a member proposing appointment of Ms. Suparna Singh as Director of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Ms. Suparna Singh, to whom the resolution relates, are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

Item No. 8 and 9:

The Board of Directors has appointed Mr. Suresh Jain as Additional Director and thereafter as Director Finance of the Company for a period of 5 years with effect from April 7, 2016. Pursuant to the provisions of Section 161 of the Act and Article 82 of the Articles of Association of the Company, Mr. Suresh Jain holds office of Director till the date of the ensuing Annual General Meeting.

The Company has received consent to act as Director from Mr. Suresh Jain and also declaration confirming that he is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Company has also received a notice in writing from a member proposing appointment of Mr. Suresh Jain as Director of the Company.

Approval of shareholders is required under section 152 of the Act for appointment of Mr. Suresh Jain as Director liable to retire by rotation. Hence, the resolution at Item No. 8 is being proposed for approval of shareholders.

Under the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013 appointment of Mr. Suresh Jain as Director Finance for a term of five years will require approval of shareholders.

Mr. Suresh Jain is 52 years old. He is a Chartered Accountant and has around 30 years of rich work experience in the field of Finance, Treasury Operations, Mergers and Acquisition, International Oil Trading and Finalization of Annual Accounts. He joined Essar Oil Limited in January 2008 and took over the position of Chief Financial Officer on October 29, 2010. In Essar Oil Limited, as Chief Financial Officer, he has been responsible for overall finance operations involving Project Financing; Forex and Commodity Risk Management; Cash flow management, Treasury Management, borrowings from domestic and international market, Credit Rating, working capital facilities, investors relations, finalization of accounts, commercial and taxation. His major contributions at Essar Oil include: Dollarization of more than USD 1 billion of rupee loans; Tie-up of Project financing of more than USD 1.5 billion for refinery expansion to 20 MMTPA; Tie-up of working capital facility of more than USD 3 billion with optimization of bank charges; achieved CDR exit for USD 2 billion facility.

Prior to joining Essar Oil, he worked with Indian Oil Corporation Limited (IOCL) for around 20 years. At IOCL he was actively involved in International crude and product offtake, Mergers and acquisitions, investor relations and developed and maintained excellent relations with stake holders. In the last six years he served as Treasury Head handling one of the biggest treasuries in the country managing annual cash flow of over USD 50 billion, currency dealing operations and accessed International Debt market for raising foreign currency resources of about USD 6 billion annually

The remuneration paid to Mr. Suresh Jain during the financial year ended March 31, 2016 was ₹ 3.04 crore excluding perquisite value of employee stock options exercised by him.

The remuneration payable to Mr. Suresh Jain as Director Finance is ₹ 2.1 crore per annum comprising of basic salary, allowances and perquisites including house rent allowance, special allowance, reimbursement of car operating expenses for official use, entertainment, telephone, professional pursuit, leave travel allowance, medical expenses and food coupons as per Company rules. In addition, he will be paid annual performance linked incentive of ₹ 1.4 crore which depending on performance of the Company and his performance assessed as per Company policy can range from 100% to 200% as may be decided by the Board / Nomination & Remuneration Committee. He will also be covered under Company's Provident Fund / Gratuity / Hospitalisation / Health Insurance / Group Personal Accident Scheme and mobile reimbursement policy. The Nomination and Remuneration Committee of the Board is authorized to increase remuneration payable to Mr. Suresh Jain annually based on the performance of the Company and his individual performance, provided that remuneration in any financial year shall not exceed the limits, for that financial year, specified under Section 197 of Companies Act, 2013. The perquisite value of the facilities / benefits / allowances and performance linked incentive shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 and the Rules framed there under. In addition to the above, it is also proposed to pay the settlement amount of upto ₹ 6.39 crore to Mr. Suresh Jain in case he opts to surrender unexercised / unvested options granted to him in the years 2011 and 2013 under the Essar Oil Limited Employees Stock Option Scheme 2011 with a provision of increase in this amount, if the price of shares to be sold by the promoter companies to the acquirers under Share Purchase Agreements entered into on October 15, 2016 for acquisition of shares and GDSs of Essar Oil Limited is higher than the delisting price of equity shares discovered under the reverse book building process offered by the Promoter group companies to public shareholders pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009, by such difference in price per share. The Employee Stock Options granted / to be granted to Mr. Suresh Jain from time to time are not to be included for the purpose of computation of overall ceiling of remuneration under this resolution.

In the event of loss or inadequacy of profits in any financial year during the period of appointment, the remuneration payable by way of salary, perquisites, allowances and performance linked incentive as aforesaid, will be paid to Mr. Suresh Jain as specified above.

Mr. Suresh Jain is also a member of Investors Relations Committee and Banking & Finance Committee of the Company. He does not hold any shares in the Company. He is not related to any Director or Key Managerial Personnel of the Company. He is also Director in Vadinar Power Company Limited (VPCL) and Essar Exploration and Production India Limited.

The Board of Directors is of the opinion that proposed appointment of Mr. Suresh Jain as Director Finance of the Company on the terms set out hereinabove would be in the interest of your Company. Accordingly, the Directors recommend the resolutions at Item No.8 and 9 of the Notice for your approval.

Mr. Suresh Jain is not related to any Director or any other key managerial personnel of the Company. Except for Mr. Suresh Jain, none of the other Directors and Key managerial personnel of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No.8 and 9 of the Notice.

Item No.10:

Mr. C. Manoharan joined the Board as Director (Refinery) on March 29, 2012. He was re-appointed as Director (Refinery) for a period of 3 years with effect from March 29, 2015 which was approved by the shareholders at the Annual General Meeting held on September 30, 2015.

Mr. C Manoharan is responsible for managing the Company's Refinery at Vadinar. He has to his credit expanding the refining capacity to 20 MMTPA and improving the complexity to 11.8 in addition to managing the refinery operations with an excellent safety track record. In the financial year 2015-16, under his leadership the Company undertook a major turnaround shutdown at the refinery, which was completed safely and ahead of schedule. During the shutdown, Diesel Maximization Project was successfully completed. Also in-house schemes were implemented to extend the crude blend window and enhance the intake of crudes with high TAN.

