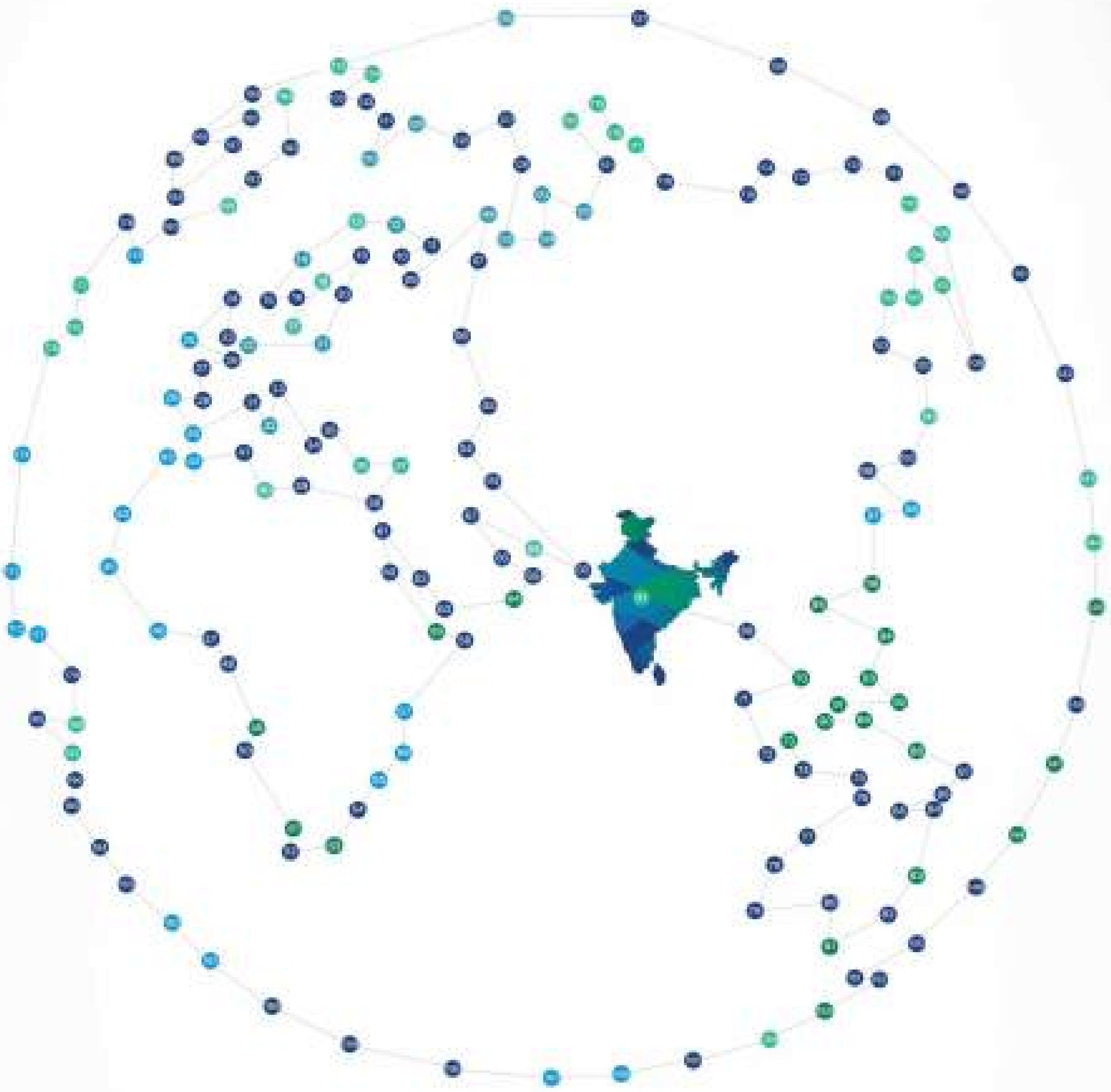
NAYARA
ENERGY



REIMAGINE THE FUTURE

ANNUAL REPORT
2019-20

NAYARA ENERGY LIMITED

REIMAGINE THE FUTURE

At Nayara, we always have our sight on the future, focusing on opportune business prospectives.

Being an energy company, we generate fuel to render mobility to the world and are, thus, excited for the profound and gradual shifts taking place. To name a few; a modal shift in transport, technology infusion, a cultural shift in outlook for transport, and at the same time our committed responsibilities towards enriching environment while being an energy provider to the society.

While at it, we are also looking at the next-level value-added products for the society and that is chemicals.

These evolutions present before us numerous opportunities and play a key role in defining our future path. We strive to address them differently by bringing in innovation, embracing technology, exploring radical approaches while keeping our business focus and commitment intact—always provide for the energy and petrochemicals needs of the society smartly. The efforts taken, therefore, include:

Integrated Refining and Petrochemical Plant

The next evolution of value for refinery is integrated with our vision to reap the synergies between the refinery and petrochemical site to match the molecules to the best market opportunities.

Fuel Stations

Disruptive macro forces including economics of fuel trade, alternate fuel offerings, tech-enabled on-demand fuelling, advanced analytics for predictive customer behaviour, and targeted promotions with omni-channel approach will redefine fuelling experience. Disruption in fuel retailing will truly unlock new sources of value.

Renewables

As the refinery adapts to changing policy and investment landscape, it evolve in ways to lead efforts to decarbonize the energy system. By integrating and adopting renewables like biofuels and solar for the betterment of environment to innovatively connect to render greater stability and value addition to our business.

Nayara Energy is a new-age downstream company of international scale with a unique mix of young and experienced minds and a robust foundation of best-in-class infrastructure and processes with a desire to deliver excellence, every step of the way.

Night View of Our Vadinar Refinery

It owns India's second-largest single-site, state-of-the-art refinery and one of the most modern and complex refineries in the country having businesses across the hydrocarbon value chain, from refining to retail and is geared up to drive the vision of delivering crude to chemicals.

As the fastest growing pan-India fuel retail network, Nayara Energy is powering India's growing energy demands by expanding its retail network at a massive pace.

Driving inclusive growth, providing a safe environment and delivering value for the stakeholders including society at large is at the core of its beliefs. Nayara Energy continues to partner with the communities through various sustainable development projects in areas of health & nutrition, education and environment, playing a pivotal role in improving their quality of life.

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Our Corporate Office in Mumbai

Corporate Overview

Key Performance Indicators

Crude Throughput

Achieved 20.62 MMT of Crude Throughput

Diversified Crude Basket

- 9 new crude grades & 1 feedstock processed in FY 2019-20
- Total 111 crude grades processed & 3 feedstocks by March '20

NABL Accreditation

Our Quality Control Laboratory received National Accreditation Board for Testing and calibration laboratories (NABL) accreditation

Safety

Lost Time Injury (LTI) free days for employees in FY 2019-20 - 4382

Financial Highlights

- Reaffirmation of “AA-Stable” by CARE Ratings
- Interest cost reduction by 9.25%
- Innovative long-term prepayments of USD 1250MN

Depot Launched

Commissioned our first rail-fed depot in Wardha, Maharashtra

New Fuel Stations

- Added 574 new Essar Petrol Pumps fuel stations
- Total pan-India fuel station of 5702 by March ’20

People Matters

Launch of SPIRIT – behavioural competency framework

Chairman's Note

Tony Fountain

Executive Chairman

Dear Shareholders,

While we are reporting on matters for FY2020, it would be bizarre not to talk about the Company in context of the Coronavirus. This pandemic has triggered events that are personally and societally the most significant in our life-time, for the majority of us. Clearly hundreds of thousands have tragically lost their lives across the world from this ghastly virus. But it is the impact of the measures broadly adopted by Governments across the world to prevent much wider loss of life that have a more direct impact on the majority. This has resulted in restrictions on personal liberties not previously experienced, but also triggered the worst global recession in modern economic history.

The oil industry has been one of the most affected sectors. Our normal environment is one in which small single figure changes in supply and demand have a big impact on prices and margins. In this environment, we lost 40 percent of demand during the early mass lockdowns, and globally more than 10 percent across the year. We saw a precipitous drop in oil prices in the first instance, before producers have made huge cuts. Refinery margins have been at the very bottom end of all-time lows.

Nayara Energy's Response to the Pandemic

Adversity certainly brings out the best in Nayara team. The focus has been on a few critical areas. Firstly, managing the wellbeing of our people – complying with all the prescriptions and recommendations but also reaching out to ensure everyone is safe and feel the support of the company and colleagues. Secondly, to support our communities and the economy more broadly, we have deployed our CSR funds towards COVID-19 relief measures in our district through distribution of ration kits, procurement of ventilators and fumigation vehicles to the municipality. Over a thousand Nayara Energy retail outlets have been carrying out local relief activities across the country. We have kept all of retail network open so those who can and need to be mobile can be fueled. Thirdly, we are doing everything we can to protect the company for our owners. Since we can export as well as supply the domestic market, our volume reductions have been lower than for most Indian industry participants. As we are efficient, we continue to produce significant cash from operations even in this very challenging environment. Our finance team has been working endlessly to steer us through this period.

Finally, we continue to look to grow in petrochemical and are progressing this agenda in a disciplined phased manner. Not only do we believe this is a move in the right direction for the business but these projects will also help get Gujarat and India back to work and create material employment and entrepreneurial opportunities.

Business Performance

Focusing purely on FY2020, we continued strongly with our transformational agenda while delivering a robust performance against an already challenging environment.

As part of our transformation journey, we continued our focus on driving the digital agenda in key business areas - strengthening digital resilience and IT modernization, which helped us to deliver seamless and secure work-from-home during this unprecedented pandemic. Digitization has been introduced in several processes across the business streams.

Our Vadinar refinery continued to deliver strong operational performance despite challenging market with the throughput remaining above the rated capacity, also processing optimum level of advantageous tough feedstock while maintaining high level of reliability. Even in tough environment, we continue to expand our crude basket processing nine new varieties of crudes during the year.

The marketing division continued its extraordinary performance with a significant growth in retail network as well as our supply & distribution network getting more efficient with Wardha depot operationalization, new hired terminals & hospitality arrangements. On retail front, we continued to expand in the high margin markets, adding more than 550 retail stations, achieving outstanding 18% year-on-year volume growth – far superior to our industry peers. From the environment protection and support perspective, our retail network underwent smooth transition from BSIV to BSVI product specification as well as delivered on other mandated compliance requirements w.r.t vapor recovery system and dispensing unit conversion. As part of the automation initiatives across our retail business, we have achieved automation for over 50% of the existing retail network.

On financial front, the company delivered a 14% growth for year-on-year EBIDTA and also achieved significant interest savings along with the optimization of our liability profile.

In order to maintain high standards of Ethics and integrity, we have significantly strengthened our compliance and governance processes and launched whistle blower program through "speak up" campaign which encourages our employees, associates, partners and other stakeholders to come forward and express their concerns without fear of punishment or unfair treatment.

On behalf of the Board of Directors of Nayara Energy, I want to thank you for your continued trust and support.

Tony Fountain
Executive Chairman

CEO's Message

B. Anand

Chief Executive Officer

Dear Shareholders,

The third decade of 21st century has gotten off to a turbulent start with the outbreak of COVID-19, which will leave an indelible impact on all of us. The unprecedented pandemic is acting as a harbinger of a 'new' world and may profoundly alter our existing economic and social order. I remain optimistic towards the future and confident in our society as well as Nayara Energy's resilience in a post-pandemic world.

Standing still isn't an option for us and therefore, at Nayara Energy, we are committed to transform our thinking to emerge stronger towards new vistas of possibilities and opportunities. In our quest to inspire a better and stronger tomorrow, we continue to remain focused on strengthening various facets of our business, serving our community and transitioning into the future.

Health and Safety First

These are extraordinary times and our top priority continues to ensure the safety of our employees and support our communities to navigate through the turbulence caused by COVID-19. Despite the lockdown, we continued supply of fuel uninterrupted through the country by running our operations at optimum levels across the refinery, port and retail business. We sufficiently procured essential protective gear for all our employees and contract workers, and organized various COVID-19 awareness sessions, set up a 24*7 helpline to provide assistance to our people, with special focus on their emotional well-being.

Responsible Community Stewardship

The spirit of contributing with the society has been an integral part of Nayara Energy's corporate culture. Therefore, the extraordinary turbulence caused by the spread of COVID-19 pandemic forced us to nimbly refresh our corporate responsibility strategy to address the urgent social challenges. We are committed to building a company that is profoundly human and are determined to make a difference for our people, communities and the environment. We are accountably delivering social impact in the areas of sustainable livelihoods & environmental sustainability, education & skill development, and health & sanitation.

Operational Performance & Focus on Cash Generation

Geo-political risks, contentious trade negotiations, slowing global economy continue to result in inscrutable fluctuations in oil prices. The pandemic added another significant layer of uncertainty to the oil market.

While refining margins have hit historical lows driven by slump in global and domestic demand, our refinery continues to run at relatively higher throughput rate compared to our regional peers due to the optionality of domestic and export supply built into our business model.

Our refinery processed 20.62 MMT of crude during the year running at slightly higher than nameplate capacity with all refinery units displaying high degree of reliability and utilization. Despite significant challenges in heavy crude oil availability in the global market, our trading teams ensured we process 84% of advantaged heavy and ultra-heavy crudes and still produce 86% of higher margin light and middle distillates.

During the year, we also launched high quality BS VI grade fuels for the domestic market and VLSFO (very low sulphur fuel oil) grade fuel for global bunker market.

Our retail business continues to expand the footprint in select focused markets with addition of 574 new outlets in last fiscal. Overall, our outlets stood at 5,702 fuel stations at the end of FY 2020. Our retail business generated 18% YoY volume growth and historically high retail margins in FY20 driven by our efforts in improving quality of our outlets and focus on strengthening our supply infrastructure.

During the year, we hired coastal terminals in Karnataka & Tamil Nadu and commenced supplies from our state-of-the-art rail-fed depot in Wardha for improving local product availability.

Strengthening Balance Sheet Amidst Weak Markets

We continue to remain focused on strengthening our balance sheet to tide through the difficult times and prepare for future growth. During the year, we maintained our domestic credit rating of "AA" and achieved interest cost savings of INR 191 Cr (9%) despite strong headwinds from the markets.

On governance, we have implemented several transformational programs resulting in optimization of costs, enhanced control and inventory management. During the year, we have also implemented new investment governance framework to effectively manage our ongoing and future capital projects.

Digitization at the Core of our Growth

During the year, we successfully commissioned several projects basis our three key drivers of digital agenda. These include transformation of business processes to reduce complexities, create business capabilities and optimize available resource; strengthening digital resilience (disaster recovery, cybersecurity and corporate data protection) and most importantly, IT modernization across refinery, retail and other business functions.

Specifically in retail, we have automated approximately 50% of our retail outlets and plan to automate the entire network by FY 2020. Our aggressive supply chain automation strategy - right from refinery to depot to the franchisee network will aid in inventory optimization as well as increase in sales.

In the future, we reimagine an "intelligent" refinery that leverages digital investments to sense demand with better forecasting. By leveraging digital tools, we will be able to optimize against operational situations and enable the refinery to optimally react to changing market dynamics.

Strengthening Our Talent and Culture

We are committed to fostering and empowering a culture in which our people feel they can bring their best selves to work. Our first employee engagement survey by Gallup validated employees' strong belief in our EXCEL values.

This year, we have launched behavioural competency framework, SPIRIT, which articulates the expected behavioural standards required by our people and provides clarity on our values.

Our people remain committed to the highest ethical standards and compliance with all applicable laws, rules and regulations.

Foray into Petrochemicals

We continue to work on our vision of transforming Nayara Energy into one of the largest integrated oil and petrochemical companies globally that will meet the needs of domestic market and will secure attractive returns for our shareholders. In our view, strategy to grow with an emphasis on petrochemicals looks even more attractive for the demand patterns of the post-COVID-19 world.

As we plan to move forward in a phased manner, significant progress has been made during the year on the initial project to produce polypropylene from underutilized refinery streams.

We believe our expansion will significantly contribute to National and State economy by increasing employment potential and providing opportunities for establishment of numerous small and big allied industries.

As we navigate this global pandemic, we are adapting to the changes - the way we work, learn, connect, and simply how we live in the community with each other.

Complacency is unacceptable and therefore, we are pushing ourselves to innovate and disrupt to grow and ensure Nayara Energy remains optimistic and undeterred by the challenges as we capitalize on the solid foundation and strategic asset base we have.

I extend my sincerest appreciation to our people and stakeholders for the continued support and patronage.

Regards,
B. Anand
Chief Executive Officer

Board of Directors

CHARLES ANTHONY FOUNTAIN
Executive Chairman

JONATHAN KOLLEK
Non-Executive Director

CHIN HWEE TAN
Non-Executive Director

KRZYSZTOF ZIELICKI
Non-Executive Director

VICTORIA CUNNINGHAM
Non-Executive Director

AVRIL CONROY
Non-Executive Director

ALEXANDER ROMANOV
Non-Executive Director

DEEPAK KAPOOR
Independent Director

NAINA LAL KIDWAI
Independent Director

ALEXEY LIZUNOV
Non-Executive Director

PRASAD K PANICKER
Director & Head of Refinery

Committees of the Board

Audit Committee

DEEPAK KAPOOR Chairman	NAINA LAL KIDWAI Member	CHIN HWEE TAN Member

Nomination & Remuneration Committee

NAINA LAL KIDWAI Chairperson	DEEPAK KAPOOR Member	KRZYSZTOF ZIELICKI Member
CHARLES ANTHONY FOUNTAIN Member		

Stakeholders Relationship Committee

ALEXEY LIZUNOV Chairman	VICTORIA CUNNINGHAM Member	DEEPAK KAPOOR Member

CSR, Safety & Sustainability Committee

NAINA LAL KIDWAI Chairperson	KRZYSZTOF ZIELICKI Member	ALEXANDER ROMANOV Member
JONATHAN KOLLEK Member	CHARLES ANTHONY FOUNTAIN Member	

Management Committee

B ANAND
Chief Executive Officer

PRASAD K PANICKER
Director & Head of Refinery

ANUP VIKAL
Chief Financial Officer

EVGENY STOROZHUK
Chief Commercial Officer

SERGEY DENISOV
Chief Development Officer

STEPHAN BEYELER
Chief Marketing Officer

Night View of Our Vadinar Refinery

Board's Report

Board's Report

Dear Shareholders,

As we mark the beginning of a decisive decade, Nayara Energy is proud and confident of making significant strides in its growth strategy. Our progress is underpinned by long-term industry fundamentals – the energy needs of growing population, range of energy reforms introduced by the government and our expansion plans, operational and functional excellence and our highly capable talent.

Multiple macroeconomic forces and shifting geo-political trends are impacting trade and economies. These are changing the business environment and creating uncertainties. Our disciplined approach to building on our financial, operational and cultural strengths is the path to surmounting many challenges.

As we mature in our operations and build long-term stakeholder and shareholder value, we continue to retain our strong commitment to maintaining a safe and healthy work environment.

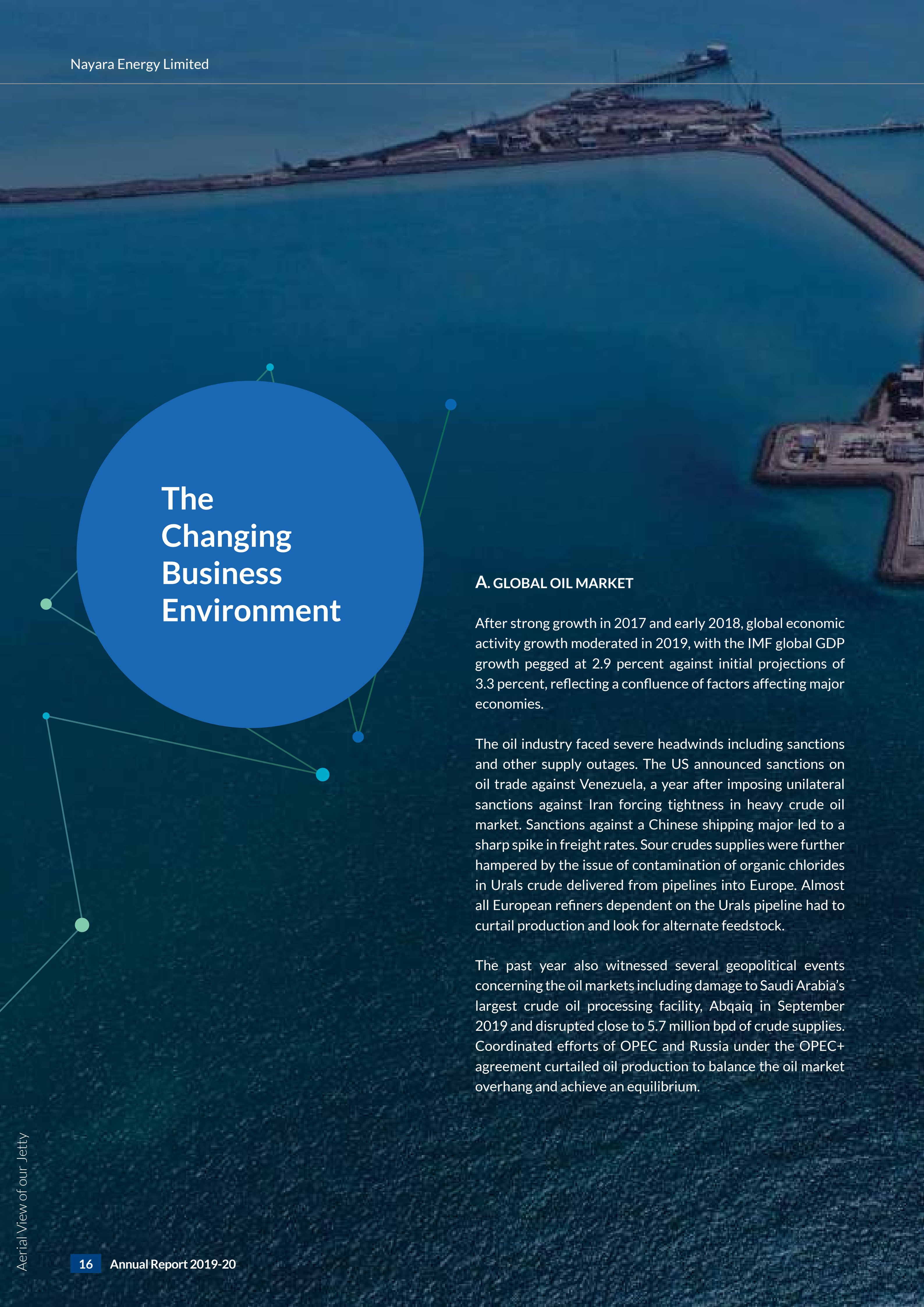
The Directors take immense pleasure in presenting the 30th Annual Report along with the Company's audited Financial Statements for the financial year ended March 31, 2020.