Mr. C Manoharan is 63 years old. He is a Chemical Engineer from Calicut University, Kerala. He joined Essar Oil Limited as Head of Refinery in May 2008. He started his career in 1977 at Indian Oil Corporation Limited (IOCL) and handled a variety of key assignments in various positions in Refining Operations, Maintenance, and Technical Services at Gujarat Refinery, Panipat Refinery as well as Head Office (Refinery Division). His last assignment with IOCL was at Panipat Refinery as Executive Director.

After evaluation of the annual performance of Mr. C Manoharan, the Board of Directors has proposed to increase the remuneration payable to Mr. C Manoharan which may result in the remuneration exceeding the limits approved by the shareholders. Accordingly, under the provisions of Section 197 of the Act increase in remuneration payable to Mr. C Manoharan will require approval of shareholders. Hence, it is proposed to seek approval of shareholders for passing this resolution.

The revised remuneration payable to Mr. C Manoharan with effect from April 1, 2015 for the remaining period of his term in office as Director (Refinery) is ₹ 3.50 crore p.a. comprising of basic salary and perquisites of ₹ 2.1 crore p.a. and annual performance linked incentive of ₹ 1.4 crore which depending on performance of the Company and his performance assessed as per Company policy can be up to a maximum of 200%. He will also be covered under Company's Provident Fund / Gratuity / Hospitalisation / Health Insurance / Group Personal Accident Scheme and mobile reimbursement policy. The Nomination and Remuneration Committee of the Board is authorized to increase remuneration payable to Mr. C Manoharan annually based on the performance of the Company and his individual performance, provided that remuneration in any financial year shall not exceed the limits, for that financial year, specified under Section 197 of Companies Act, 2013. The perquisite value of the facilities/ benefits/allowances and performance linked incentive shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 and the Rules framed there under. In addition to the above, at a Board meeting held on October 19, 2016, it was decided to pay settlement amount of upto ₹ 7.97 crore to Mr. C. Manoharan in case he opts to surrender unexercised / unvested options granted to him in the years 2011 and 2013 under the Essar Oil Limited Employees Stock Option

Scheme 2011 with a provision of increase in the amount, if the price of shares to be sold by the promoter companies to the acquirers under Share Purchase Agreements entered into on October 15, 2016 for acquisition of shares and GDSs of Essar Oil Limited is higher than the delisting price of equity shares discovered under the reverse book building process offered by Promoter group companies to public shareholders pursuant to the SEBI (Delisting of equity shares) Regulations, 2009, by such difference in price per share. The Employee Stock Options granted / to be granted to Mr. C. Manoharan from time to time would not to be included for the purpose of computation of overall ceiling of remuneration under this resolution.

The remuneration paid to Mr. Manoharan during the financial year ended March 31, 2016 was ₹ 3.33 crore excluding perquisite value of employee stock options exercised by him.

In the event of loss or inadequacy of profits in any financial year during the period of appointment, the remuneration payable by way of salary, perquisites, allowances and performance linked incentive as aforesaid, will be paid to Mr. C Manoharan as specified above.

He is a member of CSR, Safety & Sustainability Committee of the Company. Details of the meetings attended by him in financial year 2015-16 have been given in Annexure to the Directors Report which forms part of the Annual Report. He is not related to any Directors or Key Managerial Personnel of the Company and does not hold any shares in the Company. Mr. Manoharan is a Director in Vadinar Power Company Limited (VPCL) and Vadinar Properties Limited. He is also a member of CSR, Safety & Sustainability Committee of VPCL.

The Board of Directors is of the opinion that the payment of proposed increase in remuneration and payment of compensation on surrender of unvested / unexercised options under Essar Oil Employee Stock Options Scheme 2011 to Mr C Manoharan, Director (Refinery) would be in the interest of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Manoharan, to whom the resolution relates, are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 10 of the Notice.

The Board recommends the resolution set forth in Item No. 10 for the approval of the members.

Item No. 11 and 12:

Mr. L K Gupta was appointed as Managing Director and CEO of the Company by the Board of Directors at its meeting held on December 2, 2011 for a period of five years w.e.f. December 2, 2011. Approval of the Shareholders was obtained at the Annual General Meeting held on December 20, 2012.

Mr. L. K. Gupta has played a stellar role in the turnaround of the Company. Mr. L K Gupta is responsible for all the day-to-day operations of the Company's Refinery and Marketing Business subject to superintendence and control of the Board of Directors. Under his leadership, the Company has very successfully operated the 20 MMTPA refinery in a highly optimized manner. Further, in financial year 2015-16, the Company has completed Refinery Turnaround in 28 days alongside implementation of Diesel Maximization Project thereby achieving an incremental EBITDA of approximately ₹ 500 Crores p.a. On the marketing side, Mr. L K Gupta led the Company to seize the deregulation opportunity in October 2014 and the Company has grown its Retail Network of almost 1700 outlets in 2014 to around 5500 retail outlets with over 2700 already in operation as of October 31, 2016 and the balance likely to be completed by 2017. This is the fastest expansion by any Oil Retail company thereby making Essar Oil Limited the largest Private retailer in Oil and Gas sector. The Company has established its brand name in the fuel retail segment and is geared up to become the preferred retailer in petroleum space. The performance of the Company has improved substantially under his leadership over the last 4 years. For the financial year ended March 31, 2016 the Company generated highest ever current price gross refining margins at USD 10.81/bbl, EBIDTA of ₹ 7,773 crores and profits after tax of ₹ 2,162 crore. He has established and motivated a highly capable leadership team, which has enabled the Company to achieve this high level of performance.

After evaluation of the annual performance of Mr. L K Gupta, the Board of Directors has proposed to increase the remuneration of Mr. L. K. Gupta which would result in the remuneration payable exceeding the limits approved by the shareholders at the last AGM held on September 30, 2015. Therefore, under the provisions of Section 197 of the Act, increase in remuneration payable to Mr. L K Gupta will require approval of shareholders.

The revised remuneration payable to Mr. L K Gupta with effect from April 1, 2015 for the remaining period of his term in office as Managing Director & CEO are ₹ 3.90 crore p.a. comprising of basic salary, allowances and perquisites including house rent allowance, special allowance, reimbursement of vehicle operating, entertainment, telephone, professional pursuit, leave travel allowance and medical expenses as per Company rules. In addition, he will be paid annual performance linked incentive of ₹ 2.60 crore which depending on performance of the Company and his performance assessed as per Company policy can range from 100% to 200% as may be decided by the Board / Nomination and Remuneration Committee. The perquisite value of the facilities / benefits / allowances and performance linked incentive shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 and the Rules framed thereunder. Mr. Gupta was not given any stock options in the year 2011 under Essar Oil Employees Stock Options Scheme 2011. In order to compensate him, the Board approved payment of ₹ 7.03 crore to Mr. L K Gupta, in addition to remuneration stated above. Further, at a Board meeting held on October 19, 2016 in lieu of options that were not granted in 2013 under Essar Oil Employees Stock Options Scheme 2011, it was decided to compensate Mr. L K Gupta by paying an amount of upto ₹ 13.62 crore with a provision of increase in the amount in case the price of shares and GDSs to be sold by the promoter companies to the acquirers under Share Purchase Agreements entered into on October 15, 2016 for acquisition of shares and GDSs of Essar Oil Limited is higher than the delisting price of equity shares discovered under the reverse book building process offered by Promoter group companies to public shareholders pursuant to the SEBI (Delisting of equity shares) Regulations, 2009, by such difference in price per share.

The Board of Directors is of the opinion that payment of proposed increase in remuneration and payment of compensation in lieu of grant of options under the Essar Oil Employee Stock Option Scheme 2011 to Mr. L K Gupta as Managing Director & CEO of the Company would be in the interest of your Company. Accordingly, the Directors recommend the resolution at Item No.11 of the Notice for your approval. The proposed resolution would amend the special resolution passed at the Annual General Meeting held on September 30, 2015. Hence, it is proposed to seek approval of the Shareholders by passing this resolution as a special resolution.

Taking into consideration the valuable contributions made by Mr. L. K. Gupta and the requirements of the Company to have an able and experienced person like Mr. L. K. Gupta to lead the Company, the Board of Directors have also approved reappointment of Mr. L. K. Gupta as Managing Director & CEO for further period of five years w.e.f. December 2, 2016.

The particulars of remuneration payable to Mr. L. K. Gupta on his reappointment as Managing Director & CEO. are ₹ 3.90 crore p.a. comprising of basic salary, allowances and perquisites including house rent allowance, special allowance, reimbursement of vehicle operating, entertainment, telephone, professional pursuit, leave travel allowance and medical expenses as per Company rules. In addition, he will be paid annual performance linked incentive of ₹ 2.60 crore which depending on performance of the Company and his performance assessed as per Company policy can range from 100% to 200% as may be decided by the Board / Nomination and Remuneration Committee. He will also be covered under Company's Provident Fund / Gratuity / Hospitalisation / Health Insurance / Group Personal Accident Scheme and mobile reimbursement policy. The Nomination and Remuneration Committee of the Board be and is hereby authorized to increase remuneration payable to Mr. L. K. Gupta annually, based on the performance of the Company and his individual performance, provided that remuneration in any financial year shall not exceed the limits, for that financial year, specified under Section 197 of Companies Act, 2013. The perquisite value of the facilities / benefits / allowances and performance linked incentive shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 and the Rules framed thereunder. The Employee Stock Options granted / to be granted to Mr. L K Gupta from time to time would not to be included for the purpose of computation of overall ceiling of remuneration under this resolution.

The remuneration paid to Mr. L. K. Gupta during the financial year ended March 31, 2016 was ₹ 13.87 crore.

In the event of loss or inadequacy of profits in any financial year during the period of appointment, the remuneration payable by way of salary, perquisites, allowances and performance linked incentive as aforesaid and as revised by Nomination and Remuneration Committee from time to time will be paid to Mr. L K Gupta as minimum remuneration.

The appointment shall be subject to the condition requiring resignation of at closing under the Share Purchase Agreements (SPA) entered into between the Promoter Companies of the Company and Petrol Complex Pte Ltd, amongst others dated October 15, 2016 and the SPA entered into between the Promoter Companies and Kesani Enterprises Company Limited, amongst others dated October 15, 2016.

The Board of Directors is of the opinion that reappointment of Mr. L. K. Gupta as Managing Director & CEO of the Company for a term of five years w.e.f. December 2, 2016 and payment of proposed remuneration to Mr. Gupta would be in the interest of your Company.

Mr. L. K. Gupta is 56 years old. Mr. Gupta is a Rank Holder Chartered Accountant, a Company Secretary and holds Bachelor's degree in Commerce (Gold Medallist), from Jiwaji University, Gwalior. Mr. Gupta has over 36 years of leadership experience in core sectors of Energy (Oil & Gas), Utilities (Power) and Steel. He was CEO and Joint Managing Director of JSW Energy Ltd from June 2010 till November 2011. Prior to this from May 2006, he was Director (Finance) of Mangalore Refinery & Petrochemicals Ltd., an ONGC subsidiary. He was recognised by CNBC TV18 as the Best Performing CFO in the Indian Oil & Gas sector in 2008-2009. He is a member of Investors' Relation Committee, Banking & Finance Committee, CSR, Safety & Sustainability Committee and Committee of Directors (Capital Issues) in the Company. Details of the meetings attended by him in financial year 2015-16 have been given in Annexure to the Directors Report which forms part of the Annual Report. He is not related to any Directors or Key Managerial Personnel of the Company and does not hold any shares in the Company. Mr. L. K. Gupta is also Managing Director of Vadinar Power Company Limited (VPCL) and a member of Nomination & Remuneration Committee of VPCL.

Except for Mr. L K Gupta, none of the other Directors and Key managerial personnel of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.11 and 12 of the Notice.

The Board recommends the resolution at Item No 11 and 12 of the Notice for your approval.