View of Delayed Coker unit

Highlights of financial performance on standalone basis

(₹ in million)

Particulars	FY 2019-20	FY 2018-19
Revenue from Operations	**999,411**	987,129
Total Revenue including Other Income	**1,006,417**	1,004,316
Earnings before finance cost, depreciation / amortization, exceptional items and tax (EBIDTA)	**56,974**	44,977
Profit before Exceptional items and Tax	**1,406**	7,159
Exceptional items	**4,544**	1,773
Profit / (Loss) before Tax	**(3,138)**	5,386
Tax	**(17,989)**	1,944
Net Profit after Tax	**14,851**	3,442



Aerial View of our Jetty

The Changing Business Environment

A. GLOBAL OIL MARKET

After strong growth in 2017 and early 2018, global economic activity growth moderated in 2019, with the IMF global GDP growth pegged at 2.9 percent against initial projections of 3.3 percent, reflecting a confluence of factors affecting major economies.

The oil industry faced severe headwinds including sanctions and other supply outages. The US announced sanctions on oil trade against Venezuela, a year after imposing unilateral sanctions against Iran forcing tightness in heavy crude oil market. Sanctions against a Chinese shipping major led to a sharp spike in freight rates. Sour crudes supplies were further hampered by the issue of contamination of organic chlorides in Urals crude delivered from pipelines into Europe. Almost all European refiners dependent on the Urals pipeline had to curtail production and look for alternate feedstock.

The past year also witnessed several geopolitical events concerning the oil markets including damage to Saudi Arabia's largest crude oil processing facility, Abqaiq in September 2019 and disrupted close to 5.7 million bpd of crude supplies. Coordinated efforts of OPEC and Russia under the OPEC+ agreement curtailed oil production to balance the oil market overhang and achieve an equilibrium.

REFINING MARGINS REMAINED UNDER PRESSURE IN FY 2019-20

The refining margins during the year were impacted by lower than expected demand growth. The global oil demand growth realized for 2019 was 1.0 million bpd as against projections of 1.3 million bpd at the beginning of the year. The oil industry expectations during the past year were built around an upcoming watershed moment, the enforcement of the IMO2020 regulation. While the refining industry prepared for the emergence of incremental demand of marine gasoil to replace the high-Sulphur bunker fuel oil, the emergence of low-Sulphur fuel oil as the shipping industry's fuel of choice, the incremental. Gains on middle-distillate margins are yet to materialize.

An unusually warm winter this year further put pressure on middle-distillate market. The dampening of economic growth on the back of US tariff negotiations with China and Europe continued to take its toll. The increase of 0.8 million bpd US light tight oil production, coupled with new production from Brazil and Norway, has led to steady lightening of global crude basket for refinery processing, pressuring light distillates margins. Further, the additional new refining capacity of 2 million bpd came online during the year, primarily comprised of complex refining capacity additions in China..

COVID 19 OUTBREAK AND IMPACT ON OIL MARKET

Towards the end of the financial year, the oil markets were impacted by two key events. First, the OPEC+ cooperation for restricting oil production faced a breakdown. With the two leaders of OPEC+, Russia and Saudi Arabia, failing to arrive at common ground over production cuts, the production cut agreement in-force for more than a year was called off, leading to massive over supply of oil. Secondly, an outbreak of COVID 19 pandemic leading to widespread lockdowns and shutdowns globally. This has led to global oil demand falling off the cliff in the last few months, with estimates of global oil demand loss ranging between 20-30%.

The low demand of oil products led to reduced crack margins while the oversupply of crude oil led crude prices fall by more than half. The Dubai crude prices fell from an average of $70.95/bbl during April 2019 to an average of $33.70/bbl. In the near term, over-supply of crude has resulted in a two-month contango of $3.11/bbl in March 2020 as against a backwardation of $1.35/bbl at the beginning of the financial year, leading to large inventory build ups.

OUTLOOK FOR MEDIUM/LONG TERM REMAIN POSITIVE DRIVEN BY RECOVERY IN OIL DEMAND

After a difficult 2020, global economic activity is expected to rebound more strongly as the world recovers from COVID 19 demand trough. The IMF projects the 2021 global GDP growth at 5.8 percent as economic activity normalizes, helped by targeted fiscal, monetary, and financial market policy support measures from governments across the world. With the expectation that the world's transport and manufacturing systems will remain intact, oil demand growth is anticipated to return to a "normal" oil consumption volume in that year, rebounding a phenomenal 6-7 mb/d year over year in 2021. This rebound in economic activity and oil demand points would translate into healthier margins for the global refining sector.

B. INDIAN DOMESTIC OIL MARKET

The world's third-largest oil consumer, India continues to be the engine of world energy demand. While the Indian GDP growth was lower in FY 2020, slowing to 4.2% from 6.8% in FY 2019, due to decline in credit growth and softer manufacturing activity. The impact of COVID 19 plunged country's oil demand by 2.18 mb/d year over year to 2.58 mb/d in April (the lowest since October 2008) as the countrywide lockdown mandated by the Government to fight the coronavirus took its toll. However, with modest easing of lockdowns and support in the form of Government stimulus, the oil demand in May rebounded an impressive 45% month-over-month.

With further easing of lockdowns and restrictions in June, the oil demand for the country is expected to gain back further and ease the year over year deficit with each passing month. Meanwhile, India's GDP growth outlook for 2021, as per IMF, is among the highest for large nations, with the country's growth slated to rebound to 7.4%.

Asia's oil demand growth is expected to be the main impetus driving the expansion in global oil consumption and India, along with China continues to be the largest contributor to this growth engine. A growing population and increasing wealth among the developing countries will continue to underpin the growth in transport fuels and petrochemical feed-stocks. Domestic retail margins on auto fuels continue to remain strong partly offsetting the impact of softer refining margins during the year. This continue to benefit integrated business model of refining and retail.

Operational Excellence

Nayara Energy's Vadinar refinery continued operating beyond its rated capacity. It processed 20.62 MMT (Million Metric Ton) of crude during the year, as against its capacity of 20 MMTPA (Million Metric Ton Per Annum). It retained its position as India's second largest single location refinery and fulfills about 10% of India's petro products demand. Besides, all refinery units displayed a high degree of reliability and capacity utilization during the year.

Our Vadinar Refinery

The refinery processed 84% of heavy and ultra-heavy crudes and produced 86% of higher margin light and middle distillates. The Company continues to spread its global reach to optimize the crude mix and process new grades. This year, nine new varieties of crude were successfully processed and by March 2020, over 111 varieties of crude oil were processed in the refinery.

As availability of heavy crude became a concern, the refinery's flexible configuration allowed the Company to capitalize on market opportunities by sourcing equivalent replacement through varieties of optimal crude sources.

The refinery produced more than 10 MMT of High-Speed Diesel (HSD). Out of this, Euro V equivalent was 50% while BS VI was 20%. The refinery started supplying BS VI products to the markets from January 2020.

20.62 MMT
Crude oil processed

84%
Heavy and ultra-heavy crudes processed

86%
Higher margin light and middle distillates produced

9
New varieties of crude, tested and successfully processed

111+ varieties
Crude oil processed till date

10 MMT
HSD produced

Aerial View of Storage Tanks at our Vadinar Refinery

Marketing Performance

In this challenging environment, the Marketing segment continued to deliver strong results.

RETAIL

The Retail segment yet again delivered a stupendous performance in FY 2020. Our year over year volume growth was 18% against industry's year over year volume growth of 1%. Despite industry seeing a volume contraction in HSD by 1%, we witnessed 15% growth. It is worthwhile mentioning that almost entire industry incremental volume at a year over year level (~98%) was bagged by us whereas our incremental network addition was just 13%. It again shows that our focus on growing in key strategic markets over a period of time is paying rich dividends.

The Company continues to expand the retail footprint in select focused markets. With 574 new outlets added last fiscal year, Nayara Energy stood at 5,702 fuel stations at the end of FY 2020 with a pan-India presence. With sharp future focus, the Company automated approximately 50% of its retail outlets and aims to automate the entire network by FY 2021. A robust Fleet Program, which is currently active in about 40% retail network, will be strengthened to be a key volume driver. Aggressive automation of the entire supply chain, right from refinery to depot to franchisee network will aid inventory optimization as well as increase sales.

Delivered mission critical projects -

- Transition from BS IV to BS VI
- Vapor Recovery System (Phase 1b) for environment protection
- Automation of Retail Outlets

18%
Volume growth on Y-o-Y basis

98%
Contribution to industry's incremental growth volume

574
New fuel stations added

5,702
Total fuel stations

~50%
Automated retail outlets

SUPPLIES & DISTRIBUTION

The Company continues to focus on improving domestic supply infrastructure and hired coastal terminal at Mangalore and Ennore for ensuring supply at Karnataka and Tamil Nadu. It also commenced supplies from Bina and Kanpur hospitality locations to improve local product availability in Madhya Pradesh and Uttar Pradesh respectively. Nayara Energy also entered into exchange agreements with all major oil companies to improve logistics efficiency and supply security to the sales network.

Commissioned in 2019, the Company's rail-fed Wardha depot uniquely caters to Nayara Energy's retail outlets as well as product requirements from other oil companies in and around the Vidarbha region of Maharashtra. The Company finalized another rail-fed smart automated depot in Pali, which is expected to be completed by 2021.

Nayara Energy did the complete conversion of own locations to BSVI grades in January 2020, ahead of the mandatory guidelines. The Company also introduced automated features on Indent Management and Vehicle Tracking to ensure safe, efficient and transparent operations.

INSTITUTIONAL BUSINESS

Right channeling in priority markets resulted in increased sales for Petcoke. The Company also augmented new geographies of Orissa and Nepal for Petcoke supply. The Company recorded the highest-ever Sulphur sales in a year since the inception of the refinery and re-entered the Bitumen business after moving out last year.

22%
Volume growth in Sulphur

14%
Volume growth in Petcoke

Nepal and Orissa
Newer geographies added for Petcoke supply

Asset Development

Nayara Energy's Asset Development Program Phase-1 that includes Propylene Recovery Unit (PRU), Polypropylene Unit (PP), Methyl-Tert-Butyl-Ether (MTBE) unit and revamp of Fluid Catalytic Cracking Unit was approved for Front End Engineering Design (FEED) stage in December, 2018.

The Company has thus far completed Basic Engineering & Extended Basic Engineering for all units of Phase-1. Global technology providers and engineering companies have been partnered with for their technology licensing, based on competitive bidding.

Night View of Our Vadinar Refinery

Safety Stewardess

Health, Safety, Environment and Quality

STRATEGIC INTENT

Nayara Energy's strategic focus is on safety culture beyond mere compliance. Safety is a critical component in every aspect of the business too. The Company has calibrated its interventions in Health & Safety across the value chain, right from refining to supply and distribution to marketing.

The Company's commitment to safe and reliable operations remains paramount for its employees, contractors, communities and stakeholders. The Company prioritizes health and safety above all and is committed to providing a safe and secure work environment that supports overall performance levels and employee retention as well as mitigate the environmental impact of its operations.

RESPONSIBLE HSE PRACTICES

The Company's refinery operates an integrated health, safety, environment and quality (HSEQ) management system.

Refinery's HSEQ Management System is compliant with

ISO 9001:2015
for quality management system across the organisation

ISO 14001:2015
for qualifying for effective environment management

ISO 45001:2018
for promoting occupational health and safety

ISO 50001:2011
for energy management system

Our People at the refinery maintaining the Highest Safety Standards

At the refinery, Nayara Energy has undertaken various proactive measures to ensure hazard-free operations.

The Company has implemented the Process Safety Management (PSM) system which monitors multiple vital aspects including:

- Chemical Safety Management
- Hazard Identification & Risk Analysis
- Management of Change
- Asset Reliability

The refinery also has a robust Emergency Response & Disaster Management Plan (ERDMP) in place and regularly conducts mock drills to check and evaluate the effectiveness of our mitigation measures.

Continuous Emission Monitoring System & Continuous Effluent Quality Monitoring System with advance analyzers provide real-time data to the Central Pollution Control Board (CPCB). The Company is compliant with all the statutory requirements of the State Pollution Control Board (SPCB), CPCB, and the Ministry of Environment Forest & Climate Change.

Lost Time Injury Free Days

ROAD TRANSPORT AND DRIVING SAFETY

Key measures have been implemented including night driving restrictions and Defensive Driving Training imparted to all S&D Depot employees. The Vehicle Tracking System (VTS) installation to vehicles are in full swing and we expect to complete installation by third quarter of 2020.

4,382
for employees

360°
Safety Audit covering internal and external processes


Our Firefighter Crew at our Vadinar Refinery

Technology

Nayara Energy continues to leverage technology to improve performance and reliability which are central to our operational excellence journey.

The Company relies on industry accepted information/ data security measures and controls to securely maintain confidential and proprietary information. Vigilant experts at Security Operations Centre (SOC) monitor cyber security threats round the clock. Diverse security tools have been deployed to prevent data leaks by ensuring encryption and classification.

NIST cyber security framework has been deployed, which has improved the Company's cyber security maturity score by over 35% in one year

Our Control Room at Vadinar Refinery

AUTOMATION AND ROBOTISATION

The Company has undertaken multiple optimization projects into large virtual environments with enhanced fault tolerant capabilities.

Bringing in heightened efficiency, the Company has deployed Robotic Process Automation (RPA) across multiple processes in finance & marketing and in process to extend chat-bots to reduce manual intervention for IT support services, employee self service and a few more.

Financial Performance

Revenue from operations were at ₹999,411 million for the financial year ended March 31, 2020, as compared to ₹987,129 million for the financial year ended March 31, 2019. The increase was mainly due to higher operating performance.

Current Price Gross Refinery Margin (CP GRM) was lower at USD 5.88/bbl in FY 2019-20 as against USD 6.97/bbl in FY 2018-19. Earnings before interest, tax, depreciation and amortisation (EBITDA) was higher by 27% to ₹56,974 million from ₹44,977 million in the preceding financial year mainly on account of better sales performance and classification in line with the new lease accounting standard.

The Company earned a profit after tax (PAT) of ₹14,851 million in the current financial year against PAT of ₹3,442 million in the preceding financing year. The Company reassessed its tax positions in line with new tax rate regime and the same has also contributed to increase in PAT.

Considering the accumulated losses of previous years, the Board of Directors has not recommended any dividend for the financial year ended March 31, 2020. Further, no amounts are proposed to be transferred to the General Reserve during the financial year.

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

The audited Standalone Financial Statements, prepared as per Indian Accounting Standards (Ind AS) for the financial year ended March 31, 2020, form a part of this Annual Report.

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

OWNERSHIP

Nayara Energy does not have any holding company. Rosneft Singapore Pte. Limited, a subsidiary of PJSC Rosneft Oil Company and Kesani Enterprises Company Limited, a consortium led by Trafigura Group and UCP Investment Group, holds a 49.13% stake each, in the Company's share capital.

SUBSIDIARY COMPANIES

Enneagon Limited, the Company's step-down subsidiary in Mauritius, was liquidated on January 14, 2020.

There was no other change in the subsidiary companies' position during the year. The Company does not have any associate companies.

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

In the last Annual Report, we had informed you regarding approval given by the Board of Directors for a Scheme of Amalgamation of its subsidiary, Vadinar Oil Terminal Limited ("VOTL"), with the Company ("Scheme"). During FY 2019-20, the Company's shareholders and unsecured creditors, approved the Scheme. Approval from secured creditors is awaited.

The financial statements of these subsidiaries as on March 31, 2020 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. The same is also available for inspection by any member at the Company's registered office/corporate office.

SHARE CAPITAL

There was no change in the Company's authorized, subscribed and paid-up share capital during FY 2019-20.

People

People with diverse skill-sets and valuable experiences define the success of Nayara Energy. Health and safety of people remains at the heart of its growth strategy. The overall well-being and engagement of the people is an important priority for Nayara Energy as this helps drive positive business outcomes.

Aligning the organization structure to emerging ecosystems, reimagining processes, building capabilities and innovation are at the centre of people strategy and therefore, the Company is committed towards building right capabilities and behaviors.

The core values of EXCEL are woven into the fabric of the organization. Suite of strategic initiatives are implemented to embed the values and culture across the organization. Some of the initiatives undertaken to enhance employee experience during the year are given below:

VALUES CASCADE

For the employees to understand and imbibe Nayara Energy's values, the Company carried out extensive awareness building sessions. Value Cascades programs are conducted for refinery, marketing and corporate offices. Online values training module were also deployed.

To drive employee engagement, leaders engage teams through written and verbal communication. The Company also constituted 'Value Houses' and variety of competitions, activities and initiatives have been institutionalized.

The Company refreshed its Rewards and Recognition program to recognize the right demonstration of the organization's values in employee behaviors.


Our People

Women workforce at our Vadinar Refinery

SPIRIT OF NAYARA

In partnership with Spencer Stuart – a global Leadership Consulting firm

Sharpening of the organizational capabilities is a priority for Nayara Energy and therefore, the Company launched Behavioral Competency Framework, SPIRIT.

Strategic Thinking

People Leadership

Ingraining Capabilities

Results Orientation

Improvement & Learning

Teamwork & Collaboration

Built on the foundation of Nayara Energy's Values and Culture, competencies across all core people processes – hiring, learning & development and career development – form a rigorous and uniform capability standards that enable business performance.

GALLUP® ENGAGEMENT SURVEY

Employee Engagement is an important enabler of business performance and productivity. Nayara Energy partnered with Gallup® to conduct its first Employee Engagement survey.

88% of employees across the Company participated in the survey and the findings of the survey indicated employee engagement of Nayara Energy to be above its targeted benchmark. The results also validated the employees' strong belief in Nayara Energy's Values.

SUCCESSION PLANNING

To ensure business continuity and future proofing of key roles, the Company has put in place a robust succession planning process. Potential successors were identified for all key roles. The succession pools are periodically reviewed by the Chairman, the Chief Executive Officer and the Chief People Officer, along with the Head of Learning and Change Management.

DIGITAL LEARNING

To facilitate skill development across the organization, technical and function capability development programmes were conducted. Through the year, 91.1% of identified employees were trained for relevant skills. The Company also launched cloud-based library of training modules with over 1400 courses.

APPOINTMENTS

During the year, the Company made several senior leadership appointments at refinery and marketing functions. The rich experience and expertise of these leaders strengthen the overall leadership capability of Nayara Energy.

COMPENSATION AND BENEFITS

The Company introduced special skill-allowance for niche and business-critical skill sets. In addition, a voluntary top-up plan in form of a medical insurance coverage for employees and their respective families was put in place.

POSH COMPLIANCE

The Company has zero-tolerance towards any form of harassment or discrimination and has established framework of policies and processes to ensure a safe, harassment-free and an empowering work environment for all its employees.

In accordance with 'The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ['Prevention of Sexual Harassment (POSH) Act'], the Company has set up five Internal Committees in Mumbai, Vadinar, Noida, Kolkata and Chennai, which promote a safe working environment across the organization. There are regular sensitization sessions conducted along with online mandatory modules implemented for all employees.

During FY 2019-20, Internal Committee came across one case. However, as per Internal Committee, the allegations of the complainant did not amount to sexual harassment at workplace and therefore, it was beyond the scope and jurisdiction of Internal Committee. Considering all the facts and circumstance of the case, Internal Committee dismissed the case.

Our Employees at Corporate Office Mumbai

Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility Committee named as CSR, Safety and Sustainability Committee ("CSR Committee"). The Board of Directors, on the recommendations of the CSR Committee, has adopted a CSR Policy identifying the activities to be undertaken by the Company. The policy can be accessed on the Company's website:
https://www.nayaraenergy.com/sustainability/csr-policy

The annual report on CSR containing the details of the CSR Policy adopted by the Company and other particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report as Annexure – A. Under the provisions of section 135 of the Act, the Company was not required to spend any amount on CSR activities during FY 2019-20. However, the Board of Directors of the Company had voluntarily decided to undertake CSR activities and approved a CSR budget of ₹ 9.94 crore for the FY 2019-20. The Company spent an amount of ₹ 7.82 crore of the approved CSR Budget. Thus, ₹ 2.12 crore remained unspent for FY 2019-20. The underspent was due to change in CSR strategy undertaken with the help of an advisory firm. Under the revised strategy, old programs were restructured and new programs were introduced. Further, the launch of projects like Tushti (eradication of malnutrition from Devbhumi Dwarka District) and Smart Agriculture Program was delayed due to delay in structuring the project implementation and review mechanism.


A shot of our SHG at Vadinar

STRENGTHENING SOCIAL RESPONSIBILITY COMMITMENTS

Nayara Energy demonstrates deeper commitment and strategic integration of social responsibilities as part of its corporate structure. The Company incessantly work towards sustaining its CSR legacy of inclusive development and being a responsible "neighbor of choice" for the communities around our refinery and depot.

The social initiatives nurtured and in line with the Company's CSR policy, span across areas of Sustainable Livelihoods & Environmental Sustainability, Education & Skill Development and Health & Sanitation. Below is the articulation of positive and lasting social impact programs -

SUSTAINABLE LIVELIHOODS AND ENVIRONMENTAL SUSTAINABILITY PROGRAMME

Creating sustainable livelihood is a commitment that demands compassion

Nayara Energy has been implementing programmes to enrich the environment, create sustainable livelihoods and empower local communities to improve the social infrastructure of the communities. The Company has been putting in place long-term drivers for inclusive growth by enabling on and off-farm livelihood sources by extending knowledge of sustainable agricultural, animal husbandry and water sustenance practices to the communities.

2.49 MCM
Water consumption reduced through micro irrigation /soil moisture conservation

Breed improvement
initiatives in Animal Husbandry higher dairy-based income and improved livestock

Improved water use
efficiency by 40-45%, substantially reducing water usage

Around 600 farmers
in Wardha benefited by successful piloting of skilling models in agriculture and livestock development.