Item No.13 and 14:

The Company is operating its 20 million metric tones per annum (MMTPA) crude oil refinery at Vadinar, District Devbhumi Dwarka, Gujarat. Vadinar Oil Terminal Limited (VOTL) has entered into Petroleum Handling Agreements (PHA) with the Company for handling / storage of crude oil, refined products and intermediates. Under these contracts, VOTL provides services like unloading of crude at Single Point Mooring (SPM), receipt of crude in Tankages through offshore and onshore pipelines, storage of crude oil, intermediate and finished goods, receipt of products, dispatch of final products via jetty, road and rail gantry, etc. The ports and terminal facilities of VOTL have been developed for captive use by the refinery. The Company's refinery is fully dependent on VOTL for storage and handling its liquid cargo. VOTL's assets are irreplaceable and there are no alternate means of handling the cargo for the refinery.

VOTL has state of the art assets involving high mechanization and low maintenance. These facilities also enjoy a superb location advantage. The port has a natural deep draft of 32m at the SBM and 16-20m draft at the jetties and does not require any maintenance dredging, significantly reducing the operating expenses requirement.

Considering the importance of storage and cargo handling facilities provided by VOTL to the Company, it is prudent to have these facilities as an integral part of the refinery complex of the Company providing synergy to both Company and VOTL. In view of the above, it is proposed to make VOTL a subsidiary of the Company by acquiring, in one or more tranches, up to the total issued and paid-up equity share capital of VOTL held by Essar Steel Jharkhand Limited (ESJL) and / or its associates / group companies/ affiliates for an amount of Enterprise Value not exceeding Indian Rupee equivalent of USD 2,000 million.

Additionally, Vadinar Power Company Limited (VPCL) owns and operates co-generation power plants at Vadinar, Gujarat having an aggregate power generation capacity of 597 Mega Watts (MW) and 1760 tph of steam to meet the entire requirements of steam and power of the Company for its refinery. The Company holds 26.01% stake in the equity share capital of VPCL. The Company has already obtained shareholders' approval to acquire the balance equity share capital and entire preference share capital of VPCL. Post receipt of other requisite approvals, the Company will be acquiring the said shares of VPCL

With these two acquisitions of VOTL and VPCL, all utility services catering to the requirements of the Refinery will get consolidated in the Company.

The Company has been informed by Essar Energy Holdings Limited (EEHL) and Oil Bidco Mauritius Limited (OBML), the controlling shareholders of the Company that EEHL and OBML have entered into separate definitive agreements for the sale of an aggregate of 98% of the equity shares of the Company. The first sale and purchase agreement envisages the sale of 49% equity shares to Petrol Complex Pte. Ltd (a subsidiary of PJSC Rosneft Oil Company); and the second envisages the sale of the remaining 49% equity shares to Kesani Enterprises Company Limited (owned by a consortium led by Trafigura Pte Ltd and UCP PE Investments Limited) (the "Transaction"). Further, any shares of the Company acquired by the Promoters from the public shareholders pursuant to the delisting exit window will also be sold to the aforesaid acquirers. The closing of the above Transaction is conditional upon receiving requisite regulatory approvals and satisfaction of certain conditions. In this regard, the Company has been informed that, acquisition of shares of VOTL and VPCL by the Company are also conditions precedent to the closing of the said Transaction. The Company has also been informed that the acquirers have also attributed an Enterprise Value of USD 2,000 million to VOTL.

The Company has appointed M/s Grant Thornton India LLP, a reputed independent valuer, for undertaking an independent fair valuation of VOTL. As per the fair Valuation exercise carried out by M/s Grant Thornton India LLP as on September 30, 2016, the amount proposed to be paid by the Company for acquisition of shares of VOTL shall be based on the Enterprise Value not exceeding Indian Rupee equivalent of USD 2,000 million.

The equity value and the corresponding value per equity share of VOTL will be computed by reducing the outstanding debts of VOTL from the aforesaid Enterprise Value and making adjustments for other parameters as agreed pursuant to the proposed share purchase agreement referred below. Further, the INR equivalent of the Enterprise value will be arrived at and the resultant equity value will be calculated on the basis of Rupee/Dollar RBI reference rate on the date of closing of the Transaction. The outstanding debt of VOTL as of September 30, 2016 (valuation date) was ₹ 3,438 Crore. RBI reference rate of September 30, 2016 (for Rupee/ USD) was INR 66.6596.

As on October 31, 2016, ESJL and other promoter group companies held 97.51% of the paid up share capital of VOTL. The balance paid up share capital is held by public.

For the purpose of completing the acquisition of VOTL by the Company, ESJL is in the process of consolidating the entire VOTL shareholding held by promoter group. The Company plans to initially acquire up to 97.51% stake in VOTL from ESJL and/or its associates/ group companies/ affiliates under a share purchase agreement proposed to be executed amongst the Company, Essar Ports & Shipping Limited (Mauritius) and ESJL. As regards shares held by minority public shareholders of VOTL, an exit option is available to them till December 30, 2016 under the SEBI (Delisting of Equity Shares) Regulations, 2009. Imperial Consultants and Securities Private Limited ("Imperial") who has made the Exit Offer will acquire these shares from the minority public shareholders of VOTL till December 30, 2016 as and when the same are tendered by such public shareholders. The Company will also acquire the shares of VOTL so acquired.

As per Section 186 of the Act read with the rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The proposed investment of up to an Enterprise Value of Indian Rupee equivalent of USD 2,000 million in VOTL will exceed the limits mentioned above. The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to acquire by way of purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more. Accordingly, consent of the members is sought to authorise the Board of Directors to acquire equity share capital in VOTL pursuant to passing special resolution at serial no.13 of the accompanying notice.

Both the Company and ESJL are subsidiaries ultimately owned by the same entity. Consequently, the proposed acquisition of the securities of VOTL by the Company from ESJL would qualify as a 'related party transaction'. Accordingly, consent of the members is sought pursuant to Section 188 of the Act and rules made thereunder for passing the resolution at Item No. 14 of the notice.

This transaction is being undertaken with a view to integrate with the Company's refining business the terminal facilities of VOTL to ensure overall efficiency of the refinery and to capitalising on the operational synergy between VOTL and the Company.