57 SHGs
Self-help groups formed and 250 women trained and linked to micro-enterprises

~5000
Number of families benefitted under this programme

A Shot of our Stitching Centre in Vadinar.

EDUCATION AND SKILL DEVELOPMENT

Nayara Energy's deep engagement with its communities has helped in forging stronger relationship and provided opportunities to enhance gainful livelihood. By enhancing employability of youth to promoting education, entrepreneurship and livelihood enhancement programmes, the Company believes education can help build a brighter future of the nation.

240+
Number of students connected through open school programme

150+
Students overseeing library and kitchen gardening activities

250+
Number of women trained and connected with micro-enterprise

5,800+
Number of lives touched through our education and skill development initiatives

20
Number of learners imparted leadership and entrepreneurship training through Acumen Fellowship

Served mid-day meals
With organic food from 14 nutrition gardens developed in schools

1,200
Number of students, youth and police personnel carried Road Safety Awareness through education, enforcement and engineering sessions

250+
Number of students benefitted through Interactive LAB for Soft Skills Development (ILABSS) training

150+
Number of innovations launched and promoted to the state-level at the digital platform for innovation 'Navtar-Centre for Education Innovation'

50
Number of students benefited through the set-up of computer labs and drinking water facilities in upper primary school, Nimgaon village near Wardha Depot

18
Schools where Bal Sansad (Child Cabinets) committees formed

3,500+
Number of teachers reached out through innovation festivals

1,053
Number of girls provided scholarship support

248
Number of adults receiving functional and basic literacy of reading, writing and calculating

10
Number of school libraries established with the Science, Technology, Engineering and Mathematics (STEM) set up

HEALTH AND SANITATION

Healthy living environment, hygiene and sanitation make a meaningful contribution to improving the quality of life of people in the communities. Nayara Energy's initiatives aim to curb undernutrition, availability of clean drinking water for communities, preventive healthcare services and drives behavioral change management programmes around hygiene awareness.

60,000+
Number of consultations provided through Nayara Energy's community health centres and mobile outreach initiatives

700+
Number of children and mothers reached out through Project Tushti, addressing the problem of malnutrition

Door-to-door beneficiary counselling
For pregnant and lactating mothers to ensure malnutrition is addressed

24,000+
Number of lives influenced through health and hygiene initiatives

4,405 Households
Across five villages brought about positive behavioural change in health and hygiene practices

Our Primary Healthcare Services Near Our Refinery

Governance

Corporate Governance is a vital part of our business framework. It is designed to ensure compliance, transparency and integrity in all areas of our work.

DIRECTORS

During the FY 2019 – 20, Mr. Alexey Lizunov, nominee of Rosneft Singapore Pte. Limited and Ms. Victoria Cunningham, nominee of Kesani Enterprises Company Limited, were appointed as Director w.e.f. January 30, 2020 respectively in place of Mr. Alexey Karavaykin and Mr. Alexander Bogdashin. Accordingly, Mr. Alexey Karavaykin and Mr. Alexander Bogdashin ceased to be Directors w.e.f. January 30, 2020.

Further, Mr. Didier Casimiro, nominee of Rosneft Singapore Pte. Limited, resigned from the Company's Board of Directors w.e.f. February 21, 2020. Mr. C. Manoharan, Director & Head of Refinery, resigned from the Company's Board of Directors w.e.f. December 19, 2019.

The Board wishes to place on record its appreciation for the valuable services rendered by Mr. Didier Casimiro, Mr. Alexey Karavaykin, Mr. Alexander Bogdashin and Mr. C Manoharan during their tenures as Directors of the Company.

Mr. Prasad Panicker joined the Board as 'Director & Head of Refinery' w.e.f. February 17, 2020, to hold office for a period of 3 years. Ms. Avril Conroy, nominee of Rosneft Singapore Pte. Limited, was appointed as Director w.e.f. May 23, 2020.

The Company received declarations of independence, as stipulated under Section 149 (6) of the Act, from the Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for FY 2019–20, applicable accounting standards were followed along with proper explanation relating to material departures;
- The Directors selected accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the Company's state of affairs at the end of FY 2019–20 and of the profit and loss for the same period;
- The Directors took proper and sufficient care for maintaining adequate accounting records in accordance with the provisions of the Act, to safeguard the Company's assets, and prevent and detect fraud and other irregularities;
- The Directors prepared the accounts for the year ended March 31, 2020 on a 'going concern' basis;
- The Directors devised proper systems ensuring 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, included the criteria and procedures for selection, identification and appointment of Directors, criteria for appointment of Senior Management Executives, remuneration to Executive and Non-Executive Directors, training and performance evaluation of the Board, among others, and other matters provided under Section 178(3) of the Act. The above policy is available on the Company's website at https://www.nayaraenergy.com/investors/information.

PERFORMANCE EVALUATION OF THE BOARD, CHAIRMAN, COMMITTEES, AND INDIVIDUAL DIRECTORS

Formal performance evaluation of the Board, its Committees, the Chairman and Individual Directors, for FY 2019–20 was carried out. The Independent Directors evaluated performance of the Chairman, Non-Independent Directors and the Board. Feedback from Individual Directors was sought based on a structured questionnaire. The evaluation was reviewed by the Nomination and Remuneration Committee and the Board of Directors.

KEY MANAGERIAL PERSONNEL

During FY 2019–20, the following executives were designated as Key Managerial Personnel under the Act:

Mr. Charles Anthony (Tony) Fountain
Executive Chairman

Mr. B. Anand
Chief Executive Officer

Mr. Anup Vikal
Chief Financial Officer

Mr. C. Manoharan
Director & Head of Refinery
(Up to December 19, 2019)

Mr. Prasad Panicker
Director & Head of Refinery
(W.e.f. February 17, 2020)

Mr. Mayank Bhargava
Company Secretary

Risk Management and Internal Financial Controls

AUDIT COMMITTEE

During the year, the Audit Committee comprised of Mr. Deepak Kapoor (Independent Director) as its Chairman, Ms. Naina Lal Kidwai (Independent Director) and Mr. Chin Hwee Tan as its members. During the financial year, all the recommendations of the Audit Committee were accepted by the Board.

RISK MANAGEMENT

Amid volatility and elevated uncertainties, Nayara Energy's ability to take risks and manage them efficiently is a key factor of business success. The management has setup an integrated risk management and internal control framework, which supports strategic and business objectives and ensures continuity of operations in all circumstances. The Company drives a strong risk aware culture that is an essential element of good governance and provides a systematic approach to effective identification and management of all strategic and operational risks.

The integrated risk management and internal control framework includes holistic set of management systems, organizational structures, processes, standards, policies and governance. It is also considered as a critical input for decision making related to strategy formulation and capital allocation.

This framework is driven by a formal Governance Structure spread across the three lines of defence with defined roles and responsibilities for each. Our risk appetite is defined based on guidance and oversight provided by the Audit Committee.

Through its Control and Risk functions, the Company manages financial risks such as movements in crude and product prices, forex rates and interest rates, price discovery, among others. It also manages nonfinancial risks such as legal and regulatory compliance, health, safety and environment, cyber, reputational, geopolitical, investor relations, security risks, etc. The key risks identified through the risk and control activities are addressed by implementing appropriate response. This helps bring down the risks to acceptable levels in line with the approved risk appetite.

The Audit Committee is apprised of the top risks and the mitigation plans on a quarterly basis. The Company is also cognizant of the evolving risk landscape and all emerging risks are reported, and adequate mitigation measures are developed to address them. The Board of Directors of Nayara Energy continuously monitor the key risks to the organization through the Audit Committee. In the opinion of the Board, with its Enterprise Risk Management (ERM) and Internal control framework, the Company has an adequate framework for identifying and mitigating all possible key risks.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Nayara Energy 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 financial 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 Ethics Code, conflict of interest, confidentiality and whistle blower policy and other policies (viz. organization structure, HR policies, IT security policies).

During the year, controls were tested and no material weakness in design and effectiveness were observed. Nonetheless, the 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 is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations, including the measures against bribery, corruption and corporate fraud, as well to manage conflict of interest situations. Towards this end, the Company has established a Hotline Whistle-blower Policy providing a robust Vigil Mechanism for Directors, Employees, Associates and other Stakeholders to report concerns about unethical behavior/ conduct without fear of punishment or unfair treatment. The policy also has a process for providing direct access to the Chairman of the Audit Committee. All the reported complaints are reviewed and investigated in the right earnest and appropriate actions initiated as deemed necessary.

The details of Hotline Whistleblower Redressal System can be accessed on the website of the Company at https://www.nayaraenergy.com/whistle-blower.

Auditors and Audit

STATUTORY AUDITOR

The reports given by M/s. S. R. Batliboi & Co. LLP, Statutory Auditors, on the Company's standalone and consolidated financial statements for FY 2019 - 20, form a part of this Annual Report. There were 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

In accordance with the provisions of Section 148 of the Act, the Company maintained cost records as specified by the Central Government.

The Cost Audit Report for the financial year ended March 31, 2020, will be filed with the Ministry of Corporate Affairs within the prescribed time period.

SECRETARIAL AUDITOR

The Secretarial Audit Report, issued by M/s. Parikh Parekh & Associates, Practicing Company Secretaries, for the year ended March 31, 2020, is attached as Annexure - B to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosures

COMPLIANCE WITH SECRETARIAL STANDARD

Your Company fully complied with the provisions of Secretarial Standards 1 (SS 1) on Board/Committee meetings and Secretarial Standards 2 (SS 2) on the General meeting of Shareholders, issued by the Institute of Company Secretaries of India and approved by the Central Government, pursuant to Section 118 of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD

During the FY 2019 - 20, the Board of Directors met five times i.e. April 11, 2019, June 17, 2019, July 24, 2019, October 16, 2019 and January 30, 2020. All these meetings were well attended by the directors.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of contracts entered with related parties, during the year, in compliance with the provisions of Section 188 of the Act, are specified in Form AOC 2 and enclosed as Annexure – C. The details of material related party transactions entered during the year, by the Company are also required to be included in the form AOC 2. Though the Act has not defined the criteria for "Material Related Party Transactions" and the Company is no more listed on Stock Exchanges, it continues to follow the criteria for determining the material related party transaction prescribed in the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. No material related party transaction was entered into by the Company during the financial year 2019 – 20.

Related party disclosures, as required by Ind AS 24, have been made in Note no. 45 and 47 to the standalone and consolidated financial statements of the Company.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN AND SECURITY PROVIDED

Particulars of investments made are provided in the standalone financial statements (please refer to Note no. 7 of the standalone financial statements). Since Nayara Energy belongs to the petroleum & 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 investment, loans, giving guarantees or providing security as prescribed in Section 186 of the Act.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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 – D to this Report.

ANNUAL RETURN

The Annual Return for the financial year ended March 31, 2019, filed with the Registrar of Companies, after conclusion of the 29th AGM, held on September 19, 2019, is placed on the Company website and can be accessed at https://www.nayaraenergy.com/investors/information. An extract of the Annual Return, as on March 31, 2020, in form MGT 9, is enclosed as Annexure - E and forms part of this report.

FIXED DEPOSITS

The Company did not accept any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the Rules framed thereunder. Accordingly, the details required to be reported under Rule 8(5) of the Companies (Accounts) Rules, 2014, were not applicable.

GENERAL DISCLOSURES

Directors state that for the year ended March 31, 2020, no disclosure was required in respect of the following items and accordingly confirm as under:

- The Executive Directors did not receive any remuneration from the subsidiary companies;
- The Company neither revised the financial statements nor the report of Board of Directors;
- The Company did not issue 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 operations in future;
- The Company did not buy back any shares during the year;
- No instance of fraud was reported to either Audit Committee or the Board of Directors.

ACKNOWLEDGEMENT

The Board expresses its sincere appreciation and gratitude to Financial Institutions, Banks, Customers, Suppliers, and Investors of the Company, for their continual support. We also value the ongoing cooperation extended to the Company by the Government of India, Gujarat and other State Governments and various Government agencies/ departments.

In these challenging times resulting from COVID-19 pandemic, the Board expresses regret over the loss of life and difficulties being faced by people. The Company salutes all the people who have risked their life and safety to fight this pandemic and helped fellow citizens in this hour of need.

The Board also recognizes all our team members for their efforts behind our results and maintaining resilience during these difficult times. Their talent, passion and agility have made the Company sustain its performance year on year.

For and on behalf of the Board of Directors

Date: June 30, 2020
Place: Sussex, United Kingdom

Charles Anthony Fountain
Executive Chairman
(DIN - 07719852)

Annexure - A

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

   The Company's vision is to be among the most respected organizations in India by doing what is right and rightful for the communities and nation at large.

   CSR Mission

   Aspires to build a symbiotic relationship with its stakeholders and intends to make them equal partners in the process of nation building. We firmly believe that our role is to lay the path that is collaborative, progressive, inclusive and sustainable through our CSR programs. We also believe that technology and innovations can hasten the process of change and endeavor to support new and innovative models of development.

   CSR Objectives

   The objective of the CSR policy is to guide the planning, implementation and oversight mechanism of the CSR programs of the Company.

   Overview of projects or programmes proposed to be undertaken

   a) **Sustainable Rural Development- Developing sustainable habitats**

      Programs may include common infrastructure development including roads, gaushalas, sanitation units, community halls, anganwadis, health centers and any other program, as may be required by the community.

   b) **Education: Developing intelligent and conscientious communities**

      Programs may include developing school infrastructure, teacher training, computer aided learning, complimenting mid-day meal program, remedial classes, life skill education, program for children with different abilities, higher education programs, spoken English, promoting sports and supporting sports facilities, providing / supporting vocational training programmes and any other program, as may be required by the community.

   c) **Healthcare and Wellbeing: Developing healthy individuals and families**

      Programs may include establishing and managing community/ primary health centers, health extension centers, hospital, preventive healthcare programs, outreach/ awareness programs, building cadre of healthcare professionals, road safety programs and any other program, as may be required by the community.

   d) **Environmental Sustainability: Sustaining biodiversity through responsible communities**

      Programs may include solid waste management, water conservation through rain water harvesting, surface water conservation, promoting judicious water usage, promoting technology to conserve water, water bodies conservation, promoting renewable energy and energy efficiency practices, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water and any other program, as may be required by the community.

   e) **Skilling & Livelihoods: Promoting inclusive and sustainable economic growth**

      Programs may include skill and entrepreneurship development programs focused on youth and women, re-skilling existing workforce, support to existing skill institutions, creating new institutions, agriculture and livestock development programs, promoting community based enterprises, startups and any other program, as may be required by the community.

   f) **Other programmes**

      The CSR Committee may recommend any other programs prescribed under Schedule VII to the Companies Act, 2013 and not listed above. The CSR Policy can be accessed on the website of the Company at the link https://www.nayaraenergy.com/sustainability/csr-policy.

2. **The Composition of the CSR Committee**

   As of March 31, 2020, the CSR Committee titled as "CSR, Safety and Sustainability Committee" comprised of Ms. Naina Lal Kidwai, Independent Director and Chairperson of the Committee, Mr. Tony Fountain, Executive Chairman, Mr. Jonathan Kollek, Mr. Krzysztof Zielicki and Mr. Alexander Romanov, Non-Executive Directors.

3. **Average net profits of the company for last three financial years** ₹ (496.50) crore

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

5. **Details of CSR spent during the financial year.**
   (a) **Total amount to be spent for the financial year;-**
      (i) No amount was required to be spent under the provisions of section 135 of the Companies Act, 2013
      (ii) ₹ 9.94 crore (as per the budget approved by the Board of Directors)
   (b) **Amount unspent, if any;** - ₹ 2.12 crore
   (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	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 programs 2. Over-heads (Amount ₹ in Lacs)	Cumulative expenditure up-to the reporting period (Amount ₹ in Lacs)	Amount spent direct or through implementing agency
1	Community Health Project	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water	Devbhumi Dwarka & Jamnagar Districts, Gujarat	221	127.10	712.02	Implementing Agency – HealthCare Medical Service Provider
2	Tushti Project	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water	Devbhumi Dwarka, Gujarat	100	50.70	50.70	Implementing Agency - JSI R&T India Foundation and Indian Institute of Public Health Gandhinagar (IIPHG)
3	Solid Waste Collection and Disposal	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water	Devbhumi Dwarka & Jamnagar Districts, Gujarat	50	44.64	142.25	Implementing Agency - JV Naria Trust
4	Road Traffic Safety	Promotion of Education, special education and vocational skills	Devbhumi Dwarka & Jamnagar Districts, Gujarat	178	23	23	Implementing Agency - Institute for Road Traffic Education (IRTE)
5	Gramshiksha Project	Promotion of Education, special education and vocational skills	Devbhumi Dwarka & Jamnagar Districts, Gujarat		140.10	504.60	Implementing Agency - Center for Environment Education
6	Navtar Education Innovation project	Promotion of Education, special education and vocational skills	All Districts of Gujarat	50	45.43	85.21	Implementing Agency - ITOWE Foundation
7	Interactive Lab for Soft skills (ILABSS)	Promotion of Education, special education and vocational skills	Devbhumi Dwarka District, Gujarat	10	10	50.39	Implementing Agency - National Management Center
8	Social Entrepreneurship	Promotion of Education, special education and vocational skills	Pan India	107	107	107	Implementation Agency - Acumen Fund Trust
9	Sustainable Livelihoods Project (Agriculture Development, Animal Husbandry Development Project)	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water and Ensuring Environmental Sustainability, ecological balance, wildlife & natural resources conservation	Devbhumi Dwarka & Jamnagar Districts, Gujarat	169	168.68	115.25	Implementing Agency - BAIF Institute for Sustainable Livelihoods & Development and Arid Communities & Technologies

10	Health Project (Retail first respondent Training)	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water	Pan India	31	0.85	0.85	Implementation Agency - Vivo Healthcare & Think Safety Pvt. Ltd.
11	Setting up of Jan Aushadhi Kendra				0.50	0.50	Naswadi Petroleum Chota Udaipur, Gujarat
12	Scholarships to girl Child (Children wellbeing)	Promotion of Education, special education and vocational skills Community Health Project	Pan India	36	29	29	Direct
13	Infrastructure Development support at Wardha Primary schools	Promotion of Education, special education and vocational skills Community Health Project	Wardha, Maharashtra		2.39	2.39	Direct
14	Education and awareness program for Wardha Police	Promotion of Education, special education and vocational skills Community Health Project	Wardha, Maharashtra		1.00	1.00	Direct
15	Sustainable Livelihoods Project (Agriculture Development, Animal Husbandry Development Project)	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water and Ensuring Environmental Sustainability, ecological balance, wildlife & natural resources conservation, promoting health through organic farming	Wardha, Maharashtra	11	2.94	2.94	Implementing Agency - BAIF Institute for Sustainable Livelihoods & Development
16	Community Health Project	Eradicating hunger and poverty and malnutrition, promoting health care sanitation & safe drinking water	Pali, Maharashtra	22	0	0	N.A.
17	Monitoring and Evaluation of CSR Projects, Third Party Assessment	External Assessment, Monitoring and Evaluation, Training and capacity building	a) Devbhumi Dwarka & Jamnagar Districts, Gujarat, b) Mumbai, Maharashtra	9	28.42	50.32	Direct

6. **Reasons for shortfall in spent, if any** – The reasons for shortfall are set out in the Board Report.

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 CSR, Safety and Sustainability Committee.

B. Anand
Chief Executive Officer
Mumbai, India

Naina Lal Kidwai
(DIN: 00017806)
Chairperson of the CSR, Safety and Sustainability Committee
New Delhi, India

June 30, 2020

Annexure - B

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
NAYARA ENERGY LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nayara Energy 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, to the extent information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID 19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 generally 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 made available to us and maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

(f) 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; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(v) Other laws applicable specifically to the Company namely:

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

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

  (c) Essential Commodity Act, 1955 and relevant orders

  (d) Explosives Act, 1884 and rules made thereunder

  (e) Gas Cylinders Rules, 2016

  (f) Static & Mobile Pressure Vessels (Unfired) Rules, 1981:

  (g) The Petroleum And Natural Gas Regulatory Board Act, 2006

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

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 Directors to schedule the Board Meetings. The agenda and detailed notes on agenda were sent at least seven days in advance other than those held at short notice, 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.

Decisions at the Board Meetings were taken unanimously.

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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **Parikh Parekh & Associates**
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327B000400177

Place: Mumbai
Date : 30.06.2020

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
NAYARA ENERGY LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

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

4. Where-ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

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 **Parikh Parekh & Associates**
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327B000400177

Place: Mumbai
Date : 30.06.2020

Annexure - C

Form No. AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

Following were the transactions undertaken by the Company during financial year 2019–20:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
United Capital Partners Advisory LLC ("UCP Russia") Nature of Relationship: UCP Russia is related to UCP PE Investments Limited, Cyprus ("UCP Cyprus"). UCP Cyprus indirectly holds 49.5% shareholding of Kesani Enterprises Company Limited, ("Kesani") and Kesani holds 49.13% of the paid up equity share capital of the Company	Services agreement for the purpose of availing advisory and consultancy services pertaining to business and financial intelligence	2 (two) years	UCP Russia to provide periodic review and analysis of certain business aspects and decisions connected with the Company, business and finance intelligence through weekly, monthly and quarterly reports and customer's valuation and benchmarking versus competitors' valuation and customer's strategic options for an annual fees of USD 0.95 million	July 24, 2019	Nil
	Infrastructure consultancy agreement for availing consultancy services with respect to infrastructure projects	1 (one) year and can be renewed by the Company for a further period of up to 1 (one) year	UCP Russia to provide specialized services to the Company in connection with investment, design and implementation of various infrastructure projects for refinery expansion and setting up downstream units for an annual fee of USD 2.5 million		

The aforesaid agreements were not material transactions. However, since the agreements may not in their entirety qualify to be transactions in ordinary course of business, approval of shareholders was obtained under Section 188(1) of the Act at Annual General Meeting held on September 19, 2019 and the same have been reported in the Board's Report.

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
(DIN - 07719852)

Place: Sussex, United Kingdom
Date: June 30, 2020

Annexure - D

A. CONSERVATION OF ENERGY

One of the major targets of the refinery is conservation of energy. Best energy management systems and practices are in place and continuous improvements on energy systems is routine activity at all levels of management.

Brainstorming sessions and periodic energy audits are conducted at the refinery in order to bring out new ideas, develop and implement schemes, evaluate the progress and benefits and close the gaps with respect to benchmarks.

Your refinery received two prestigious awards "Excellent Energy Efficient Unit" and "National Energy Leader" for the best performance in F.Y. 2018-19 at National Energy Efficiency Summit held by CII in September 2019 at Hyderabad.

Following major activities were carried out during the year for conservation of energy:

1. Installation of additional pre heat exchanger and upgradation of existing exchanger in Crude I preheat circuits to improve preheat.
2. Power plant STG LP Steam extraction was increased by suitable modification.
3. Carried out some pumps impeller trimming to minimize power consumption.
4. Cooling tower conventional fans blades were replaced with energy efficient blades.
5. Cooling water pump turbine and power plant STG operations were optimized to save energy.
6. Flare loss monitoring through new unit flare meters and controlling flare loss.

These energy conservation initiatives contributed to reduce significant total energy of 17.64 Gcal/Hr for this year.

I. **The steps taken by the Company for utilizing the alternate sources of energy**

The Company is exploring various avenues for utilizing the alternate sources of energy.

II. The capital investment on energy conservation equipment

During the financial year, the Company made investment of ₹ 15 million on energy conservation equipment.

B. TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption

Nil during FY 2019 - 20.

II. **The benefits derived like project improvement, cost reduction, project development or import substitution**

Our R&D center at the refinery continuously tries to address critical issues associated with different crude blends. Routine monitoring of prediction of fouling potential and compatibility of various crude blends before processing at refinery has resulted in smooth operation of crude distillation units of our refinery. Certain high viscous and pour point crudes were blended and subjected to compatibility study so as to establish their stability; based on which various blended crudes are shipped.

Major R&D activities carried during the year were as follows:

a) Test method developed for detecting caustic presence in LPG product.

b) Adverse effect of 2EHN (2 Ethyl Hexyl Nitrate) cetane improver on performance of lubricity additive.

c) Verified performance of ditertiary butyl peroxide (DTBP) as alternate cetane improver.

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

a) Test method developed by Nayara Laboratory is accepted by BIS (Bureau of Indian Standard) for implementation in national level LPG specification, IS 4576.

b) It will help refinery to do proper planning and optimization of additive consumption for diesel production.

c) The alternate cetane improver will help refinery to produce diesel production without any side effect on lubricity additive performance. When 2EHN is not effective then DTBP may be used as cetane improver.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) The details of technology imported;

1. Naphtha Upgradation: NHT Unit licensed by M/s Axens was revamped during F.Y. 2017-18 to process additional naphtha to match the feed requirement of CCR and ISOM revamp cases and technology was fully absorbed. ISOM Unit licensed by M/s UOP was revamped during F.Y. 2017-18 to increase the unit capacity to maximize MS production and technology is fully absorbed. CCR unit (Revamp) licensed by M/s Axens was revamped during F.Y. 2018-19 to increase the capacity to maximize MS production. Technology was absorbed fully. These three revamps helped to upgrade low value additional naphtha into high value MS product. Required modifications were carried out to improve the reliability of units.

2. High Sulphur Crude: In order to improve our refinery margins, refinery started increasing sulphur content of crude which are relatively cheaper. In order to process this additional sulphur one more Sulphur Recovery Unit – 2 (SRU-2) licensed by M/s Jacobs was commissioned during F.Y. 2018-19 and the technology has been fully absorbed.

(b) The year of import;

- NHT Revamp – F.Y. 2017-18
- Sulphur Recovery Unit – 2 (SRU-2) – F.Y. 2018-19

(c) Whether the technology been fully absorbed;

Yes, the technology was fully absorbed.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

Not Applicable

IV. Expenditure on R & D

- Capital: NIL
- Recurring: ₹ 12.46 million
- Total R & D expenditure as a percentage of total turnover – Negligible

C. FOREIGN EXCHANGE EARNING AND OUTGO:

During the financial year, the Company earned foreign exchange of ₹399,197 million while foreign exchange outgo was ₹668,058 million.

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
(DIN - 07719852)

Place: Sussex, United Kingdom
Date: June 30, 2020

Annexure - E

FORM No. MGT 9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	U11100GJ1989PLC032116
2	Registration Date	September 12, 1989
3	Name of the Company	Nayara Energy 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: CompanySec@nayaraenergy.com
6	Whether listed company	No
7	Name, address & contact details of the Registrar & Transfer Agent, if any.	M/s Link Intime India Private Limited, Unit: Nayara Energy Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Tel: +91-22-49186000, Fax: +91-22-49186060, Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company:

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	19201	100

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

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	Nayara Energy Global Limited (Formerly 'Essar Oil Trading Mauritius Limited.') C/o IQ EQ Corporate Services (Mauritius) Ltd., 33 Edith Cavell Street, Port Louis 11324, Mauritius	NA	Subsidiary Company	100	2(87)
2	Vadinar Oil Terminal Limited Nayara Refinery Site, 39 KM Stone, Okha Highway (SH-25) Khambhalia, Dist. Devbhumi Dwarka, Gujarat	U35111GJ1993PLC053434	Subsidiary Company	97.63	2(87)
3	Coviva Energy Terminals Limited Khambhalia, Post Box No. 24, Dist. Devbhumi Dwarka, Gujarat 361305	U74140GJ2015PLC082393	Subsidiary Company	100[1]	2(87)

Note:

[1] 75% shareholding is held directly by the Company and balance 25% is held through Vadinar Oil Terminal Limited, subsidiary 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 April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	200	10,600	10,800	0.00	200	8,400	8,600	0.00	(0.00)
b) Banks / FI	7,172	6,300	13,472	0.00	7,172	8,500	15,650	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	300	300	0.00	-	300	300	0.00	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**7,372**	**17,200**	**24,572**	**0.00**	**7,350**	**17,200**	**24,550**	**0.00**	**(0.00)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	238920	46,601	285,521	0.02	223,153	46,601	269,754	0.02	(0.00)
ii) Overseas	513,189,039	-	513,189,039	34.43	988,920,966	-	988,920,966	66.35	31.92
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	10,289,814	14,108,330	24,398,144	1.64	10,447,012	13,976,828	24,423,840	1.64	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	72,816	217,800	290,616	0.02	280,176	-	280,176	0.02	(0.00)
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) NRI Rep	197,743	606,800	804,543	0.05	194,823	602,300	797,123	0.05	(0.00)
ii) NRI Non-Rept	104,466	300	104,766	0.01	112,419	300	112,719	0.01	0.00

iii) Foreign Bodies	-	100	100	0.00	-	100	100	0.00	-
iv) Foreign National	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	524,092,798	14,979,931	539,072,729	36.17	1,000,178,549	14,626,129	1,014,804,678	68.08	31.92
Total Public (B)	524,100,170	14,997,131	539,097,301	36.17	1,000,185,899	14,643,329	1,014,829,228	68.08	31.92
C. Shares held by Custodian for GDRs & ADRs*	951,463,854	-	951,463,854	63.83	475,731,927	-	475,731,927	31.92	(31.92)
Grand Total (A+B+C)	1,475,564,024	14,997,131	1,490,561,155	100.00	1,475,917,826	14,643,329	1,490,561,155	100.00	-

* *Each GDS is represented by 153 underlying equity shares.

(ii) Shareholding of Promoters

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	
				NIL				

(iii) Change in Promoters' Shareholding (Please specify, if here is no change)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on April 1, 2019		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
					NIL				

(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 begining 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	Kesani Enterprises Company Limited	256,594,520	17.21	-	-	256,594,520	17.21
2	Rosneft Singapore Pte. Limited (Formerly Petrol Complex Pte Limited)[2]	256,594,519	17.21	475,731,927	-	732,326,446	49.13
3	Shailesh Popatlal	-	-	54,450	-	54,450	0.00
4	Mahendra Fulchand Sundesha	-	-	43,560	-	43,560	0.00
5	Subhash Fulchand Sundesha	-	-	43,560	-	43,560	0.00
6	Basant Fulchand Sundesha	-	-	43,560	-	43,560	0.00
7	MD. Habibullah	42,450	0.00	-	-	42,450	0.00
8	Bharat Dhirajlal Shah	20,000	0.00	-	-	20,000	0.00
9	K Raheja Realty Private Limited	14,300	0.00	-	-	14,300	0.00
10	Santosh D Surana	12,866	0.00	450	-	13,316	0.00
11	Fulchand Fojmal[3]	217,800	0.01	-	217,800	-	-
12	Om Prakash Dhingra[3]	10,000	0.00	-	-	10,000	0.00
13	Manimudra Vincom Private Limited[3]	10,000	0.00	-	-	10,000	0.00
14	Bhartendu Ramesh Desai[3]	10,000	0.00	-	-	10,000	0.00
15	Shashi Dev Khanna[3]	10,000	0.00	-	-	10,000	0.00

Note:

1. Shareholding in folios having common PAN no. have been clubbed.
2. During the financial year, Rosneft Singapore Pte. Limited exchanged its entire holding in GDS with equity shares.
3. Forming part of top ten at the beginning of the year.

(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	Mayank Bhargava	2	0.00	-	-	2	0.00

Note: Apart from the above, none of the Directors or any other Key Managerial Personnel of the Company were holding any shares in the Company during F.Y. 2019-20.

V. INDEBTEDNESS

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

(₹ in Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	155,645	-	-	155,645
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,779	-	-	1,779
Total (i+ii+iii)	**157,424**	**-**	**-**	**157,424**
Change in Indebtedness during the financial year				
Addition	11,737	-	-	11,737
Reduction	(78,571)	-	-	(78,571)
Net Change	(66,834)	-	-	(66,834)
Indebtedness at the end of the financial year				
i) Principal Amount	88,239	-	-	88,239
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,352	-	-	2,352
Total (i+ii+iii)	**90,590**	**-**	**-**	**90,590**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount (Amount in ₹)
		Mr. Charles Anthony Fountain	Mr. C. Manoharan [1]	Mr. Prasad K. Panicker [2]	
		Executive Chairman	Director & Head of Refinery	Director & Head of Refinery	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	121,043,264	22,111,734	2,588,962	145,743,960
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify				
	- Contribution to provident fund	7,935,565	1,811,457	173,793	9,920,815
	- Performance Linked Incentives	-	14,590,899	-	14,590,899
	Total (A)	**128,978,829**	**38,514,090**	**2,762,755**	**170,255,674**
	Ceiling as per the Act				**10% of net profit**

Note:

1. Mr. C. Manoharan ceased to be Director & Head of Refinery w.e.f. December 19, 2019.
2. Mr. Prasad K. Panicker was appointed as Director & Head of Refinery w.e.f. February 17, 2020.

B. Remuneration to other Directors

Sr. No.	Name	Commission	Sitting Fees	Total Remuneration (Amount in ₹)
A)	**Non Executive Directors**			
1	Mr. Alexander Romanov	0	300,000	300,000
2	Mr. Alexander Bogdashin [2]	0	400,000	400,000
3	Mr. Alexey Karavaykin [2]	0	400,000	400,000
4	Mr. Alexey Lizunov [3]	0	100,000	100,000
5	Mr. Chin Hwee Tan	0	1,500,000	1,500,000
6	Mr. Didier Casimiro [1]	0	1,000,000	1,000,000
7	Mr. Jonathan Kollek	0	1,100,000	1,100,000
8	Mr. Krzysztof Zielicki	0	1,300,000	1,300,000
9	Ms. Victoria Cunningham [3]	0	100,000	100,000
	Total (A)	**0**	**6,200,000**	**6,200,000**
B)	**Independent Directors**			
10	Mr. Deepak Kapoor	0	1,700,000	1,700,000
11	Ms. Naina Lal Kidwai	0	2,400,000	2,400,000
	Total (B)	**0**	**4,100,000**	**4,100,000**
	Grand Total (A+B)	**0**	**10,300,000**	**10,300,000**
	Overall Ceiling as per the Companies Act, 2013	**1% of net profit**	**₹1,00,000 per meeting**	

Note:

1. Mr. Didier Casimiro ceased to be Director w.e.f. February 21, 2020.
2. Mr. Alexander Bogdashin and Mr. Alexey Karavaykin ceased to be Director w.e.f. January 31, 2020.
3. Mr. Alexey Lizunov and Ms. Victoria Cunningham were appointed as Director w.e.f. January 31, 2020.

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Remuneration (Amount in ₹)
		Mr. B. Anand	**Mr. Anup Vikal**	**Mr. Mayank Bhargava**	
	Designation	**CEO**	**CFO**	**CS**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93,995,700	61,590,739	11,074,619	166,661,058
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify:				
	Contribution to Provident Fund	2,542,944	2,380,620	608,736	5,532,300
	Total	**96,538,644**	**63,971,359**	**11,683,355**	**172,193,358**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
(DIN - 07719852)

June 30, 2020
Sussex, United Kingdom

Financial Statements

Independent Auditor's Report

To the Members of Nayara Energy Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Ind AS financial statements of Nayara Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (Contd.)

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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, 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

Independent Auditor's Report (Contd.)

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 21 and 26 to the standalone Ind AS financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Naman Agarwal
Partner
Membership Number: 502405
UDIN: 20502405AAAABN9966

Place of Signature: New Delhi
Date: June 30, 2020

Annexure 1

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

RE: NAYARA ENERGY LIMITED ("THE COMPANY")

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

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. The provisions of section 186 of the Act in so far as it relates to the investments made have been complied with by the Company. Further, in our opinion and according to the information and explanations given to us, since the Company is in the business of infrastructure facilities for petroleum, the provisions of section 186 of the Act in so far as they relate to grant of loans and guarantees and purchase of securities are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of petroleum products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount* (₹ million)	Period to which the amount relates	Forum where the dispute is pending
Gujarat Value Added Tax Act, 2003	Sales tax & interest	33,726	2008-09, 2010-11 to 2014-15	Jt. Commissioner (Appeal), Rajkot
		3	2007-08, 2017-18	Gujarat VAT Tribunal
Rajasthan Value Added Tax Act, 2003	Sales tax & interest	104	2006-07, 2007-08, 2009-10, 2010-11	Rajasthan Commercial Tax Tribunal
Central Sales Tax Act, 1956	Central sales tax & interest	7,922	2008-09 to 2010-11, 2012-13 to 2014-15, 2016-17	Jt. Commissioner (Appeal), Rajkot
		163	2010-11, 2011-12	Guwahati High Court
	Central sales tax, penalty & interest	76	2004-05	Supreme Court
Customs Act, 1962	Customs duty, interest, fine and penalty	315	2008-09, 2010-11 to 2012-13	Commissioner (Appeal)
		1,767	2009-10 to 2012-13,	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
		1,857	2007-08, 2009-10	Supreme Court
Central Excise Act, 1944	Excise duty, interest, fine and penalty	255	2006-07, 2010-11	Commissioner of Central Excise
		22	2017-18	Commissioner (Appeal)
		1,690	2006-07 to 2013-14, 2015-16, 2016-17	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
		825	2007-08 to 2009-10	Gujarat High Court
Goods and Service Tax	Central Goods and Services Tax Act, 2017	30	2018-19	Deputy Commissioner, CGST Jamnagar
Service Tax Rules, 1994	Service tax & penalty	1	2008-09	Commissioner (Appeals)
		25	2004-05 to 2009-10, 2011-12, 2012-13	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
Madhya Pradesh Entry Tax Act, 1976	Entry tax, penalty & interest	15	2016-17	M.P. Commercial Tax Tribunal
		1	2007-08, 2008-09	M.P. High Court (Indore)
Income Tax Act, 1961	Income tax and interest	2	1997-98	Supreme Court
		293	2003-04	Bombay High Court
		61	2010-11, 2014-15, 2015-16	Commissioner of Income Tax (Appeals)

* Net of amounts paid under protest/ adjusted against refunds.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank or financial institutions, based on the revised repayment schedules, for some such loans, which has been drawn after taking effects of the moratorium granted by the banks and availed by the Company, in view of the Covid-19 pandemic. The Company did not have any outstanding dues to government or dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised monies by way of initial public offer / further public offer / debt instruments and hence, not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Naman Agarwal
Partner
Membership Number: 502405
UDIN: 20502405AAAABN9966

Place of Signature: New Delhi
Date: June 30, 2020

Annexure 2

REFERRED TO IN PARAGRAPH 2(F) (UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE) TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS

RE: NAYARA ENERGY LIMITED ("THE COMPANY")

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

We have audited the internal financial controls over financial reporting of Nayara Energy Limited ("the Company") as of March 31, 2020 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 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 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 with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, 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 issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Naman Agarwal
Partner
Membership Number: 502405
UDIN: 20502405AAAABN9966

Place of Signature: New Delhi
Date: June 30, 2020

Standalone Balance Sheet
As at March 31, 2020

(₹ in million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	6	396,143	408,154
(b) Capital work-in-progress	6	5,145	4,761
(c) Goodwill	6	10,324	10,324
(d) Other Intangible assets	6	330	264
(e) Right-of-use assets	6	56,921	-
(f) Financial assets			
(i) Investments	7	105,104	105,104
(ii) Other financial assets	8	1,258	8,235
(g) Other non-current assets	9	2,717	3,081
(h) Non-current tax assets (net)		6,897	6,821
Total non-current assets		**584,839**	546,744
2) Current assets			
(a) Inventories	10	59,258	94,690
(b) Financial assets			
(i) Investments	11	-	1,001
(ii) Trade receivables	12	12,703	36,891
(iii) Cash and cash equivalents	13	25,969	4,778
(iv) Bank balances other than (iii) above	14	6,485	6,283
(v) Loans	15	15	15
(vi) Other financial assets	16	31,577	6,770
(c) Other current assets	17	5,798	5,647
Total current assets		**141,805**	156,075
TOTAL ASSETS		**726,644**	702,819
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	18	15,072	15,072
(b) Other equity	19	158,649	169,979
Total Equity		**173,721**	185,051
LIABILITIES			
1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	71,910	89,370
(ii) Other financial liabilities	21	170,272	71,508
(b) Deferred tax liabilities (net)	22	45,094	72,661
(c) Other non-current liabilities	23	22,885	35,821
Total non-current liabilities		**310,161**	269,360
2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	8,773	57,402
(ii) Trade payables	25		
- Total Outstanding dues of micro and small enterprises		**33**	23
- Total Outstanding dues of creditors other than micro and small enterprises		**99,607**	92,695
(iii) Other financial liabilities	26	107,679	71,527
(b) Other current liabilities	27	25,793	25,882
(c) Provisions	28	790	796
(d) Current tax liabilities (net)		87	83
Total current liabilities		**242,762**	248,408
TOTAL EQUITY AND LIABILITIES		**726,644**	702,819

See accompanying notes to the standalone financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
DIN : 07719852
Sussex, United Kingdom

Prasad K. Panicker
Director & Head of Refinery
DIN : 06476857
Devbhumi Dwarka, India

B. Anand
Chief Executive Officer
DIN : 00162957
Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Standalone Statement of Profit & Loss

For the year ended March 31, 2020

(₹ in million)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	29	999,411	987,129
Other income	30	7,006	17,187
Total Income		**1,006,417**	1,004,316
Expenses			
Cost of raw materials consumed		629,435	620,886
Excise duty		142,884	130,367
Purchases of stock-in-trade		123,646	146,102
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(3,767)	(2,310)
Employee benefits expense	32	6,881	5,267
Finance costs	33	25,761	22,329
Depreciation and amortisation expense	6	29,806	15,489
Other expenses	34	50,365	59,027
Total expenses		**1,005,011**	997,157
Profit before exceptional items and tax		1,406	7,159
Exceptional items	35	4,544	1,773
(Loss) / Profit before tax		(3,138)	5,386
Tax expense:	22		
(a) Current tax expenses		-	-
(b) Deferred tax (reversal) / expenses [Include ₹ 17,094 million (Previous year ₹ NIL) reversal on account of change in tax provisions]		(17,989)	1,944
Total tax (reversal) / expenses		**(17,989)**	1,944
Profit for the year		14,851	3,442
Other comprehensive income			
Items that will not be reclassified to profit and loss		(9)	(87)
Remeasurement income /(loss) on defined benefit plans		14	(134)
Income tax effect		(23)	47
		(9)	(87)
Items that will be reclassified to profit and loss		(21,546)	821
Effective portion of cash flow hedges (net)		(28,766)	1,153
Income tax effect		7,178	(403)
		(21,588)	750
Foreign currency monetary item translation difference account		102	109
Income tax effect		(60)	(38)
		42	71
Other comprehensive (loss) / Income for the year, net of tax		(21,555)	734
Total comprehensive (loss) / income for the year		**(6,704)**	4,176
(comprising (loss) / profit and other comprehensive (loss) / Income for the year)			
Earnings per share (Face value ₹10 per share)	36		
Basic and Diluted (in ₹)		9.96	2.31

See accompanying notes to the standalone financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
DIN : 07719852
Sussex, United Kingdom

Prasad K. Panicker
Director & Head of Refinery
DIN : 06476857
Devbhumi Dwarka, India

B. Anand
Chief Executive Officer
DIN : 00162957
Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Standalone Statement of Changes in Equity
for the year ended March 31, 2020

a. Equity Share Capital

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	15,072	15,072
Closing balance	**15,072**	15,072

b. Other Equity

Statement of Changes in equity for the year April 01, 2018 to March 31, 2019

(₹ in million)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)		Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2018 (Restated)	**409**	**78,014**	**2**	**594**	**88,252**	**(1,167)**	**(301)**	**165,803**
Profit for the year	-	-	-	-	3,442	-	-	3,442
Other Comprehensive Income/(Loss) for the year	-	-	-	-	(87)	750	71	734
Total Comprehensive income for the year	-	-	-	-	**3,355**	**750**	**71**	**4,176**
Debenture redemption reserve transferred to General Reserve	-	-	(2)	**2**	-	-	-	-
Balance as at March 31, 2019	**409**	**78,014**	-	**596**	**91,607**	**(417)**	**(230)**	**169,979**

Standalone Statement of Changes in Equity (Contd.)
for the year ended March 31, 2020

Statement of Changes in equity for the year April 01, 2019 to March 31, 2020

(₹ in million)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)		Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2019	**409**	**78,014**	**596**	**91,607**	**(417)**	**(230)**	**169,979**
Adjustment to the opening balance of retained earnings on initial application of Ind AS 116 {refer note 5 (i)}	-	-	-	(4,626)	-	-	(4,626)
Restated balance as at April 01, 2019	**409**	**78,014**	**596**	**86,981**	**(417)**	**(230)**	**165,353**
Profit for the year	-	-	-	14,851	-	-	14,851
Other Comprehensive (Loss)/Income for the year	-	-	-	(9)	(21,588)	42	(21,555)
Total Comprehensive (loss)/Income for the year	**-**	**-**	**-**	**14,842**	**(21,588)**	**42**	**(6,704)**
Balance as at March 31, 2020	**409**	**78,014**	**596**	**101,823**	**(22,005)**	**(188)**	**158,649**

* Recycled from cash flow hedge reserve to statement of profit and loss account ₹ 12,853 million (Previous year ₹ 16,520 million).