Mr. Sudhir Garg, Nominee Director and Ms. Suparna Singh, Director of the Company are also directors on the Board of VOTL. Further, there are no common directors in the Company and ESJL. These directors or their relatives do not have any financial or other interest in the proposed transaction other than what is mentioned above. None of the other directors or other key managerial personnel of the Company either directly or through their relatives are in any way concerned or interested whether financially or otherwise in the resolution.

The Board recommends the Special Resolution set out in Item No. 13 and the Ordinary Resolution set out in Item No. 14 for approval of members of the Company.

Item No.15:

The Company had taken shareholders' approval in April 2010 for issue of global depository shares (the "**GDS**") or any other financial instruments aggregating to USD 1700 million to Essar Energy Holdings Limited ("**EEHL**") (one of the promoters of the Company) on private placement basis. Pursuant to the approval the Company had raised approximately USD 780.30 million in the year 2010 by issue of Foreign Currency Convertible Bonds (FCCBs) and Global Depository Shares (GDSs).

Subsequently, in financial year 2014-15 to comply with conditions put by the lenders that the promoters of the Company are required to infuse further equity, EEHL remitted USD 246.10 million (equivalent to ₹ 1500.53 crore) as advance towards issue of GDSs ("**GDS Advance**"). The GDS Advance was received by the Company in four tranches commencing from June 30, 2014 till January 9, 2015. On June 20, 2014, the Company received an expression of interest from EEHL, to delist the equity shares of the Company from the BSE Limited and the National Stock Exchange of India Limited (collectively the "Stock Exchanges"). Pending the completion of the delisting process, the Company did not initiate the process for allotment of GDS against the GDS advance.

The equity shares of the Company were delisted from the Stock Exchanges with effect from February 17, 2016. The Company initiated steps to issue GDS to EEHL in-lieu of the GDS Advance. In the meanwhile the earlier regulations governing issue of GDSs namely Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993 was replaced by the 'Depository Receipts Scheme, 2014'. The custodians to the overseas depository for the GDS advised the Company that pending issue of operational guidelines under the Depository Receipts Scheme, 2014 further GDSs could not be issued. Consequently, the Company approached the Reserve Bank India ("**RBI**") to seek refund of such advance paid towards GDSs and receive the same towards issuance of equity shares. The allotment of equity shares will be undertaken in accordance with RBI requirements.

In addition, pursuant to a lender stipulated condition in the financing documentation of Corporate Loan Facility for infusion of equity of ₹ 1500 crore in the Company by the promoters, the Company may be required to issue equity shares of up to ₹ 1500 crore if the waiver sought in this respect from the lender is not obtained.

Therefore, it is proposed to seek enabling approval from the shareholders for issuance of equity shares of up to ₹ 3000 crore on private placement basis to EEHL, being the existing shareholder of the Company.

The provisions of Section 42 of the Act and rules made there under require seeking of consent of the shareholders by way of special resolution for the issue of any securities through private placement. Further, preferential issue under Section 62(1)(c) of the Act requires shareholders approval by passing special resolution as per price determined by valuation report of a qualified valuer. Additional disclosures required to be made in terms of The Companies (Share Capital and Debentures) Rules, 2014 in connection with the proposed issue of equity shares of the Company are set out below:

(i) Objects of the issue

The objects of the issue are deleveraging, downstream investments, expanding marketing network and meeting general corporate purposes.

(ii) The total number of shares or other securities to be issued

Given a minimum price of ₹ 262.80 per share from the price range set out in clause (iii) below on raising of ₹ 3000 crore, the Company will issue a maximum of 11.42 crore shares. However, the number of shares to be issued will vary depending on the issue price within the price band and the issue size.

(iii) Price or price band at which allotment is proposed and basis on which price has been arrived at along with report of the registered valuer

The Company has received valuation report from an Independent valuer, M/s RBSA Capital Advisors LLP, a SEBI registered Merchant Banker. Under the valuation report, as per the Discounted Cash Flow and last traded price valuation methodology the fair value per equity share of the Company is ₹ 258.8 as of June 30, 2016. A copy of the valuation report is available for inspection by all members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Bank holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting.

A Promoter Group Company, Oil Bidco (Mauritius) Limited ("OBML"), had issued a public announcement for acquisition of shares held by public shareholders and voluntary delisting of equity shares of the Company in 2015. Post completion of the reverse book building process, OBML accepted the discovered price of ₹ 262.80 per share for acquiring the equity shares from Public shareholders.

Further, EEHL and OBML, the controlling shareholders of the Company, have entered into separate definitive agreements for the sale of 98% of the equity shares of the Company. The first sale and purchase agreement envisages the sale of 49% equity shares to Petrol Complex Pte. Ltd (a subsidiary of PJSC Rosneft Oil Company); and the second envisages the sale of the remaining 49% equity shares to Kesani Enterprises Company Limited (owned by a consortium led by Trafigura) at an enterprise valuation of USD 10.9 bn (the “Transaction”).

Since, the equity shares are proposed to be issued to promoter company, i.e. EEHL, it is proposed to fix the price to issue the shares at higher of:

(a) price as per valuation report of ₹ 258.8 per equity share;

(b) delisting offer price of ₹ 262.80 per equity share; or

(c) the estimated sale price per share under the share purchase agreements executed in respect of the Transactions, intimated by the promoters to the board of the Company.

Accordingly, the equity shares are proposed to be issued in a price range of ₹ 262.80 per share or estimated price per share at which shares are proposed to be sold pursuant to the Transaction (whichever is higher).

(iv) The class or classes of persons to whom the allotment is proposed to be made

The equity shares against the GDS Advance are proposed to be allotted to the existing shareholder and promoter company, EEHL. The remaining equity shares are to be allotted to EEHL, being the existing shareholder and promoter company.

(v) Intention of the Promoters, directors or key managerial personnel to subscribe to the offer

As stated in (iv) above, promoter company, EEHL will be subscribing to the equity shares to be issued on private placement basis. None of the directors or key managerial personnel will be participating in the private placement offer.

(vi) The proposed time within which allotment shall be completed

The shares will be issued after receiving such approvals as may be required within a time of 12 months from the date of receipt of approval from the shareholders at the Annual General Meeting.