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
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Devbhumi Dwarka, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Standalone Statement of Cash Flows
for the year ended March 31, 2020

(₹ in million)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	Cash flow from operating activities		
	Net (Loss) / profit before tax	**(3,138)**	**5,386**
	Adjustments for:		
	Interest income	(1,485)	(1,372)
	Depreciation and amortisation expense	29,806	15,489
	(Gain) / Loss on disposal / discard of property, plant and equipment (net)	3	172
	Gain on investment / financial assets measured at FVTPL	(201)	(768)
	Unwinding of finance guarantee obligation	(580)	(769)
	Export obligation deferred income	(248)	(1,866)
	Unrealised foreign exchange differences (net)	6,275	(2,710)
	Mark to market loss / (gain) on derivative contracts (net)	(5,252)	(1,353)
	Expected credit loss (net)	533	190
	Provision for doubtful advances	344	4
	Finance costs	25,761	22,329
	Operating profit before working capital changes	**51,818**	**34,732**
	Adjustments for working capital changes:		
	Decrease / (Increase) in inventories	35,892	(21,159)
	Decrease / (Increase) in trade and other receivables	8,973	(10,636)
	Increase in trade and other payables (refer footnote b)	28,819	9,810
	Cash generated from operating activities	**125,502**	**12,747**
	Income tax paid (net) (including interest)	(32)	(1,280)
	Net cash generated from operating activities	**125,470**	**11,467**
B	Cash flow from investing activities		
	Payments for property, plant and equipment (including capital work in progress, Intangible assets, Capital advances and Capital creditors)	(4,597)	(15,259)
	Proceeds from sale of short term investments (net)	1,202	12,788
	(Placement) / Encashment of short term bank deposits (net)	(221)	3,820
	Interest received	1,381	2,204
	Net cash (used in) / generated from investing activities	**(2,235)**	**3,553**
C	Cash flow from financing activities		
	Proceeds from long-term borrowings	10,600	24,000
	Repayment of long-term borrowings	(31,296)	(22,145)
	Proceeds from short-term borrowings	11,522	55,000
	Repayment of short-term borrowings	(30,272)	(82,782)
	Net changes in short term borrowings of less than 3 months	(28,434)	10,189
	Payment of principal portion of lease liabilities	(10,468)	-
	Finance cost paid	(22,395)	(20,566)
	Net cash (used in) financing activities	**(100,743)**	**(36,304)**
	Net increase / (decrease) in cash and cash equivalents	22,492	(21,284)
	Net exchange differences on foreign currency bank balances	429	(0)
	Cash and cash equivalents at the beginning of the year	3,058	24,342
	Cash and cash equivalents at the end of the year	25,979	3,058

Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2020

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Composition of Cash and cash equivalents included in the statement of cash flows comprise of the following balance sheet amounts:		
Cash and cash equivalents as per the balance sheet (refer note 13)	25,969	4,778
Add: Earmarked bank balances (refer note 14)	10	9
Less: Bank overdraft (refer note 24)	-	(1,729)
Total	25,979	3,058

Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities

Particulars	As at April 1, 2019	Cash changes (net)	Non cash changes (net)#	As at March 31, 2020
Long term borrowings including current maturities classified in other financial liabilities	97,196	(20,695)	2,163	78,664
Short term borrowings*	55,673	(47,184)	284	8,773

Particulars	As at April 1, 2018	Cash changes (net)	Non cash changes (net)#	As at March 31, 2019
Long term borrowings including current maturities classified in other financial liabilities	93,456	1,855	1,885	97,196
Short term borrowings*	73,390	(17,593)	(124)	55,673

Interest for the period has been paid in cash.

* Excluding bank overdraft disclosed as part of cash and cash equivalent for the purpose of cashflow statement.

Notes:

a) The above cash flow from operating activities has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS)7- Statement of Cash Flows.

b) Cash flow from operations include net inflow of ₹ 69,799 million (₹ 52,093 million net inflow for year ended March 31, 2019) arising from long term advances received from customers, net of goods supplied during the year. The goods will be supplied against these advances over next two to three years.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

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Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Notes to Standalone Financial Statements

For the year ended March 31, 2020

1. CORPORATE INFORMATION

Nayara Energy Limited (the Company) is a public limited company incorporated under the provisions of the Companies Act, 1956 (since replaced by the Companies Act, 2013, as amended). The registered office of the Company is located at Devbhumi Dwarka, Gujarat, India. The Company is primarily engaged in the business of refining of crude oil, marketing of petroleum products in domestic and overseas markets. The Company owns India's second largest single site refinery at Vadinar, Gujarat with a current capacity of 20MMTPA. The Company has over 5,700 operational outlets and more than 2,200 outlets at various stages of completion.

The financial statements of Nayara Energy Limited for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the directors on June 30, 2020.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind ASs), prescribed under Section 133 of the Companies Act 2013 (as amended) (herein after referred to as "the Act" read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

These financial statements are prepared under the accrual basis and historical cost measurement, except for certain financial instruments (refer accounting policy on financial instruments), which are measured at fair values. The financial statements provide comparative information in respect of the previous period. The financial statements are presented in Indian National Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest million, except where otherwise indicated. All amounts individually less than ₹ 0.5 million have been reported as "0".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each balance sheet date. The Company has also disclosed fair value of financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (refer note 43)
- Quantitative disclosures of fair value measurement hierarchy (refer note 43)
- Financial instruments (including those carried at amortised cost) (refer note 43)

B. Property, Plant and Equipment

Property, plant & equipment (PPE) is recorded at cost of acquisition less accumulated depreciation and impairment loss, if any. Capital work in progress is stated at cost, net of accumulated impairment losses, if any.

Cost of acquisition comprises of all costs incurred to bring the assets to their present location and working condition up to the date the assets are ready for their intended use. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection including turnaround and maintenance is performed, its cost is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Depreciation on PPE is provided, pro-rata for the period of use, by the straight line method, over the estimated useful life given below, which is different than useful life as specified in the Schedule II to the Companies Act, 2013. The estimate of the useful life of these assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Major inspection including turnaround and maintenance cost are depreciated over the next cycle. The estimated useful life of items of property, plant and equipment is mentioned below:

Particulars	Estimated useful life (in years)
Temporary Building	3
Building including taken on lease	15-60
Plant and machinery	2-40
Furniture and fixtures	1-10
Office equipment	1-6
Vehicles	1-10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

C. Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period, and treated as change in estimate, if any change is required.

The Company has estimated the useful life of software and licenses ranging from 3 - 5 years from the date of acquisition and amortises the same over the said period on a straight line basis.

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

D. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Current and Non-Current Classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

E. Leases (also refer note 5(i))

A contract or parts of contracts that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable period of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised or a termination option will not be exercised.

Company as a lessee

At the commencement of a lease contract, a right-of-use asset and a corresponding lease liability are recognised, unless the lease term is 12 months or less or value of underlying asset is of low value. The commencement date of a lease is the date the underlying asset is made available for use.

Lease liability is measured at an amount equal to the present value of the lease payments during the lease term that are not paid at that date. Lease liability includes contingent rentals and variable lease payments that depend on an index, rate, or where they are fixed payments in substance. The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate when the lease term changes following a reassessment.

Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.

In general, a corresponding right-of-use asset is recognised at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee adjusted for accumulated depreciation, impairment losses and any remeasurement of lease liabilities. The depreciation on right-of-use assets is recognised as expense unless capitalised when the right-of-use asset is used to construct another asset. Right of use assets are depreciated on a straight line basis over the lesser of the assessed useful lives of the asset, or the lease period.

Impairment of the right-of-use asset

Right-of-use assets are subject to existing impairment requirements as set out in 'Impairment of non-financials assets'.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

F. Inventories

Inventories 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 purchased and coal inventory is determined on a first in first out basis and the cost of all other inventories is determined on a monthly weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

G. Revenue recognition

(i) Sale of goods

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The recovery of excise duty flows to Company on its own account, revenue includes excise duty. Revenue does not include other taxes like GST, VAT, CST etc.

(ii) Variable consideration

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration. The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Company applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

H. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

I. Retirement and other employee benefits

Contributions to defined contribution plans are recognised as expense on accrual basis when employees have rendered services and as when the contributions are due.

The Company determines the present value of the defined benefit obligation and fair value of plan assets. The net liability or assets represents the deficit or surplus in the Company's defined benefit plans. (The surplus is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans). The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs;

- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under the head 'employee benefit expense' in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

- Net interest expense or income

J. Foreign currencies

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange difference arising on settlement/ restatement of long-term foreign currency monetary items recognized

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

in the financial statements for the year ended March 31, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/ upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable. Exchange difference arising on settlement / restatement of other items are charged to statement of profit and loss.

K. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. Derivatives can be financial assets or financial liabilities depending on whether value is positive or negative respectively.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

a) Initial Recognition and measurement

The Company initially recognises loans and advances, deposits and debt securities issued on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset is initially measured at fair value plus / minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification of financial assets

On initial recognition, a financial asset is classified into one of the following categories:

- Financial assets other than equity investment at amortised cost
- Financial assets other than equity investment at fair value through other comprehensive income (FVTOCI)
- Financial assets other than equity investment at fair value through profit or loss (FVTPL)

Financial assets other than equity investment measured at amortised cost:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to deposits, trade and other receivables.

Financial assets other than equity investment at FVTOCI:

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not designated at FVTPL;

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than equity investment at FVTPL:

FVTPL is a residual category for financial assets. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

c) Equity Investments

All equity investments within the scope of Ind AS 109 are measured at fair value with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

The Company accounts for its equity investments in subsidiaries and associates at cost less impairment loss (if any). The impairment, if any, is assessed, determined and recognised in accordance with policy applicable to 'impairment of non-financial assets

d) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

e) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- For other assets, the Company uses 12 month Expected Credit Loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime Expected Credit Loss is used.
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

f) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the statement of profit and loss and is included in the 'Other income' line item.

(ii) Financial liabilities / debt and equity instruments

a) Classification as financial liability / debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument in Ind AS 32.

b) Financial liabilities / debt

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings including payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. Derivative can be financial assets or financial liabilities depending on whether value is positive or negative respectively.

c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

d) Financial liabilities:

The financial liabilities used to minimise accounting mismatch are classified and measured as at FVTPL in accordance with Ind AS 109. All other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the standalone financial statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

e) Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the new liability recognised plus consideration paid or payable is recognised in the statement of profit and loss.

(iii) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

L. Derivative financial instruments and hedge accounting

(i) Initial recognition and subsequent measurement of Derivative and embedded derivatives financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks. These derivatives include foreign exchange forward contracts, foreign exchange options, commodity forward contracts, interest rate swaps and cross / full currency swaps.

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

All derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss or otherwise depends on the nature of the hedge item.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 'Financial Instruments' are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

(ii) Hedge Accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

  At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

(iii) Cash flow hedges

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

Hedge accounting is discontinued when 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 Cash Flow Hedge Reserve Account at that time is retained and is recognised when the forecast transaction is ultimately recognised and affects 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.

M. Borrowing Costs

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

N. Taxes

(i) Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. However, recognition of deferred tax asset is subject to the following exceptions: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.

(iii) Sales tax (includes value added tax and Goods and services tax)

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other assets and other liabilities in the balance sheet.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

O. Provisions and Contingent liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

P. Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Q. Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows a better understanding of the underlying performance of the business in the year and facilitates more appropriate comparison with prior periods. Exceptional items are adjusted in arriving at profit before tax.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Critical accounting judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Determination of functional currency

The Management makes judgements in determining the functional currency based on economic substance of the transactions relevant to each entity in the Company. In concluding that Indian Rupees is the functional currency for the parent company, the management considered (i) the currency that mainly influences the sales prices for goods and services, the labour, material and other costs of providing goods and services, and (ii) the effect of the competitive forces and regulations of the country which mainly determine the sales prices of the goods and services. As no single currency was clearly dominant, the management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained. The management has concluded that INR is the functional currency of the parent.

ii) Impairment of Investment

The investment in subsidiaries are tested for impairment in accordance with provisions applicable to impairment of non-financial assets. Generally these investment are tested for impairment on individual basis. However if the individual investment are not capable of generating cash flows independently being part of cash generating units of the group, then the same are tested for impairment as a part of cash generating unit of the group. This involves significant judgement in terms of how the individual cash generating unit is contributing towards generation of cash flows of the group.

The Company has considered investments in Vadinar Oil Terminal Limited (VOTL) as part of refinery business for impairment testing purpose.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalizing or cannot be quantified reliably are treated as contingent liabilities. Among other matters, such determination require involvement of legal and other subject matter experts. Depending on materiality, the Company may involve internal and/ or external experts to make such assessment. Contingent liabilities are disclosed in the notes but are not recognized. refer note 37.

ii) Fair value measurements of financial instruments

When the fair values of financial assets or financial liabilities recognised or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 43 for further disclosures.

iii) Duty drawback

Income on duty draw-back is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. The Company claims draw-back of National Calamity Contingent duty (NCCD) on exports in line with duty drawback rules and recognizes the same as revenue. The Company is confident of recovery and continues to recognise the duty draw-back claim {refer note 39 (A)}.

iv) Impairment of non-financial assets

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 47 in Standalone financial statements.

5. CHANGES IN ACCOUNTING POLICIES AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

i. Changes in accounting policies

A. Ind AS 116 - Leases

Effective April 1, 2019, the Company adopted Ind AS 116 – Leases ("Ind As 116) and applied to all lease contract, identified as lease under Ind AS 17 -Leases ("Ind AS 17"), existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the transition date.

All operating lease contracts, with limited exceptions, were recognised on the balance sheet by recognizing right-of-use assets and corresponding lease liabilities at the transition date. Company applied the modified retrospective transition method, and consequently

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

comparative information is not restated. As a practical expedient, no reassessment was performed of contracts that were previously identified as leases and contracts that were not previously identified as containing a lease applying Ind AS 17 Determining whether an Arrangement contains a Lease. At the adoption date, additional lease liabilities were recognised for leases previously classified as operating leases applying Ind AS 17. These lease liabilities were measured at the present value of the remaining lease payments and discounted using entity-specific incremental borrowing rates at April 1, 2019.

In general, a corresponding right-of-use asset was recognised for an amount equal to each lease liability, adjusted by the accumulated depreciation, amount of any prepaid or accrued lease payments relating to the specific lease contract, as recognised on the balance sheet at March 31, 2019.

The Company also applied the available practical expedients wherein company has:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

All the commitments existing as on the date of initial recognition of Ind AS 116 were taken in to account while calculating ROU Assets and Lease liabilities.

At the transition date, the remaining lease payments were discounted, as required under the transition approach chosen, using the incremental borrowing rate as per the transition date of April 1, 2019. To determine the incremental borrowing rate for each lease contract, a risk-free rate at transition date was applied, adjusted for other factors such as the credit rating of the entity that entered into the lease contract, a country risk premium, the impact of currency, an asset specific element and the term the lease contract. The incremental borrowing rates applied upon transition were in range of 6% to 9%. Refer note 40 for disclosure of lease accounting under Ind-AS 116.

On adoption of Ind AS 116 on date of transition, April 1, 2019, the Company has recognised ROU assets of ₹ 68,326 million, lease liabilities of ₹ 72,429 million, reversal of opening prepaid expenses of ₹ 308 million and reversal of embedded derivatives assets on such contracts of ₹ 2,699 million. Net impact of ₹ 4,626 million (net of tax credit of ₹ 2,483 million) has been adjusted in the retained earnings on the date of transition.

B. In addition, the below amendments have also became effective for the Company from financial year beginning April 1, 2019. However, the management has evaluated and determined that the adoption of these amendments will not have any material impact on the financial statements since there are no such transactions or the Company's existing policies are aligned to these amendments:

- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Amendments to Ind AS 109: Prepayment Features with Negative Compensation
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
- Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- Annual improvement to Ind AS (2018): These improvements include:
  - i. Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
  - ii. Amendments to Ind AS 111: Joint Arrangements
  - iii. Amendments to Ind AS 12: Income Taxes
  - iv. Amendments to Ind AS 23: Borrowing Costs

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

6 PROPERTY, PLANT AND EQUIPMENT, CAPITAL-WORK-IN-PROGRESS, GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)
	As at April 01, 2018	Additions (refer note 3)	Deductions	As at March 31, 2019	As at April 01, 2018	During the year	Deductions	As at March 31, 2019	As at March 31, 2019
A) Property, Plant & Equipment -Owned									
Land (Freehold)	52,811	3	-	52,814	-	-	-	-	52,814
Buildings	11,199	842	1	12,040	2,791	396	-	3,187	8,853
Plant and machinery	387,486	18,057	7,707	397,836	44,764	14,820	7,697	51,887	345,949
Furniture and fixtures	181	89	2	268	113	22	1	134	134
Office equipments	760	188	6	942	474	111	5	580	362
Vehicles	121	8	9	120	77	9	8	78	42
Total (I)	**452,558**	**19,187**	**7,725**	**464,020**	**48,219**	**15,358**	**7,711**	**55,866**	**408,154**
Property, Plant & Equipment obtained on finance lease									
Land	2	-	2	-	2	-	2	-	-
Plant and machinery	24	-	24	-	23	-	23	-	-
Total (II)	**26**	**-**	**26**	**-**	**25**	**-**	**25**	**-**	**-**
Total Property, Plant and Equipment (I+II)	**452,584**	**19,187**	**7,751**	**464,020**	**48,244**	**15,358**	**7,736**	**55,866**	**408,154**
B) Capital Work In Progress									
Capital work-in-progress									**4,761**
C) Goodwill									
Goodwill	10,324	-	-	10,324	-	-	-	-	**10,324**
D) Other intangible assets									
Softwares & licenses	1,058	65	-	1,123	728	131	-	859	**264**
Total (A+B+C+D)	**463,966**	**19,252**	**7,751**	**475,467**	**48,972**	**15,489**	**7,736**	**56,725**	**423,503**

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

6 PROPERTY, PLANT AND EQUIPMENT, CAPITAL-WORK-IN-PROGRESS, GOODWILL, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)
	As at April 01, 2019	Additions (refer note 3 & 5 below)	Deductions/ Remeasurement	As at March 31, 2020	As at April 01, 2019	During the year	Deductions	As at March 31, 2020	As at March 31, 2020
A) Property,Plant & Equipment -Owned									
Land (Freehold)	52,814	48	-	52,862	-	-	-	-	52,862
Buildings	12,040	237	-	12,277	3,187	366	-	3,553	8,724
Plant and machinery	397,836	3,607	217	401,226	51,887	15,974	55	67,806	333,420
Furniture and fixtures	268	11	8	271	134	21	7	148	123
Office equipments	942	857	60	1,739	580	258	57	781	958
Vehicles	120	22	2	140	78	8	2	84	56
Total Property, Plant and Equipment	**464,020**	**4,782**	**287**	**468,515**	**55,866**	**16,627**	**121**	**72,372**	**396,143**
B) Capital Work In Progress									
Capital work-in-progress									**5,145**
C) Goodwill									
Goodwill	10,324	-	-	10,324	-	-	-	-	**10,324**
D) Other intangible assets									
Softwares & licenses	**1,123**	**187**	**1**	**1,309**	**859**	**121**	**1**	**979**	**330**
E) Right-of-Use assets (refer note - 40)									
Tangible Assets									
Land	-	7,463	101	7,362	-	315	-	315	**7,047**
Building	-	1,618	-	1,618	-	253	-	253	**1,365**
Plant & machinery	-	33,946	-	33,946	-	11,020	-	11,020	**22,926**
Total Tangible Assets	**-**	**43,027**	**101**	**42,926**	**-**	**11,588**	**-**	**11,588**	**31,338**
Intangible Assets									
Trademark	-	27,138	85	27,053	-	1,470	-	1,470	**25,583**
Total Right-of-use assets	**-**	**70,165**	**186**	**69,979**	**-**	**13,058**	**-**	**13,058**	**56,921**
Total (A+B+C+D+E)	**475,467**	**75,134**	**474**	**550,127**	**56,725**	**29,806**	**122**	**86,409**	**468,863**

for details of assets pledge as security, refer note 20 and 24.

Notes:
1. Land having carrying value of ₹ 22,969 million (Previous year ₹ 22,969 million) has been given on operating lease which are being used for principal business activities of the Company. A charge has been created on this land in favour of the lenders of the Company's subsidiary.
2. Land and building having carrying value of ₹ 2,676 million (Previous year ₹ 2,676 million) has been pledged for a loan taken by a third party. The Company is in discussion with the lender for release of the pledge.
3. Additions to plant and machinery include exchange loss on long-term foreign currency borrowing taken to finance property plant and equipment (refer note 3(J)) amounting to ₹ 1,507 million (Previous year loss of ₹ 1,774 million) and borrowing cost of Nil (Previous year ₹ 176 million).
4. In line with its major maintenance practices, the Company had completed major maintenance of its refinery and all other plant and machinery during turnaround activity. The Company incurred total cost of ₹ 324 million under other expenses (previous year ₹ 9,460 million - including raw materials consumption of ₹ 1,202 million, salary of ₹ 242 million and other expense of ₹ 3,119 million) on the major maintenance activity which have been capitalised to the plant and machinery.
5. Additions to ROU assets includes ₹ 68,326 million accounted for on April 1, 2019 on implementation of Ind AS 116.
6. The Company incurred total cost of ₹ 1,809 million (including salary of ₹ 264 million and other expense of ₹ 1,545 million) for petrochemical project which is included in Capital work in progress.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

7 INVESTMENTS (NON CURRENT) (UNQUOTED)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
(1) Investment in equity shares of subsidiaries - At cost		
314,323,454 (Previous year 314,323,454) equity shares of ₹ 10 each of Vadinar Oil Terminal Limited (VOTL)**#	**105,104**	105,104
100 (Previous year 100) equity shares of USD 1 each of Nayara Energy Global Limited {formerly known as Essar Oil Trading Mauritius Limited (EOTML)}	**0**	0
37,500 (Previous year 37,500) equity shares of ₹ 10 each of Coviva Energy Terminals Limited (CETL)	**0**	0
(2) Other Investments - At FVTPL		
13,000,000 (Previous year 13,000,000) equity shares of ₹ 10 each of Petronet VK Limited*	**-**	-
1,584,000 (Previous year 1,584,000) equity shares of ₹ 10 each of Petronet CI Limited * @	**-**	-
10,000,000 (Previous year 10,000,000) equity shares of ₹ 0.10 each of Petronet India Limited * @	**-**	-
Total	**105,104**	105,104

Particulars	As at March 31, 2020	As at March 31, 2019
Investment at cost	**105,104**	105,104
Investment at fair value through profit and loss account	**-**	-
Total	**105,104**	105,104

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate amount of unquoted investments	**105,104**	105,104
Total	**105,104**	105,104

* Investments are fair valued at Zero.

** Includes ₹ 2,376 million (Previous year ₹ 2,376 million) representing the fair value of a financial guarantee issued in favour of the said subsidiary.

@ companies are under liquidation

A charge has been created on investment in favour of lenders of Company and the said subsidiary as well.

For details of investments pledged as security against borrowings, refer note 20 and 24.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

8 OTHER FINANCIAL ASSETS (NON CURRENT) (UNSECURED AND CONSIDERED GOOD, UNLESS OTHERWISE STATED)

(₹ in million)

Particulars		As at March 31, 2020	As at March 31, 2019
Security deposits	(A)	333	306
Other receivables			
Export incentive receivables {refer note 39(A)}		-	4,163
From Others {refer note 39(B)}			
- Considered good		789	926
- significant increase in credit risk		338	159
- Less: Expected credit loss {refer note 43(C)(v)}		(338)	(159)
	(B)	789	5,089
Bank Deposits with remaining maturity of more than twelve months	(C)	20	-
Interest accrued on bank deposits	(D)	0	0
Derivative Assets	(E)	116	2,840
	Total (A+B+C+D+E)	1,258	8,235

For details of assets pledged as security against borrowings, refer note 20 and 24.

9 OTHER NON-CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	239	645
Capital advances	245	59
Claims / other receivables		
- Considered good	2,233	2,377
- Considered doubtful	280	-
- Less: Provision for doubtful debt	(280)	-
Total	2,717	3,081

For details of assets pledged as security against borrowings, refer note 20 and 24.

10 INVENTORIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials {including in transit ₹ 8,995 million (Previous year ₹ 31,447 million)}	21,839	55,560
Work-in-progress	17,149	18,761
Finished goods {including in transit ₹ 2,777 million (Previous year ₹ 658 million)}	13,540	14,497
Stores and spare parts {including in transit ₹ 8 million (Previous year ₹ 21 million)}	5,068	4,110
Other consumables {including in transit ₹ 662 million (Previous year ₹ 701 million)}	1,662	1,762
Total	59,258	94,690

a. Inventories are net of non-cash inventory holding loss amounting to ₹ 11,822 million (previous year ₹ Nil), refer note 35.
b. For details of inventories pledged as security against borrowings, refer note 20 and 24.
c. Refer note 3(F) for basis of valuation.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

11 INVESTMENTS (CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in mutual funds - At FVTPL*	-	1,001
Total	-	1,001

*Aggregate amount of quoted investments and market value thereof.
For the Company's exposure to credit risks refer note 43(C)(v)

12 TRADE RECEIVABLES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Unsecured *	**12,703**	36,891
Trade Receivables - credit impaired	**8**	8
	12,711	36,899
- Less: Expected credit loss {refer note 43(C)(v)}	**(8)**	(8)
Total	**12,703**	36,891

* Includes ₹ 5,587 million (Previous year ₹ 2,266 million) backed by letters of credit.

For the Company's exposure to credit and currency risks, and loss allowances related to trade receivables, refer note 43(C)(v).

For amounts due from related parties, refer note 45.

For details of assets pledged as security against borrowings, refer note 20 and 24.

For details of bills discounting not meeting derecongnition criteria, refer note 24.

The Company has discounted bill receivables amounting to ₹ 7,391 million (As at March 31, 2019 ₹ 4,508 million), on non-recourse basis. The management has assessed that the Company does not have any continuing involvement with the said bills discounted, except in an unlikely scenario of dispute arising with regard to the existence of the receivable discounted. Accordingly, the discounting meets derecognition criteria and the money received has been netted off from the trade receivables discounted.

13 CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in:		
- Current accounts	**6,832**	3,323
- Exchange earners' foreign currency (EEFC) accounts	**19,137**	1,446
Cheques on hand	-	8
Cash on hand	-	1
Total	**25,969**	4,778

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked bank balances (debenture / unclaimed debenture interest)	**10**	9
Margin deposits*	**6,475**	6,274
Other deposits	**0**	0
Total	**6,485**	6,283

* Mainly placed as margin for letters of credit facilities, guarantees and short term borrowings obtained from banks and to earn interest at the respective bank deposit rates.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

15 LOANS (CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Inter Corporate Deposits to a related party considered good - Unsecured	15	15
Total	**15**	15

16 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in million)

Particulars		As at March 31, 2020	As at March 31, 2019
Security deposits	(A)	221	201
Other receivables			
Export incentive receivables {refer note 39(A)}		4,614	-
- From related parties			
- Considered good		4	2
- From others			
- Considered good		13,700	2,537
- significant increase in credit risk		624	270
- Less: Expected credit loss {refer note 43(C)(v)}		(624)	(270)
	(B)	18,318	2,539
Interest accrued on bank deposits	(C)	121	143
Derivative assets	(D)	12,917	3,887
	Total (A+B+C+D)	**31,577**	6,770

For details of assets pledged as security against borrowings, refer note 20 and 24.

17 OTHER CURRENT ASSETS (UNSECURED AND CONSIDERED GOOD, UNLESS OTHERWISE STATED)

(₹ in million)

Particulars		As at March 31, 2020	As at March 31, 2019
Advances recoverable in cash or in kind or for value to be received		924	783
Prepaid expenses (refer note 45)		3,961	4,518
Balances with government authorities		359	304
	(A)	5,244	5,605
Claims / other receivables			
- Considered good		554	42
	(B)	554	42
	Total (A+B)	**5,798**	5,647

For details of assets pledged as security against borrowings, refer note 20 and 24.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

18 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	₹ in million	Number of shares	₹ in million
Authorised				
Equity shares of ₹ 10 each	8,000,680,000	80,007	8,000,680,000	80,007
Preference Shares of ₹ 10 each	1,000,000,000	10,000	1,000,000,000	10,000
Issued and subscribed				
Equity shares of ₹ 10 each	1,552,487,155	15,525	1,552,487,155	15,525
Paid up				
Equity shares of ₹ 10 each fully paid up	1,490,561,155	14,906	1,490,561,155	14,906
Add : Forfeited shares - Equity shares of ₹ 10 each	61,926,000	166	61,926,000	166
		15,072		15,072

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	₹ in million	Number of shares	₹ in million
Equity Shares outstanding at the beginning of the year	1,490,561,155	14,906	1,490,561,155	14,906
Add : Equity shares issued	-	-	-	-
Shares outstanding at the end of the year	1,490,561,155	14,906	1,490,561,155	14,906

The above includes 475,731,927 (Previous year 951,463,854) underlying equity shares represented by 3,109,359 (Previous year 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.

The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 equity shares, less the fees and expenses payable under the Deposit Agreement and any Indian tax applicable to such dividends. The holders of GDS are entitled to instruct the Depository to exercise the voting rights, arising under the equity shares represented by the GDS at general meetings and through postal ballot. In the event of liquidation the rights of the GDS holders are equivalent to rights of the equity shareholders.

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

c) **Details of shareholders holding more than 5% shares (including GDS) in the Company:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of shares	Number of shares	% of shares
3,109,359 (3,109,359 as at March 31, 2019) GDS held by Kesani Enterprise Company Ltd	**475,731,927**	**31.92%**	475,731,927	31.92%
Nil (3,109,359 as at March 31, 2019) GDS held by Rosneft Singapore Pte. Limited (Formerly known as Petrol Complex Pte. Limited)	**-**	**0.00%**	475,731,927	31.92%
Equity shares held by Kesani Enterprise Company Ltd	**256,594,520**	**17.21%**	256,594,520	17.21%
Equity shares held by Rosneft Singapore Pte. Limited (Formerly known as Petrol Complex Pte. Limited)	**732,326,446**	**49.13%**	256,594,519	17.21%

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of equity shares.

19 OTHER EQUITY

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve	**596**	596
Retained earnings	**101,823**	91,607
Other Comprehensive Income:		
Cash flow hedge reserve	**(22,005)**	(417)
Foreign currency monetary item translation difference account	**(188)**	(230)
Other Reserves:		
Capital reserve	**409**	409
Securities premium	**78,014**	78,014
Total	**158,649**	169,979

General reserve: Represents the reserve mainly created on account of amount transfer from debenture redemption reserve on redemption of debentures. It can be used for distribution to equity shareholders only after complying with restrictions contained in the Companies (Declaration and Payment of Dividend) Rules, 2014 as amended.

Retained earnings: Net earnings, retained by the Company to be reinvested in its core business. It also includes fair valuation of property, plant and equipment and other assets done by the Company on transition to Ind AS and used as deemed cost of the concerned assets. Whether the Company can use these amount for distribution depend on specific requirements of the Companies Act, 2013 (as amended) and rules framed thereunder. Particularly, unrealised fair value gains cannot be used for dividend distribution.

Cash flow hedge reserve: Changes in the fair value of derivatives/ hedging instruments that are designated and qualify as cash flow hedges are deferred in the "Cash Flow Hedge Reserve". The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts deferred in the Cash Flow Hedge Reserve Account are recycled in the statement of profit and loss in the periods when the hedged item is recognised and affects the statement of profit and loss, in the same line as the hedged item.

Foreign currency monetary item translation difference account: Represents exchange differences arising on reporting of long-term foreign currency monetary items that are accumulated and amortised over the balance period of such long-term liability by recognition as income or expense in each such periods.

Capital reserve: Capital reserve can be utilised for issuance of bonus shares.

Securities premium: The amount in the account represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares. The same can be utilised for the items specified under section 52 of the Companies Act, 2013.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

20 BORROWINGS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Borrowings - At amortised cost		
Non convertible debentures	**23,920**	23,860
Term loans from banks*	**54,744**	73,336
Current maturities of long term debt included under other financial liabilities (refer note 26)	**(6,754)**	(7,826)
Total	**71,910**	89,370

* refer note 43(C)(ii)for borrowings outstanding in foreign currencies.

(A) Security for term loans and funded interest facilities from banks and debentures

(₹ in million)

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
i)	ECB loan is secured by first charge, ranking pari passu with other term lenders on all present and future immovable assets (except certain leased out assets and fixed assets of power plant), all present and future movable assets, security interest on the rights, title and interest under project documents, insurance policies and second charge pari-passu with other term lenders on the current assets.	12,861	23,166
ii)	Rupee and USD loan availed from various banks/ financial institutions are secured by first charge, ranking pari- passu with other term lenders on the fixed assets (movable and immovable) , both present and future of the Company (except certain leased out assets and fixed assets of power plant). Second charge, pari- passu with other term lenders on the current assets of the Company, first charge by way of assignment or security interest over all rights, tiles, insurance and interest in all project documents to which the Company is a party, first charge on DSRA/ margin as and when created.	35,767	36,507
iii)	Non convertible debentures are secured by first charge, ranking pari-passu with other lenders on the fixed assets (movable and immovable except certain leased out assets and fixed assets of power plant), both present and future of the Company in relation to Project, Second charge, pari- passu with other term lenders on the current assets of the Company, first charge by way of assignment or security interest over insurance policy.	23,920	23,860
iv)	Rupee Term Loans along with interest are secured by first pari passu charge over both movable and immovable fixed assets of power plant of the Company, both present and future, Second charge, pari- passu with other term lenders on the current assets of the Group.	6,116	13,663
	Total	**78,664**	**97,196**

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

(B) Repayment and other terms:

(₹ in million)

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
i)	ECB Loans carry interest rate of 3 months / 6 months LIBOR + margin ranging from 3.60% p.a. to 5.00% p.a. are repayable in unequal instalments starting from March 2015 and ending in June 2024.	12,861	23,166
ii)	Rupee loan and USD Loan from various lenders carry interest of respective lenders rate of 3/6 month MCLR/ 3 months USD LIBOR + spread ranging from 40 bps to 360 bps and is repayable in unequal instalments starting from March 2018 and ending to June 2038.	35,767	36,507
iii)	The rupee term loan facility from banks carry interest rate at bank's 1Y MCLR + 1.17% is repayable in 30 structured quarterly instalments beginning March 31, 2020 and ending to September 2027.	6,116	-
iv)	The rupee term loan facility from banks carry interest rate at bank's 3M MCLR + 0.90% is repayable in 51 structured quarterly instalments beginning December 31, 2017 and ending to June 2030.	-	13,663
v)	Non-convertible debentures carry fixed interest of 9.50% p.a. is repayable in a single bullet in July 2021.	23,920	23,860
	Total	**78,664**	**97,196**

(C) In March 2017, the Company and Vadinar Power Company Limited (VPCL) (now merged with the Company) applied to one of its lenders to prepay the entire outstanding loans along with applicable interest and prepayment penalty. The said lender did not respond to the said request and subsequently in August 2017, the Company and VPCL went ahead and prepaid all their dues to the said lender aggregating to ₹ 6,037 million (including interest and prepayment penalty of ₹ 77 million). The Company has issued legal notice and filed writ petition in Hon'ble High Court of Bombay against the lender, for release of charge over assets of the Company and issue of no dues certificate, which is under consideration.

The Company has obtained legal advice on the current situation, as per which no additional liability should devolve on the Company with respect to its borrowings from the said lender and accordingly, the Company has not recorded any liability with respect to the same.

21 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	**76**	64
Lease liabilities (refer note 40)	**55,647**	-
Derivative Liabilities	**5,707**	1,296
Financial guarantee obligation liability	**788**	1,351
Advances received from customers (refer note 45)	**108,054**	68,797
Total	**170,272**	71,508

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

22 TAXATION

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities (Net)	45,094	72,661
Total	45,094	72,661

(A) Income tax (benefit) / expense

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Total tax expense (reversed) / charged to statement of profit and loss	(17,989)	1,944
Deferred tax (reversed) / charged to other comprehensive (loss) / income	(7,095)	394

(B) The income tax expenses for the year can be reconciled to the accounting profit as follows:

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(Loss) / Profit before tax	(3,138)	5,386
Statutory tax rate	25.17%	34.94%
Expected income tax (reversal) / expense at statutory rate	(790)	1,882
Items giving rise to difference in tax		
Deferred tax asset not recognised (net)	113	-
Effect of change in indexed cost of land	(243)	(243)
Effect of change in tax provisions (refer note (E) below)	(17,094)	-
Others	25	305
Total Income tax (reversal) / expense	(17,989)	1,944
Effective tax rate (Excluding effect of changes in tax provisions)	28.52%	36.09%
Effective tax rate (Including effect of changes in tax provisions)	573.26%	36.09%

(C) Composition of deferred tax (assets) / liabilities:

(₹ in million)

Deferred tax balance in relation to	As at March 31, 2019	Recognised through profit and loss	Recognised in other comprehensive income	Recognised in Equity (on initial adoption of Ind-AS 116)	As at March 31, 2020
Difference in Property, plant and equipment	97,025	(13,336)	-	-	83,689
Carried forward unabsorbed depreciation	(23,045)	5,162	-	-	(17,883)
Carried forward Business Loss	(512)	66	-	-	(446)
Effect of mark to market accounting	1,155	5,412	(7,095)	-	(528)
Lease Accounting	-	(14,093)		(2,483)	(16,576)
Inventory- Provision for NRV	-	(2,976)	-	-	(2,976)
Others	(308)	122	-	-	(186)
Total (A)	**74,315**	**(19,643)**	**(7,095)**	**(2,483)**	**45,094**
MAT credit entitlement (Total B)	**(1,654)**	**1,654**	-	-	-
Total (A+B)	**72,661**	**(17,989)**	**(7,095)**	**(2,483)**	**45,094**

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

(₹ in million)

Deferred tax balance in relation to	As at March 31, 2018	Recognised through profit and loss	Recognised in other comprehensive income	Impact on account of merger	As at March 31, 2019
Difference in Property, plant and equipment	93,183	3,842	-	-	97,025
Carried forward unabsorbed depreciation	(17,515)	(5,530)	-	-	(23,045)
Carried forward Business Loss	-	(512)	-	-	(512)
Effect of mark to market accounting	(25)	786	394	-	1,155
Lease Accounting	-	-	-	-	-
Others	(3,666)	3,358	-	-	(308)
Total (A)	**71,977**	**1,944**	**394**	**-**	**74,315**
MAT credit entitlement (Total B)	**(3,454)**	**-**	**-**	**1,800**	**(1,654)**
Total (A+B)	**68,523**	**1,944**	**394**	**1,800**	**72,661**

(D) The Company has not recognised deferred tax assets of ₹ 7,923 million (March 31, 2019 ₹ 7,923 million) on carried forward short term capital losses in the absence of a reasonable certainty towards their utilisation. These losses can be carried forward upto March 31, 2026.

(E) The Company has foregone its MAT Credit and opted for lower corporate tax rate of 25.17% as provided under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 and accordingly has calculated its tax charge. Further, the Company has also re-measured its deferred tax balances as at April 1, 2019 on the revised tax provisions and a net credit of ₹ 17,094 million has been accounted for on such re-measurement.

23 OTHER NON-CURRENT LIABILITIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance received from customers	**22,885**	35,821
Total	**22,885**	35,821

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

24 SHORT TERM BORROWINGS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Borrowings		
Buyers' credits and bills discounting* @	**4,523**	32,729
Bank overdraft	**-**	1,729
Short term loan from banks	**-**	14,971
Working capital demand loan from bank	**4,250**	7,973
Total	**8,773**	57,402

Security for short term borrowing:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Buyers' credits is Secured / to be secured by first charge on entire current assets of the Company (existing and future) on a pari passu basis among lenders, second charge on Property Plant and Equipment including both present and future (except certain leased out assets and fixed assets of power plants) on a pari passu with other lenders, and certain shares of a related party on a pari passu with other lenders. The loan carries an interest rate which is determined and fixed on date of availing of the loan which is presently at 3.00% p.a. to 8.40% p.a. and are repayable within 3 months of being drawn.	4,523	32,729
b) Bank overdraft / cash credit from bank is secured by fixed deposits maintained with a bank and carries interest rate of 1% over fixed deposits rate and is repayable on demand.	-	1,729
c) Short Term Loan of from bank is secured by first charge on entire current assets of the Company (existing and future) on a pari passu basis among lenders; second charge on Property Plant and Equipment including both present and future (except fixed assets of power plants) on a pari passu with other lender, and certain shares of a related party on a pari passu with other lenders. The loan carries an interest rate of 3 months marginal cost of funds based lending rate (MCLR) plus spread of 0.60% p.a. and 6 months marginal cost of funds based lending rate (MCLR) plus spread of 0.60% p.a. i.e. 8.95% to 9.40% and is repayable within six month of being drawn.	-	14,971
d) Working Capital Demand loan from bank is secured / to be secured by i) first charge on all current assets both present and future including all receivables ranking pari passu basis among lenders, second charge by way of mortgage of immovable and movable properties, including revenues both present and future on pari passu with other lenders and certain shares of a related party on a pari passu with other lenders. These loans carries fixed interest rate of 7.2% and 3 months marginal cost of funds based lending rate (MCLR) i.e. 8.65% p.a. These loans are repayable on demand.	4,250	7,973
Total	**8,773**	57,402
* The Company has discounted trade receivable on full recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. The related trade receivables have been disclosed under note 12	-	17,165

@ refer note 43(C)(ii) for borrowings outstanding in foreign currencies

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

25 TRADE PAYABLES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro and small enterprises (refer note 41)	33	23
Total outstanding dues of creditors other than Micro and small enterprises (refer note 45)	99,607	92,695
Total	99,640	92,718

Trade payables are non-interest bearing and are normally settled within 0-90 days.

26 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt (refer note 20)	6,754	7,826
Interest accrued but not due on borrowings	2,352	1,779
Capital creditors	765	1,038
Security deposits	223	208
Lease liabilities (refer note 40)	12,619	-
Unclaimed debenture interest and principal (secured)#	10	10
Advances received from customers (refer note 45)	73,721	55,424
Other liabilities	1,733	3,167
Financial guarantee obligation liability	238	256
Derivative Liabilities	9,264	1,819
Total	107,679	71,527

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

27 OTHER CURRENT LIABILITIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues@	8,084	9,696
Advances received from customers	17,649	15,883
Export Obligation Deferred Income*	60	303
Total	25,793	25,882

@Statutory dues mainly includes contribution to PF, withholding taxes, excise duty and sales tax / GST etc.

*In respect of unfulfilled export obligation of ₹ 63,413 million (Previous year ₹ 256,993 million).

28 PROVISIONS (CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Compensated absences	409	367
Gratuity (refer note 44)	381	429
Total	790	796

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

29 REVENUE FROM OPERATIONS

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from sale of products #		
Sale of manufactured products	**866,696**	829,974
Sale of traded goods	**129,202**	152,746
Other operating revenues {refer note 39(A)}*	**3,513**	4,409
Total	**999,411**	987,129

Comprises of revenue from contracts with customers of ₹980,384 million (Previous year ₹ 1,005,291 million) recognised at a point in time and ₹ 15,514 million pertaining to hedging gain (Previous year ₹ 22,571 million pertaining to hedging loss) related to sales which are recycled from the cash flow hedge reserve when the underlying sales contract is executed and concluded.