(vii) The names of the proposed allottees and the percentage of the post preferential offer capital that may be held by them

The equity shares proposed to be issued on private placement basis pursuant to this approval will be issued to Promoter Company, EEHL, as stated in (iv) above. Accordingly, the post allotment percentage of EEHL is set out in the shareholding pattern given under clause (xi) below.

(viii) The change in control in the Company that would occur consequential to the preferential offer

There would no change in control consequent to allotment of equity shares under this issue.

(ix) The number of persons to whom preferential allotment has been made during the year in terms of number of securities as well as price

The Company has not made any preferential offer during the financial years 2015 - 16 and 2016 - 17.

(x) Justification for the allotment proposed to be made for consideration other than cash

Not Applicable. The allotment is being made against receipt of funds.

(xi) The pre-issue and post-issue shareholding pattern of the Company is as under:

Sr. No.	Category	Pre Issue		Post Issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	**Promoters holding**				
1.	Indian Promoters:				
a)	Individual	0	0.00	0	0.00
b)	Bodies Corporate	20,00,000	0.14	20,00,000	0.13
	Sub Total (1)	**20,00,000**	**0.14**	**20,00,000**	**0.13**
2.	Foreign Promoters				
a)	Shares	46,92,61,020	32.35	58,34,16,272	37.28
b)	Shares held by custodians for Global Depository Shares *	95,14,63,854	65.59	95,14,63,854	60.80
	Sub Total (2)	**1,42,07,24,874**	**97.94**	**1,53,48,80,126**	**98.09**
	Sub Total A – (1+2)	**1,42,27,24,874**	**98.08**	**1,53,68,80,126**	**98.22**
B	**Non Promoters holding**				
1.	Institutional Investors	23,085	0.00	23,085	0.00
2.	Non Institutional :				
	a) Private Corporate Bodies	3,12,385	0.02	3,12,385	0.02
	b) Directors and Relatives	0	0.00	0	0.00
	c) Indian Public	2,60,97,857	1.80	2,60,97,857	1.67
	d) Others :				
	(i) NRIs	11,14,636	0.08	11,14,636	0.07
	(ii) Shares in Escrow A/c.**	3,95,522	0.02	3,95,522	0.02
	Sub Total B – (1+2)	**2,79,43,485**	**1.92**	**2,79,43,485**	**1.78**
	GRAND TOTAL	**145,06,68,359**	**100.00**	**156,48,23,611**	**100.00**

* GDS are held by promoter company

** Represents shares lying in escrow account opened under Exit Offer given by Promoters pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009.

The Board recommends the Special Resolution set out in Item No. 15 for approval of members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives are in any way, directly or indirectly concerned or interested, financially or otherwise, in the said resolution.

Item No. 16

The Company had entered into a brand licence agreement dated February 6, 2013 (as amended from time to time) with the Balaji Trust ("**Balaji Trust**"), owner of the brand name "Essar", for the use of the name "Essar" and related trademarks and certain agreed intellectual property rights within India by the Company in connection with the Company's business operations (the "**Existing Brand License Agreement**"). The Existing Brand License Agreement came into effect from April 1, 2012 and is valid until March 31, 2035.

Essar Energy Holdings Limited and Oil Bidco Mauritius Limited, the controlling shareholders of the Company, have entered into separate definitive agreements for the sale of 98% of the equity shares of the Company. The first sale and purchase agreement envisages the sale of 49% equity shares to Petrol Complex Pte. Ltd (a subsidiary of PJSC Rosneft Oil Company); and the second envisages the sale of the remaining 49% equity shares to Kesani Enterprises Company Limited (owned by a consortium led by Trafigura) (the "**Transaction**").

As the part of the Transaction, the existing Brand License Agreement needs to be amended to reflect certain terms agreed between the Parties, which agreement has been drafted to make it more beneficial to the Company (the "**Amended and Restated Brand License Agreement**").

While technically not a related party, the relevant authorities may construe that the execution of the Amended and Restated Brand License Agreement by the Company with the Balaji Trust is a contract with a related party in accordance with the provisions of Section 2(76) read with Section 188 of the Companies Act, 2013 ("Act") and the rules made thereunder on account of:

(a) A director of the Company is also a director of Essar Investments Limited ("EIL"), a trustee of the Balaji Trust. Hence, EIL may be regarded as a related party of the Company for the purposes of Section 2(76) of the Act. and

(b) all decisions regarding the trust property of the Balaji Trust are made by the trustees of the Balaji Trust.

Consequently, by way of abundant caution and in line with good corporate governance practices, the approval of the members of the Company is being sought for the execution of the Brand License Agreement between the Company and the Balaji Trust, subject to mutually agreed terms between the Company and the Balaji Trust. Accordingly, the particulars of the proposed transaction required to be disclosed pursuant to Paragraph 3 of Explanation (1) Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 have been provided.

The Board of Directors of the Company has approved the execution of the Amended and Restated Brand License Agreement by the Company, for the use of the 'Essar' brand and related trademarks and certain agreed intellectual property rights in India, and the Amended and Restated Brand License Agreement is to become effective from the date of its execution.

The key terms of the proposed Amended and Restated Brand License Agreement are as follows

A. Grant of Licence

The Balaji Trust, as the licensor, will grant to the Company, being the licensee:-

a) an exclusive licence and right to use the brand in India solely in relation to the oil business including retail sales, business to business; sale to vendors and wholesale supply of fuel etc and including such activities carried out at the oil refinery owned by the Company as at the effective date and located at Vadinar, Gujarat, India.

b) a non-exclusive licence and right to use the brand in India in relation to the other businesses of the Company and its subsidiaries, i.e., crude and product storage and handling services using ports, pipelines, trading activities, provision and sale of electricity on a captive basis etc.

B. Term of the contract

The Amended and Restated Brand License Agreement is to come into force with effect from the date of execution and will continue to be in force for a period of 99 years thereafter.

C. Licence Fee

a) Initial Licence Fee:

(i) for the first 12 months - USD 32,000,000 (US Dollar Thirty Two Million); and

(ii) for each subsequent year during the first 20 years of the term of the Amended and Restated Brand License Agreement - the licence fee in the immediately preceding year, multiplied by the lower of (a) 1.02 and (b) US Consumer Price Index Ratio as at the last day of the immediately preceding year.