* Includes duty drawback income of ₹ 1,024 million (Previous year ₹ 862 million) and export obligation fulfilment income of ₹ 305 million (Previous year ₹ 1,919 million).

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers. The management believes that such disaggregation better depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Export sales {including deemed export of ₹ Nil million (Previous year ₹ 4,086 million)	353,551	362,478
Domestic Oil marketing companies	215,630	273,010
Retail outlets	377,019	332,967
Others	34,184	36,836
Total revenue from contracts with customers	**980,384**	1,005,291

(₹ in million)

Contract balances	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Trade receivables *	12,703	36,891	29,270
Contract liabilities	222,309	175,925	94,519

* Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days. As on March 31, 2020, ₹ 8 million (Previous year ₹ 8 million) has been recognised towards provision for expected credit losses on trade receivables."

Contract assets are initially recognised for revenue earned from sale of the petroleum products when receipt of consideration is conditional on successful completion of billing shipment. Upon completion of billing milestone, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities include long-term / short-term advances received to deliver petroleum products.

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue recognised out of contract liabilities outstanding at the beginning of the year	72,608	25,539

Changes in contract liabilities are mainly due to revenue being recognised against the same, receipt of new advances and foreign exchange fluctuations.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Reconciliation of the amount of revenue from contract with customers with the contracted price

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue as per contracted price	983,036	1,007,422
Adjustments		
Discount and incentives	(2,652)	(2,131)
Revenue from contract with customers	**980,384**	1,005,291

Performance obligation

The performance obligation is satisfied upon delivery of the goods and services made as per the terms agreed with customers and payment is generally due within 0 to 30 days from delivery except in case of adjustment against export advances. Pricing of sales made under these export advances is based on market index at the time of supply. Hence it reflects fair value.

30 OTHER INCOME

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- Bank deposits (carried at amortised cost)	**1,341**	708
- Other financial assets (carried at amortised cost) {refer note 39(B)}	**144**	120
- Derivative instruments - not designated as hedge	**-**	544
	1,485	1,372
Other non-operating income	**988**	805
Other gains (net)		
- Gain on settlement of commodity derivative - carried at FVTPL	**3,752**	13,473
- Net gain on investments carried at FVTPL	**201**	768
- Unwinding of finance guarantee obligation	**580**	769
Total	**7,006**	17,187

31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in million)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Opening inventories:			
- Finished goods		**14,497**	13,016
- Work-in-progress		**18,761**	17,931
- Stock-in-trade		**-**	1
	(A)	**33,258**	30,948
Closing inventories:			
- Finished goods		**13,540**	14,497
- Work-in-progress		**17,149**	18,761
	(B)	**30,689**	33,258
Non-cash inventory holding loss (part of exceptional Item ,refer note 35)	**(C)**	**6,336**	-
Net (Increase) in Inventory	**Total (A)-(B)-(C)**	**(3,767)**	(2,310)

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

32 EMPLOYEE BENEFITS EXPENSE*

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	6,131	4,757
Contribution to provident and other funds (refer note 44)	434	311
Staff welfare expenses	316	199
Total	6,881	5,267

* ₹ 264 million (Previous year NIL) petrochemical division related expense capitalised (refer note 6).

* net of Nil (Previous year ₹ 242 million) capitalised during turnaround (refer note 6).

33 FINANCE COSTS*

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest		
a) On debentures	2,285	1,530
b) On term loans	5,340	7,122
c) Interest expenses on lease liabilities (refer note 40).	4,667	-
d) On others	8,996	9,135
Exchange differences regarded as an adjustment to borrowing costs	-	123
Derivative instruments-carried at FVTPL	584	-
Other finance charges	3,889	4,419
Total	25,761	22,329

* net of NIL (Previous year ₹ 176 million) capitalised during the year (refer note 6).

34 OTHER EXPENSES*

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of chemical, catalyst, stores and spare parts	3,846	3,248
Product and Intermediate material storage charges	3,556	14,875
Consumption of power, fuel and electricity {exclude fuel consumed out of own production ₹ 16,996 million (Previous year ₹ 16,872 million)}	9,626	9,662
Rent / Return on investment / Adhoc Compensation to retail outlets	-	671
Freight and Forwarding Charges	12,160	9,662
Rent, rates and taxes	2,928	3,400
Insurance	952	621
Legal and professional fees {refer note (a) below}	3,459	2,975
Repairs and maintenance	1,814	1,627
Debit balance / doubtful debts written off net of provision	344	4
Loss on disposal / discard of property, plant and equipment (net)	3	172
Exchange differences (net)	7,250	6,809
Trademark Fees	66	2,555
Sundry expenses {refer note (b) below}	3,828	2,556
Expected credit loss {refer note 43(C)(v)}	533	190
Total	50,365	59,027

* Net of ₹ 1,545 million (Previous year NIL) petrochemical division related expense capitalised (refer note 6).

* Net of ₹ 324 million (Previous year ₹ 3,119 million) capitalised during refinery turnaround (refer note 6).

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

Notes:

(a) Details of payments to Auditors included in Legal and professional fees

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit	**20**	16
Review of interim financial information	**11**	11
Tax audit and transfer pricing and other certifications$	**1**	4
Audit and/or review of financial information for reporting to promoters	**-**	3
The audit of Special purpose historical IFRS financial statements prepared for the purpose of a proposed bond issue	**-**	30
Other Services	**2**	-
Out of pocket expenses	**2**	1
Total	**36**	65

$ Includes Nil (Previous year ₹ 3 million) towards audit of special purpose financial statements and revised tax audit prepared to give effect of the merger.

Additionally a sum of Nil (Previous year ₹ 4 million) was paid to the auditors for reporting to the erstwhile promoters, the cost for which has been reimbursed to the Company.

(b) Details of expenditure on Corporate Social Responsibility included in Sundry expenses

The Company has incurred an amount of ₹ 78 million (March 31, 2019 ₹ 90 million) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses.

(₹ in million)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	In - cash	Yet to be paid in - cash	In - cash	Yet to be paid in - cash
(A) Gross amount required to be spent by the Company during the year	Nil		198	
(B) Amount spent on:				
(i) Construction / acquisition of assets			-	-
(ii) On purposes other than (i) above (for CSR projects)	66	12	84	6
Total	**66**	**12**	**84**	6

35 EXCEPTIONAL ITEMS

Exceptional items comprise of

(₹ in million)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A	Variation in foreign exchange fluctuation on overdue crude purchase liabilities (net of earmarked bank balances) and other related costs	**-**	1,773
B	Non cash inventory holding loss on closing inventories due to fall in oil prices*	**11,822**	-
C	Non-cash commodity derivative gains to hedge price risk - not designated as hedge	**(7,278)**	-
	Total	**4,544**	1,773

* Non cash inventory holding loss include ₹ 5,486 million on raw materials and ₹ 6,336 million on finished goods/Work-in-progress inventory.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

36 EARNINGS PER SHARE

The following table reflects the profit and data on equity shares used in the basic and diluted EPS computations:

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to ordinary equity share holders for basic and diluted earnings (₹ In million)	(A)	**14,851**	3,442
Weighted average number of ordinary shares for basic and diluted EPS	(B)	**1,490,561,155**	1,490,561,155
Nominal value of ordinary shares (₹)		**10/-**	10/-
Basic and Diluted earnings per share (₹)	(A/B)	**9.96**	2.31

37 CONTINGENT LIABILITIES

(₹ in million)

Particulars		As at March 31, 2020	As at March 31, 2019
A.	**Claims against the Company not acknowledged as debts**		
i)	Claims filed by creditors of an erstwhile subsidiary (Essar Oil & Gas Exploration & Production Limited). The Company reserves its right to claim the entire amount back from the said entity.	**402**	555
ii)	Pursuant to a take or pay arrangement (arising out of assignment of a contract for specified periods) for supply of Natural gas, a claim has been raised on the Company by the supplier, after adjusting an amount of ₹ 1,860 million realised by invoking the Bank Guarantee provided by the Company which has since been reimbursed by the assignor, as on March 31, 2020. The Company has disputed the entire claim and the matter is currently under arbitration. The Company on the basis of legal advice does not expect any material liability to devolve on the Company.	**19,623**	17,957
iii)	Other claims against the Company	**1,888**	1,928
B.	**Other money for which the Company is contingently liable**		
i)	In respect of income tax demands on various issues	**270**	263
ii)	In respect of Sales tax / VAT on sale of SKO and LPG to Oil marketing companies which were ultimately sold through Public Distribution system {includes likely reimbursement of ₹ 33,758 million (as at March 31, 2019 ₹ 31,243 million)}	**42,311**	39,204
iii)	Other demands of Sales tax /VAT	**855**	818
iv)	In respect of custom duty / excise duty / service tax mainly relating to classification of products sold, allowability of cenvat credit {includes likely reimbursement of ₹ Nil (as at March 31, 2019 ₹ 521 million)}	**6,915**	7,851
v)	The Reserve Bank of India (RBI) levied a penalty on the Company for delay in the allotment of equity against advances for Global Depositary Shares (GDS). The Company contested the penalty and appealed to the RBI Governor which was rejected. The Company has challenged the same before the Bombay High Court through a writ petition. In the meanwhile, the Enforcement Directorate initiated and closed an investigation in the matter and the order is awaited. The management is of the opinion that it should get relief and at most be liable for a sum of ₹ 49 million only (Previous year ₹49 million) for which necessary provision has been made in these financial statements.	**2,412**	2,412

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

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

38 CAPITAL AND OTHER COMMITMENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Capital commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**5,902**	1,779

B. Other commitments

(i) 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 ending on September 29, 2023. This bareboat charter gets implemented only if ESCL defaults in 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.

(ii) The Company has an obligation arising out of the regulatory guidelines to operate retail fuel outlets in India to setup retail fuel outlets in remote service areas. The extent of the remote service areas are directly related to the outlets the Company have in the network. The Company has 211 numbers of retail outlets to be setup on the balance sheet date and discussion with the Ministry of Petroleum & Natural Gas is in progress on the Company's plan for fulfilling the obligation and seeking support in terms of time period of implementation and supply security of products in the remote service areas.

39 (A) Revenue from operation includes ₹ 669 million (Previous year ₹ 526 million) towards duty drawback on National Calamity Contingent Duty (NCCD) paid on imported crude which was recognised based on a favourable order of the Hon'ble Gujarat High Court. The department vide its notification dated 12th May 2020 fixed the brand rate on Duty Drawback of NCCD. Accordingly, the Company has assessed the recovery of above income as highly probable and considered the total receivables of ₹ 4,455 million (As at March 31, 2019 ₹ 4,013 million) as good of recovery and classified as current.

(B) The Hon'ble Supreme Court of India in July 2015 had ordered a customer to pay ₹ 1,821 million (including interest of ₹1,387 million). Basis this order the Company has a recognised receivable of ₹ 912 million (As at March 31, 2019 ₹ 834 million) from the customer. The Company has assessed the recoverability of both the above balances as highly probable and hence has considered them as good of recovery.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

40 LEASES

Company as a lessee

The Company has lease contracts for various items of land, plant & machinery, building, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 5 and 10 years, leases of land generally have lease terms between 20 and 30 years, while building and other equipment generally have lease terms between 5 and 20 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios and some lease contracts include extension, termination options and variable lease payments.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(₹ in million)

Particulars	As at March 31, 2020			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01,2019 {refer note 5 (i)}	68,326	72,429	-	-
Additions	1,839	1,839	-	-
Deletion/discarded/Retirement	(101)	(122)	-	-
Remeasurement on account of change in term of agreement	(85)	(85)		
Depreciation expense	(13,058)	-	13,058	-
Interest accruals	-	4,667	4,667	-
Unrealised foreign exchange loss	-	4,673		
Payments	-	(15,135)	-	-
As at March 31, 2020	**56,921**	**68,266**	**17,725**	**-**
Current lease liabilities (refer note 26)	-	**12,619**	-	-
Non-current lease liabilities (refer note 21)	-	**55,647**	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(10,468)
- Towards Interest	-	-	-	(4,667)
Total	**-**	**-**	**-**	**(15,135)**
Other Leases				
Short Term Leases (included in cost of Sales)	-	-	195	-
Low value Leases (Included in Administrative expenses)	-	-	20	-
Variable leases (Included in cost of sales)	-	-	2,995	-
Total	**-**	**-**	**3,210**	**-**
As at March 31, 2020	**56,921**	**68,266**	**20,935**	**(15,135)**

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

41 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES

The information regarding principal and interest pertaining to micro and small enterprises based on available details (as per Section 22 of the Micro, Small and Medium Enterprises Development Act 2006) is as under: (₹ in million)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Principal amount remaining unpaid to any supplier as at the end of the accounting year	33	23
2	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	0	0
4	Payments made beyond the appointed day during the year	4	13
5	Interest due and payable for the period of delay	0	0
6	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
7	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

42 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise the shareholder value while safeguarding its ability to continue as a going concern.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders. The Net debt comprises all long term and short term borrowings as well as export advances having original maturities for more than 1 year less cash and bank balances. Bank loans availed by the Company are subject to certain financial covenants and the Company is compliant with these financial covenants on the reporting date as per the terms of the loan agreements. There is no outstanding default on the repayment of loans (including interest thereon) as at March 31, 2020.

The Company monitors its capital using gearing ratio, which is net debt divided to equity and underlying net debt.

The amounts managed as capital by the Company for the reporting periods under review and gearing ratio are summarised as follows:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings (refer note 20)	71,910	89,370
Short term borrowings (refer note 24)	8,773	57,402
Upfront fees	800	1,047
Current maturity of long term borrowing (refer note 26)	6,754	7,826
Lease liabilities (refer note 21 and 26)	68,266	-
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 21 and 26)	194,010	124,231
Total debt	**350,513**	**279,876**
Less : Cash and cash equivalents (refer note 13)	(25,969)	(4,778)
Less : Bank balances (refer note 14)	(6,485)	(6,283)
Total cash and bank balances	**(32,454)**	**(11,061)**
Net debt (a)	**318,059**	**268,815**
Equity share capital (refer note 18)	15,072	15,072
Other equity (refer note 19)	158,649	169,979
Total equity	**173,721**	**185,051**
Equity and underlying net debt (b)	**491,780**	**453,866**
Gearing ratio (a/b)	64.68%	59.23%

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

43 FINANCIAL INSTRUMENTS

(A) Categories of financial instruments :

Given below is the category wise carrying amount of Company's financial instruments:

As at March 31, 2020 : (₹ in million)

Particulars	Fair value through profit or loss Fair value	Financial Assets/ Liabilities designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets					
Loan*	-	-	15	15	15
Trade receivables*	9,716	-	2,987	12,703	12,703
Cash and cash equivalent*	-	-	25,969	25,969	25,969
Bank balances other than cash and cash equivalent*	-	-	6,485	6,485	6,485
Derivatives	422	12,611	-	13,033	13,033
Other financial assets*	-	-	19,802	19,802	19,802
Total	**10,138**	**12,611**	**55,258**	**78,007**	**78,007**
Financial Liabilities					
Long-term borrowings#*	-	-	78,664	78,664	78,966
Short-term borrowings*	-	-	8,773	8,773	8,773
Trade payables*	-	30,559	69,081	99,640	99,640
Derivatives	60	14,911	-	14,971	14,971
Lease liability	-	33,081	35,185	68,266	71,956
Other financial liabilities*	-	181,775	6,185	187,960	187,960
Total	**60**	**260,326**	**197,888**	**458,274**	**462,266**

As at March 31, 2019 : (₹ in million)

Particulars	Fair value through profit or loss Fair value	Financial Assets/ Liabilities designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets					
Current investments	1,001	-	-	1,001	1,001
Loan*	-	-	15	15	15
Trade receivables*	17,236	-	19,655	36,891	36,891
Cash and cash equivalent*	-	-	4,778	4,778	4,778
Bank balances other than cash and cash equivalent*	-	-	6,283	6,283	6,283
Derivatives	3,996	2,731	-	6,727	6,727
Other financial assets*	-	-	8,278	8,278	8,278
Total	**22,233**	**2,731**	**39,009**	**63,973**	**63,973**
Financial Liabilities					
Long-term borrowings#*	-	-	97,196	97,196	97,469
Short-term borrowings*	-	-	57,402	57,402	57,402
Trade payables*	-	-	92,718	92,718	92,718
Derivatives	1,048	2,067	-	3,115	3,115
Other financial liabilities*	-	124,221	7,873	132,094	132,094
Total	**1,048**	**126,288**	**255,189**	**382,525**	**382,798**

including current maturities of long-term borrowings

* The management assessed that the fair value of these financial assets and liabilities approximate their carrying amounts due to the short term maturities of these instruments. For fair value of long term borrowings, refer below level wise disclosure.

The above do not include investments in subsidiaries of ₹ 105,104 million (Mar 31, 2019: ₹ 105,104 million) which is being carried at cost.

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

B) Level-wise disclosure of fair value for financial instruments requiring fair value measurement/ disclosure:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Investment in mutual funds	-	1,001	I	Net asset value declared by mutual fund
Trade receivables	9,716	17,236	II	Discounted cashflow - future cashflows are based on the terms of trade receivables. Cashflows are discounted at the current market rate reflecting current market risks.
Foreign currency forward exchange contracts-Assets	174	66	II	Interest rate swaps, foreign exchange forward / option contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
Foreign currency forward exchange contracts-Liabilities	16	942	II	
Foreign currency option contracts-Liabilities	-	29	II	
Commodity Derivative Contracts -Assets	11,764	1,881	II	
Commodity Derivative Contracts -Liabilities	10,118	699	II	
Currency swap contracts -Assets	848	850	II	
Currency swap contracts -Liabilities	4,611	889	II	
Interest rate swap contracts -Liabilities	226	556	II	
Embedded derivative -Assets	247	3,930	II	Embedded foreign currency are measured similarly to the foreign currency forward contracts. The embedded derivatives are foreign currency forward contracts which are separated from long-term sales/ services/ lease contracts where the transaction currency differs from the functional currencies of the involved parties. The amount of future sale/ service has been determined based on the past experience and the best management estimate.
Advance received from export customers*	181,775	124,231	II	Long-term advances are evaluated based on parameters such as interest rates, specific country risk factors, credit risk and other relevant risk characteristics of the advance. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the advance. These cash flows are discounted at a rate that reflects current market rate and the current market risk. Also, being foreign currency, amounts are restated at the closing rate.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Trade Payables	30,559	-	II	Trade payables are evaluated based on parameters such as specific country risk factors, credit risk and other relevant risk characteristics of the payables. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the trade payable. These cash flows are discounted at a rate that reflects current market rate and the current market risk. Also, being foreign currency, amounts are restated at the closing rate.
Lease liabilities	71,956	-	II	Fair value of lease liabilities are determined based on discounted cash flow method using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.
Long term borrowings (including current maturities)	78,966	97,469	II	Long-term fixed-rate and variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the borrowing. These cash flows are discounted at a rate that reflects current market rate and the current market risk.

*Physical commodity contracts, when used for trading purposes or readily convertible into cash and designated as at FVTPL for mitigating accounting mismatch, are treated as financial instrument. Unless designated as hedging instruments, such contracts are measured at fair value and associated gains and losses are recognised in statement of profit and loss.

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

(C) Financial risk management objectives

The Company's principal financial liabilities, other than derivatives, comprise loans and overdrafts, export advances and trade payables. The management treats the export advances as financial instruments for risk management purposes. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short-term deposits which arise directly from its operations. The Company also invests surplus resources in mutual fund or similar instruments.

The Company is subject to fluctuations in commodity prices and currency exchange rates due to nature of its operations. Risks arising from the Company's financial instruments are commodity price risk, foreign currency risk, interest rate risk, liquidity risk and credit risk. The Company enters into derivative transactions, primarily in the nature of commodity derivative contracts, forward currency contracts, currency swap contracts, currency options contracts and interest rate swap contracts. The purpose is to manage commodity price risk, currency risks and interest rate risks arising from the Company's operations. To mitigate risk, the Company may also designate existing foreign currency financial assets and liabilities as economic hedge against highly probable sale/ purchases.

The Company has a Risk Management Committee established by its Board of Directors overseeing the risk management framework and developing and monitoring Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identification and mapping controls against this risk, monitor the risk and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

i) Commodity price risk

The prices of refined petroleum products and crude oil are linked to the international prices. The Company's revenues, cost and inventories are exposed to the risk of fluctuation in prices of crude oil and petroleum products in the international markets. From time to time, the Company uses commodity derivative instruments to hedge the price risk of forecasted transactions such as forecast crude oil purchases and refined product sales. These derivative instruments are considered economic hedges for which changes in their fair value are recorded in the statement of Profit and Loss. However, in cases where the Company designates these derivative instruments as cash flow hedge, the effective portion of gain / loss on derivative is recognised in other comprehensive income and accumulated in equity. The amount is reclassified to statement of profit and loss when the hedged items impacts the statement of profit and loss.

The Company operates a risk management desk that uses hedging instruments to seek to reduce the impact of market volatility in crude oil and product prices on the Company's profitability. The Company's risk management desk uses a range of conventional oil price-related financial and commodity derivative instruments such as futures, swaps and options that are available in the commodity derivative markets. (The derivative instruments used for hedging purposes typically do not expose the Company to market risk because the change in their market value is usually offset by an equal and opposite change in the market value of the underlying asset, liability or transaction being hedged). The Company's open positions in commodity derivative instruments are monitored and managed on a daily basis to ensure compliance with its stated risk management policy which has been approved by the management.

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

Particulars	Qty. in Barrels ('000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Designated as cash flow hedges				
Crude oil				
Buy Positions				
Less than 1 year	8,062	6,350	(1,662)	157
Sell Positions				
Less than 1 year	(65)	-	86	-

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Particulars	Qty. in Barrels ('000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Petroleum products				
Buy Positions				
Less than 1 year	59,375	17,400	(4,837)	22
More than 1 year	40,000	-	(870)	-
Sell Positions				
Less than 1 year	(2,325)	(21,620)	1,649	1,003
Total (A)	**105,047**	**2,130**	**(5,634)**	**1,182**
Not designated as cash flow hedges				
Crude oil				
Sell Positions				
Less than 1 year	(353)	-	127	-
Petroleum products				
Buy Positions				
Less than 1 year	2,300	-	(118)	-
More than 1 year	6,000	-	(108)	-
Sell Positions				
Less than 1 year	(12,190)	-	7,378	-
Total (B)	**(4,243)**	**-**	**7,279**	**-**
Total (A + B)	**100,804**	**2,130**	**1,645**	**1,182**

The line items in the balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

Debit balance in cash flow hedge reserve of ₹ 5,634 million as at March 31, 2020 (credit balance of ₹ 1,182 million as at March 31, 2019) on commodity derivative (gross of tax) contracts have been recognised in other comprehensive income.