The license fee for each year is to be paid in 4 equal instalments to be paid within 7 days of the beginning of each contract quarter.

b) Licence Fee for the subsequent term of the license (i.e. after the expiry of the first 20 years) - USD 1 per annum.

D. Obligation of Minimum Spend by Balaji Trust

The Amended and Restated Brand License Agreement requires the Balaji Trust to spend at least the Minimum of Indian Rupee equivalent of USD 4 Million on agreed activities (including, inter alia, the advertising, marketing or promotion of the Brand) in the first Contract year and for each subsequent contract year during the first 20 years, the Minimum Spend in the immediately preceding contract year multiplied by the lower of i)1.02; and (ii) the US CPI Ratio as at the last day of the immediately preceding Contract year.

Accordingly, the Board recommends the ordinary resolution set out in Item No. 16 for approval of members of the Company.

Except for Mr. P. S. Ruia, who may be treated as interested in the proposed resolution, none of the other Directors, Key Managerial Personnel and their respective relatives are in any way, concerned or interested, financially or otherwise, in the said Resolution.

Item No. 17

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment of M/s. Chandra Wadhwa & Co., Cost Accountants as Cost Auditors of the Company for the financial year ending on March 31, 2017 and the Cost Audit fees has been fixed at ₹ 10.00 lakh excluding service tax and cess thereon and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No.17 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2017.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the said Resolution.

By Order of the Board of Directors

Mayank Bhargava
Company Secretary

Mumbai
November 23, 2016

Registered Office:

Khambhalia Post, P. O. Box 24
Dist. Devbhumi Dwarka – 361305, Gujarat.
Phone: 91 02833 661444, Fax: 91 02833 662929
e-mail: eolinvestors@essar.com
website: http://essaroil.co.in

ESSAR OIL & GAS

FOR KIND ATTENTION OF SHAREHOLDERS

The equity shares of your Company have been delisted from BSE Limited and National Stock Exchange of India Limited w.e.f. February 17, 2016.

In terms of the SEBI (Delisting of Equity Shares) Regulations, 2009, Oil Bidco (Mauritius) Limited, Promoter group company has issued a public announcement on Tuesday, February 16, 2016, to provide an exit opportunity to the remaining public shareholders of the Company to tender their equity shares to the Promoters.

The Exit period for the Exit Offer opened on Wednesday, February 17, 2016 and will close on Thursday, February 16, 2017.

For any queries kindly contact the Company at its email ID EOLCompanySec@essar.com or Registrar to the Offer, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078; Tel. No.: +91-22-6171 5400; Fax No.: +91-22-2596 0329; Email: essaroil.delisting@linkintime.co.in; Contact Person: Mr. Ganesh Mhatre / Mr. Sumeet Deshpande.

Notes

Notes

TEAR HERE

ESSAR OIL & GAS

Essar Oil Limited

Registered Office: Khambhalia Post, Post Box No. 24, Dist.: Devbhumi Dwarka - 361 305, Gujarat, India
Corporate Identity Number: U11100GJ1989PLC032116
Phone : 91 02833 661444, Fax: 91 02833 662929
Email : eolinvestors@essar.com

ATTENDANCE SLIP

26TH ANNUAL GENERAL MEETING - DECEMBER 26, 2016 AT 3:00 P.M.

Folio No.	
DP ID / Client ID	
No. of Shares held	

NAME & ADDRESS OF THE REGISTERED SHAREHOLDER

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company being held at the Registered Office at Khambhalia Post (39th Km. stone on Jamnagar-Okha Highway), Dist. Devbhumi Dwarka - 361305, Gujarat , India on December 26, 2016 at 3:00 p.m.

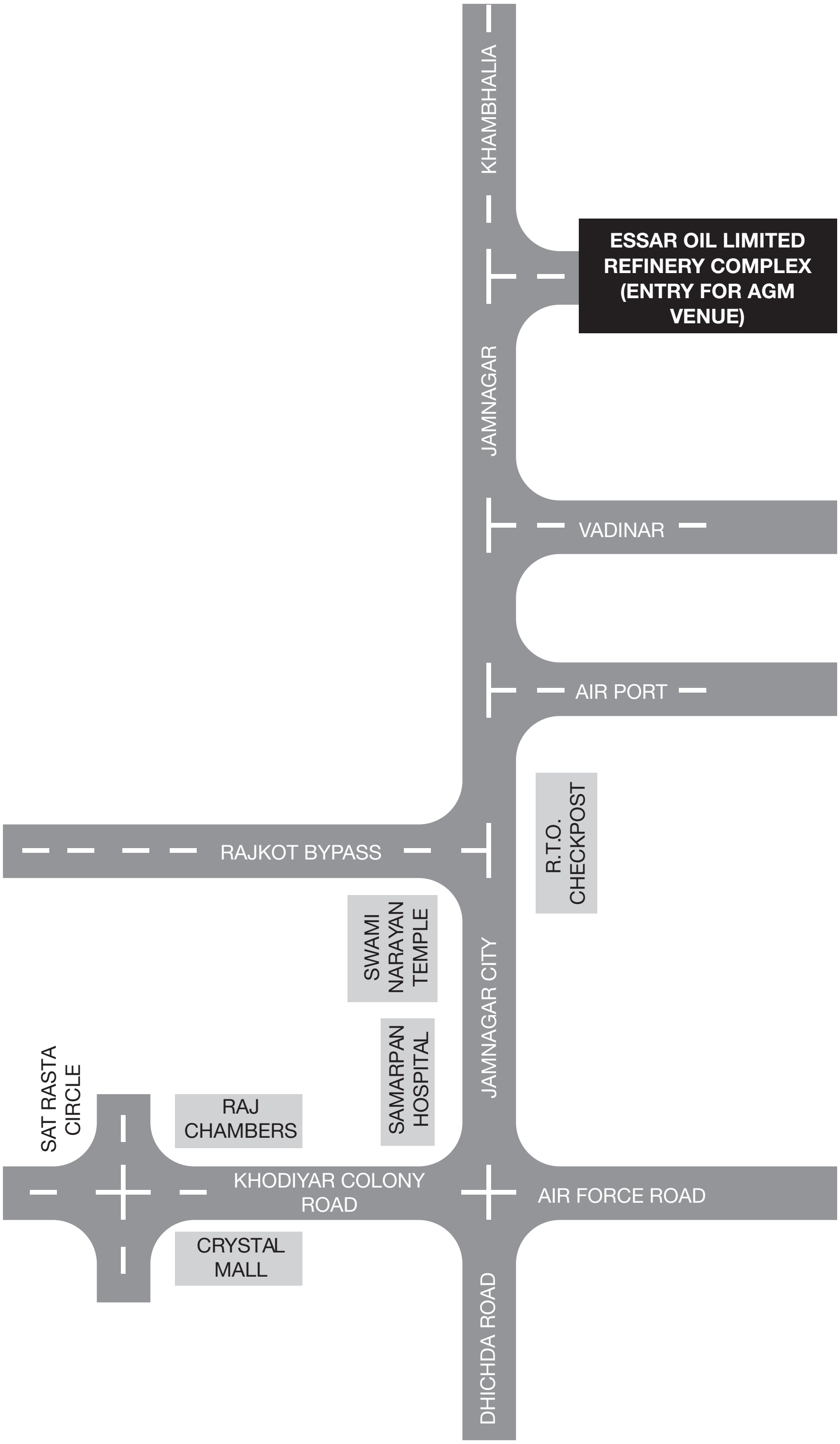
....

Member's/Proxy's Signature

Note:

1. Please complete this and hand it over at the entrance of the hall.
2. A route map of Annual General Meeting venue is provided overleaf.

Route Map


KHAMBHALIA
ESSAR OIL LIMITED REFINERY COMPLEX (ENTRY FOR AGM VENUE)
JAMNAGAR
VADINAR
AIR PORT
R.T.O. CHECKPOST
RAJKOT BYPASS
SWAMI NARAYAN TEMPLE
JAMNAGAR CITY
SAMARPAN HOSPITAL
SAT RASTA CIRCLE
RAJ CHAMBERS
KHODIYAR COLONY ROAD
AIR FORCE ROAD
CRYSTAL MALL
DHICHDA ROAD

ESSAR
OIL & GAS

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)of the Companies (Management and Administration) Rules, 2014]

CIN :	U11100GJ1989PLC032116		
Name of the Company	ESSAR OIL LIMITED		
Registered Office	Khambhalia Post, P.O. Box No. 24, Dist. Devbhumi Dwarka – 361305, Gujarat, India		
Name of the member (s)			
Registered address			
E-mail Id			
Folio No/ Client Id		DP ID	

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			
2.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			
3.	Name			
	Address			
	E-mail Id		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Monday, December 26, 2016 at 3:00 p.m. at the Registered Office at Refinery Complex, Khambhalia Post (39th Km. stone on Jamnagar-Okha Highway), Dist. Devbhumi Dwarka - 361305, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

	Resolutions	For	Against
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016 together with the reports of Board of Directors and Auditors thereon.		
2.	To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2016 together with the report of Auditors thereon.		
3.	Re-appointment of Mr. P. S. Ruia as Director of the Company.		
4.	Re-appointment of Mr. C. Manoharan as Director of the Company.		
5.	Appoint auditors and to fix their remuneration.		
6.	Appointment of Mr. Dilip J. Thakkar as an Independent Director for a second term.		
7.	Appointment of Ms. Suparna Singh as Director of the Company.		

TEAR HERE

	Resolutions	For	Against
8.	Appointment of Mr. Suresh Jain as Director of the Company.		
9.	Appointment of Mr. Suresh Jain as Director Finance.		
10.	Increase in remuneration payable to Mr. C. Manoharan, Director (Refinery).		
11.	Increase in remuneration payable to Mr. L. K. Gupta, Managing Director & CEO.		
12.	Re-appointment of Mr. L. K. Gupta as Managing Director & CEO.		
13.	Investments in excess of prescribed limits.		
14.	Acquisition of Vadinar Oil Terminal Limited from a related party.		
15.	Issue of equity shares of the Company of upto ₹ 3,000 crore on private placement basis.		
16.	Approval of the execution of an amended and restated brand license agreement with Balaji Trust.		
17.	Approval of remuneration payable to the Cost Auditor.		

Signed this .... day of .... 2016.

Affix
Revenue
Stamp

Signature of shareholder : ______________________________

Signature of Proxy holder(s) : ______________________________

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to put a "✓" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For" or 'Against' column blank against Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Corporate Information

BOARD OF DIRECTORS

(As on November 23, 2016)

Prashant Ruia, Chairman
Lalit Kumar Gupta, Managing Director & CEO
Chakrapany Manoharan, Director (Refinery)
Suresh Jain, Director Finance
Dilip J. Thakkar, Independent Director
K. N. Venkatasubramanian, Independent Director
R. Sudarsan, Nominee of LIC of India
Sudhir Garg, Nominee of IFCI Ltd.
Suparna Singh, Director

COMPANY SECRETARY

Mayank Bhargava

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: +91-22-66712001 to 66712006
Fax: +91-22-66712209
Email: eolinvestors@dfssl.com
Website: www.dfssl.com

AUDITORS

M/s Deloitte Haskins & Sells, Ahmedabad

BANKERS

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

REGISTERED OFFICE

Khambhalia Post, Post Box No. 24
Dist. Devbhumi Dwarka – 361305 Gujarat.
Tel: +91-2833-661444
Fax: +91-2833-662929
Email: eolinvestors@essar.com
Website: www.essaroil.co.in

CORPORATE OFFICE

Equinox Business Park,
Tower-2, Off Bandra Kurla Complex
L.B.S. Marg, Kurla (W)
Mumbai – 400070.
Tel: +91-22-67335000
Fax: +91-22-67082183

ESSAR

OIL & GAS

If undelivered, please return to:
M/s. Datamatics Financial Services Ltd.
Unit: Essar Oil Limited
Plot No. B-5, Part B Cross Lane
MIDC, Marol, Andheri (East)
Mumbai - 400 093 INDIA

concept, content and design at aicl [info@aicl.in]