The following table details sensitivity to a 5% increase in the price of respective commodity. A positive number below indicates an increase in equity or profit and negative number would be an inverse impact on equity or profit.

(₹ in million)

Particulars	Impact on Equity (net of taxes)		Impact on Profit (net of taxes)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Crude oil				
Buy Positions				
Less than 1 year	(87)	7	-	-
Sell Positions				
Less than 1 year	(6)	-	(27)	-
Petroleum products				
Buy Positions				
Less than 1 year	(73)	27	(20)	-
More than 1 year	(27)	-	(4)	-
Sell Positions				
Less than 1 year	(6)	(2,088)	(789)	-
Total	**(199)**	**(2,054)**	**(840)**	**-**

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

ii) **Foreign currency risk management:**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed as per advice of Risk Management Committee (RMC) within approved policy parameters.

a) The carrying amounts of the Company's monetary assets and liabilities denominated in different currencies are as follows:

As at March 31, 2020 :

Particulars	Assets		Liabilities*	
	₹ in million	FC in million	₹ in million	FC in million
USD	49,030	650	394,840	5,239
EURO	66	1	4,868	59
Other Currencies	2	0	4	0
TOTAL	**49,098**		**399,712**	

As at March 31, 2019 :

Particulars	Assets		Liabilities*	
	₹ in million	FC in million	₹ in million	FC in million
USD	16,909	244	287,462	4,156
EURO	141	2	19,819	255
Other Currencies	2	0	392	20
TOTAL	**17,052**		**307,673**	

* includes borrowings in foreign currency USD 308 million (₹ 23,212 million) {(Previous year USD 661 million (₹ 45,734 million)}.

b) **Outstanding foreign currency forward exchange and option contracts**

The Company has entered into foreign exchange forward and option contracts with the intention of reducing the foreign exchange risk of recognised assets and liabilities. These foreign exchange forward and option contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Not designated in hedging relationship

Particulars	Notional amounts (in Foreign Currency million)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Forward Contracts:				
Buy US$				
Less than 3 months	419	535	158	(830)
Buy EUR Sell US$				
Less than 3 months	-	216	-	(46)
Options:				
Buy Call / Sell Put US$				
Less than 3 months	-	14	-	(29)

Sensitivity to a 5% increase in foreign currency rate is ₹ 1,180 million (Previous year ₹ 1,672 million) (net of tax). A positive number indicates an increase in profit and negative number would be an inverse impact on profit.

c) **Foreign currency embedded derivative**

The Company has entered into USD denominated lease and services contract (host contract) for handling and storage of crude and petroleum products with Vadinar Oil Terminal Limited (VOTL). The Company has assessed and determined that the foreign currency payments embedded in the host contract are not closely related to the host contract and should be treated separately.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Particulars	Notional amounts (in Foreign Currency million)		Fair value of assets (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Embedded derivative				
Lease and service payments in USD (remaining tenure)	153	724	247	3,930

d) The management has designated certain financial liabilities in foreign currency as cash flow hedges against highly probable future forecast sales. Such designation help the Company to reduce/ mitigate foreign exchange risk of related liabilities and highly probable sales as gain/ loss on restatement of liabilities is recognised in other comprehensive income. As at March 31, 2020 the Company has restated such liabilities amounting to ₹ 245,415 million equal to USD 3,255 million (Previous year ₹ 124,221 million equal to USD 1,796 million) at closing exchange rate and has taken the resultant loss to cash flow hedge reserve.

e) Unhedged currency risk position:

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

As at March 31, 2020 :

Currency	Assets		Liabilities	
	₹ in million	FC in million	₹ in million	FC in million
USD	49,030	650	117,871	1,564
EURO	66	1	4,868	59
Other Currencies	2	0	4	0
TOTAL	**49,098**		**122,744**	

As at March 31, 2019 :

Particulars	Assets		Liabilities	
	₹ in million	FC in million	₹ in million	FC in million
USD	16,909	244	125,266	1,811
EURO	141	2	3,074	39
Other Currencies	2	0	392	20
TOTAL	**17,052**		**128,732**	

The following table details sensitivity to a 5% increase in foreign currency rates. A positive number below indicates an increase in profit or equity and negative number would be an inverse impact on profit or equity.

Particulars	Impact on Profit (net of taxes)		Impact on Equity (net of taxes)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Receivable				
USD	**1,834**	550	**-**	-
EURO	**2**	5	**-**	-
Other Currencies	**0**	0	**-**	-
Payables				
USD	**(4,410)**	(5,310)	**(7,944)**	(4,041)
EUR	**(182)**	(645)	**-**	-
Other Currencies	**(0)**	(13)	**-**	-

The above impact is inclusive of foreign currency restatement impact of embedded derivative separated from the host service/ lease contract with VOTL. With regard to the said derivative, a 5% increase / (decrease) in foreign currency exchange rates would result in ₹ 435 million (Previous year: ₹ 1,577 million) (net of tax) (decrease) / increase in profit respectively.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

f) **Currency swap contracts**

The Company has also entered into currency swap contracts to cover the currency risk on forecasted sales. The following table details the currency swap contracts outstanding at the end of the reporting period:

Designated as cash flow hedges

Sell US$	Notional amounts (in USD million)		Fair value of liabilities (net) (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Less than 1 year	**20**	12	**848**	720
1 year to 2 years	**22**	13	**609**	654
2 years to 5 years	**325**	282	**(4,433)**	(1,413)
More than 5 years	**33**	-	**(786)**	-
Total	**400**	307	**(3,762)**	**(39)**

The line items in the balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

Debit balance in cash flow hedge reserve of ₹ 2,464 million as at March 31, 2020 (debit balance of ₹ 393 million as at March 31, 2019) (Gross of tax) on currency swap contracts have been recognised in other comprehensive income.

There are no hedge ineffectiveness on currency swap contracts during the reporting periods.

Sensitivity to a 5% increase in foreign currency rate is ₹ 1,276 million (Previous year ₹ 740 million) (net of tax). A positive number indicates a decrease in equity and negative number would be an inverse impact on equity.

iii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The borrowings of the Company are denominated in rupees and US dollars with a mix of floating and fixed interest rate. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rates and LIBOR rates. Hedging activities are evaluated regularly to align with interest rate views and define risk appetite, ensuring that the most cost effective hedging strategies are applied.

The following table provides a breakdown of the Company's fixed and floating rate liabilities:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	**24,000**	24,000
Floating rate borrowings	**64,237**	131,645
Lease liabilities (refer note 21 and 26)	**68,266**	-
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 21 and 26)	**194,010**	124,231
Total	**350,513**	279,876
Less: Upfront fee	**(800)**	(1,047)
Total	**349,713**	278,829

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's, profit for the year ended March 31, 2020 would decrease / increase by ₹ 966 million (Previous year ₹ 832 million) (net of tax). This is mainly attributable to the Company's exposure to interest rates on its variable rate liabilities.

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the cash flow exposures on the variable rate loan. The following tables detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Notes to Standalone Financial Statements (Contd.)
For the year ended March 31, 2020

Certain interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Designated as cash flow hedges

Outstanding Contracts (Floating to Fixed)

Particulars	Notional amounts (in USD million)		Fair value of liabilities (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Less than 1 year	6	21	(63)	(93)
1 year to 2 years	6	24	(59)	(126)
2 years to 5 years	18	100	(60)	(263)
Total	**30**	145	**(182)**	**(482)**

The line items in the balance sheet that include the above hedging instruments are other financial liabilities.

Debit balance in cash flow hedge reserve of ₹ 107 million as at March 31, 2020 (credit balance of ₹ 39 million as at March 31, 2019) on interest rate swap derivative contracts (gross of tax) has been recognised in other comprehensive income.

There are no hedge ineffectiveness on interest rate swap contracts during the reporting periods.

A 50 basis points increase (decrease) in interest rate and all other variables held constant would result in ₹ 25 million (Previous year: ₹ 105 million) (net of tax) increase (decrease) in equity.

Not designated as cash flow hedges

Outstanding Contracts (Floating to Fixed)

Particulars	Notional amounts (in USD million)		Fair value of liabilities (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Less than 1 year	23	21	(44)	(49)
1 year to 2 years	-	23	-	(25)
2 years to 5 years	-	-	-	-
Total	**23**	44	**(44)**	**(74)**

A 50 basis points increase (decrease) in interest rate and all other variables held constant would result in ₹ 4 million (Previous year: ₹ 11 million) (net of tax) increase (decrease) in profit.

iv) Liquidity Risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The following tables detail the Company's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates existing at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay. Details of maturity profile are as given below.

(₹ in million)

As at March 31, 2020	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings including future interest	13,874	56,721	46,305	116,900
Short Term Borrowings including future interest	8,927	-	-	8,927
Trade payables	99,640	-	-	99,640
Lease Liabilities including future interest	16,861	30,532	58,876	106,269
Other financial liabilities including future interest on export advance	84,207	105,802	11,888	201,897
Derivatives	9,264	5,707	-	14,971
Total	**232,773**	**198,762**	**117,069**	**548,604**

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

(₹ in million)

As at March 31, 2019	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings including future interest	16,899	75,886	58,902	151,687
Short Term Borrowings including future interest	58,491	-	-	58,491
Trade payables	92,718	-	-	92,718
Other financial liabilities including future interest on export advance	65,426	54,542	26,810	146,778
Derivatives	1,819	1,296	-	3,115
Total	**235,353**	**131,724**	**85,712**	**452,789**

The Company has undrawn committed facilities as at March 31, 2020 of ₹ 75,174 million (₹ 22,905 million as at March 31, 2019) with maturities ranging from one to two years.

v) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, investments, cash & bank balances and derivatives.

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its subsidiary. In accordance with the policy of the Company (refer note 3(K)(iii), The Company has recognised those guarantees as liability (refer note 21 and 26). The credit risk exposure relating these financial guarantees contracts as at March 31, 2020 is ₹ 28,482 million (As at March 31, 2019 is ₹ 29,754 million).

Trade receivables:

Customer credit risk is managed centrally by the Company and is subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on extensive credit rating and individual credit limits and approved in accordance with the Delegation of Authority.

Credit risk on receivables is also mitigated, to some extent, by securing the same against letter of credit and guarantees of reputed nationalised and private sector banks. Trade receivables consist of a large number of customers spread across geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The credit period on sale of goods ranges from 0 to 30 days with or without security. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The history of trade receivables shows a negligible allowance for bad and doubtful debts. Given below is the ageing of trade receivables of the Company:

Ageing of trade receivables (gross): (₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Not due	**11,536**	34,732
0-30 days	**1,104**	2,130
31-180 days	**63**	26
More than 181 days	**8**	11
Total	**12,711**	36,899

The Company does not have a legal right of offset against any amounts owed by the Company to the counterparties. Trade receivables have been given as collateral towards borrowings (refer note 20 and 24). Expected credit losses are provided based on the credit risk of the counterparties (refer note 12).

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Investments, cash and bank balances and derivatives

The Company's treasury function manages the financial risks related to the business. The Treasury function focuses on capital protection, liquidity and yield maximisation. Investment of surplus funds are made in reputed mutual funds and bank deposits. Counterparty credit limits are reviewed and approved by Board/Audit Committee of the Company. These limits are set to minimise the concentration of risks and therefore mitigates the financial loss through counterparty's potential failure to make payments. Expected credit losses are provided based on the credit risk of the counterparties.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. Further, commodity derivative contracts are entered only with international over the counterparties having high credit rating and thus the risk of default is minimised.

Movement in the expected credit loss allowance

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	437	247
Expected credit loss (reversed) / recognised (net)	533	190
Balance at the end of the year	970	437

The Company's maximum exposure to the credit risk for the components of the balance sheet as at March 31, 2020 and March 31, 2019 is the carrying amounts mentioned in note 8, note 12, and note 16.

44 DEFINED BENEFIT PLANS

(1) Defined benefit plans :

i) Gratuity Plan

In accordance with the Payment of Gratuity Act, 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") for employees who have completed 5 years of service. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The Gratuity plan is a funded plan and the Company makes contribution to LIC of India / SBI Life Insurance in India.

(₹ in million)

Sr. No.		Particulars	Gratuity (Funded) As at March 31, 2020	Gratuity (Funded) As at March 31, 2019
A		**Net assets / liability recognised in the balance sheet**		
	i	Present value of defined benefit obligation	835	762
	ii	Fair value of plan assets	453	333
	iii	Funded status - deficit (iii = ii-i)	(381)	(429)
	iv	Net assets / (liability) recognised in the balance sheet	(381)	(429)
B		**Expenses recognised in profit and loss for the year**		
	i	Service cost	76	54
	ii	Past Service cost	-	-
	iii	Interest cost	26	19
		Components of defined benefit costs recognised in Profit and loss	102	73
	i	Actuarial losses - experience	46	115
	i	Actuarial losses/(gains) - assumptions	(61)	19
	iii	Return on plan assets greater than discount rate	1	0
		Components of defined benefit costs recognised in Other Comprehensive Income	(14)	134
		Total expenses	88	208

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Sr. No.			Particulars	Gratuity (Funded) As at March 31, 2020	Gratuity (Funded) As at March 31, 2019
C			**Change in obligation and assets**		
	i		**Change in defined benefit obligation**		
		a	Defined benefit obligation at beginning of the year	**762**	505
		b	Defined benefit obligation on account of acquisition of subsidiary	**-**	-
		c	Current Service cost	**76**	54
		d	Interest cost	**53**	37
		e	Past Service cost	**-**	-
		f	Acquisition adjustment / Transfer Out @	**-**	63
		g	Actuarial losses - experience	**46**	115
		h	Actuarial losses - demographic assumptions	**25**	-
		i	Actuarial losses/(gains) - financial assumptions	**(86)**	19
		j	Benefit payments	**(41)**	(30)
		k	Employees contribution	**-**	-
		l	Defined Benefit obligation at the end of the year	**835**	762
	ii		**Change in fair value of assets**		
		a	Fair value of plan assets at the beginning of the year	**333**	170
		b	Fair value of plan assets on account of acquisition of subsidiaries	**-**	-
		c	Acquisition adjustment / Transfer Out@	**3**	46
		d	Interest income on plan assets	**27**	17
		e	Contributions made	**133**	130
		f	Return on plan assets lesser than discount rate	**(1)**	(0)
		g	Benefits payments	**(41)**	(30)
		h	Fair value of plan assets at the end of the year	**453**	333
D			**Actuarial assumptions**		
	1		Discount rate (per annum)	**6.50%**	7.10%
	2		Rate of salary increase	**9.00%**	12.00%
	3		Rate of Withdrawal Rate	**8.00%**	11.00%
	4		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 / State Bank of India	**100%**	100%
F			**Employer's best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date**	**95**	106

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

- Figures in bracket indicates negative value.

Notes : Weighted average duration of the defined benefit obligation is 6 years as at March 31, 2020.

<u>These plans typically expose the Company to actuarial risks such as: interest rate risk, salary risk and demographic risk</u>

1. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

The defined benefit obligations shall mature after year ended March 31, 2020 as follows:

Particulars	(₹ in million)
As at March 31	
2021	95
2022	87
2023	88
2024	98
2025	116
March 31, 2026 to March 31, 2030	569

Sensitivity Analysis:

Method used for sensitivity analysis:

The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

Sr. No.	Particulars	Gratuity	
		As at March 31, 2020	As at March 31, 2019
		Increase/(decrease) in DBO	
A)	**Discount Rate :**		
	Defined benefit obligation	**835**	762
	Discount rate	**6.50%**	7.10%
	1. Effect on DBO due to 0.5% increase in Discount Rate	**(29)**	(23)
	2. Effect on DBO due to 0.5% decrease in Discount Rate	**31**	25
B)	**Salary Escalation Rate :**		
	Salary Escalation rate	**9.00%**	12.00%
	1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	**21**	16
	2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	**(21)**	(16)
C)	**Withdrawal Rate :**		
	Attrition rate	**8.00%**	11.00%
	1. Effect on DBO due to 5.00% increase in Withdrawal Rate	**(21)**	(31)
	2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	**32**	46

ii) Provident Fund :

Based on actuarial valuation in accordance with Ind AS 19 for interest rate guarantee of exempted provident fund liability of employees, there is no interest shortfall in the funds managed by the trust and hence there is no further liability as at March 31, 2020 and March 31, 2019. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The plan assets have been primarily invested in government securities and high quality corporate bonds.

The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The actuary has provided a valuation for provident fund liabilities using the deterministic approach guidance issued by Actuarial Society of India. The present value of benefit obligation as at March 31, 2020 is ₹ 3,427 million (₹ 2,658 million as at March 31, 2019) as per the actuarial report and the fair value of plan assets is higher than the same as at each reporting date. Hence, there is no shortfall as at March 31, 2020 and March 31, 2019.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Key assumptions used in determining the present value obligation of the interest rate guarantee are the Government of India (GOI) bond yield 6.50% (March 31, 2019 7.10 %), Remaining term to maturity of portfolio 5 years (March 31, 2019: 6 years) and Expected guaranteed interest rate 8.50% (March 31, 2019 8.65% for the first year and 8.60% thereafter). The Company contributed ₹ 201 million and ₹ 144 million during the years ended March 31, 2020 and March 31, 2019, respectively. The same has been recognized in the Standalone Statement of Profit and Loss under the head employee benefit expense.

Each year, the Board of Trustees reviews the level of funding in the provident fund plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review.

(2) Defined contribution plans :

Company's contribution to superannuation fund and pension fund aggregating to ₹ 26 million and ₹ 101 million (Previous year ₹ 9 million and ₹ 80 million) respectively are recognised in the statement of profit and loss as and when the contributions are due. There is no obligation other than the contribution payable to the respective trusts.

45 RELATED PARTY DISCLOSURES

I. Names of related parties and description of relationship:

Enterprises having significant influence	Rosneft Group comprises Rosneft Oil Company and its controlled entities Trafigura Group comprises Trafigura Group Pte. Limited and its controlled entities UCP Group comprises UCP PE Investments Limited and entities under common control
Subsidiaries	Vadinar Oil Terminal Limited (VOTL) Coviva Energy Terminals Limited (CETL) Enneagon Limited (ENL) (Liquidated on January 14, 2020) Nayara Energy Global Limited {(formerly known as Essar Oil Trading Mauritius Limited , (EOTML)}
Key management personnel	Mr. Charles Anthony Fountain, Executive Chairman Mr. C. Manoharan, Director & Head of Refinery (from March 29, 2012 to December 19, 2019) Mr. Prasad K. Panicker, Director & Head of Refinery (from February 17, 2020) Mr. Didier Casimiro , Director (from July 05, 2018 to February 21, 2020) Mr. Alexander Romanov, Director Mr. Andrew James Balgarnie, Director (from August 19, 2017 to December 27, 2018) Mr. Chin Hwee Tan, Director Ms. Elena Sapozhnikova, Director (from August 19, 2017 to October 08, 2018) Mr. Alexey Karavaykin, Director (from December 28, 2018 to January 30, 2020) Mr. Jonathan Kollek, Director Mr. Alexander Bogdashin, Director (from October 9, 2018 to January 30, 2020) Mr. Krzysztof Zielicki Antoni, Director Mr. Alexey Lizunov, Director (from January 30, 2020) Ms. Victoria Cunningham, Director (from January 30, 2020) Ms. Avril Conroy, Director (from May 23, 2020) Mr. Marcus George Cooper, Director (from August 19, 2017 upto July 04, 2018) Ms. Naina Lal Kidwai, Independent Director Mr. Deepak Kapoor, Independent Director Mr. R Sudarsan, Nominee Director (from January 15, 2013 to February 1, 2019) Mr. B. Anand, Chief Executive Officer
Other related party	Nayara Energy Limited Employees' Provident Fund (formerly known as Essar Oil Limited Employees' Provident Fund) (Controlled Trust)

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

A. Transactions with related parties

(₹ in million)

Nature of transactions	Enterprises having significant influence		Subsidiaries		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Advance received from customers						
Trafigura Group	**29,641**	47,222	**-**	-	**29,641**	47,222
Total	**29,641**	47,222	**-**	-	**29,641**	47,222
Export advances novated						
Trafigura Group%	**18,083**	-	**-**	-	**18,083**	-
Total	**18,083**	-	**-**	-	**18,083**	-
Sale of products* (refer note (i) below)						
Trafigura Group #	**89,627**	94,275	**-**	-	**89,627**	94,275
Rosneft Group	**105,856**	36,997	**-**	-	**105,856**	36,997
Vadinar Oil Terminal Limited	**-**	-	**17**	11	**17**	11
Total	**195,483**	131,272	**17**	11	**195,500**	131,282
Interest income						
Coviva Energy Terminals Limited	**-**	-	**2**	2	**2**	2
Total	**-**	-	**2**	2	**2**	2
Lease income						
Vadinar Oil Terminal Limited	**-**	-	**21**	20	**21**	20
Total	**-**	-	**21**	20	**21**	20
Purchase of raw material (refer note (i) below)						
Rosneft Group	**127,853**	16,565	**-**	-	**127,853**	16,565
Trafigura Group	**62,760**	19,335	**-**	-	**62,760**	19,335
Total	**190,613**	35,900	**-**	-	**190,613**	35,900
Purchase of services*						
Vadinar Oil Terminal Limited^	**-**	-	**21,157**	19,003	**21,157**	19,003
Total	**-**	-	**21,157**	19,003	**21,157**	19,003
Product and raw material consultancy services (refer note (ii) below)						
Trafigura Group	**790**	725	**-**	-	**790**	725
Rosneft Group	**704**	727	**-**	-	**704**	727
Total	**1,494**	1,452	**-**	-	**1,494**	1,452
Other consultancy services						
United Capital Partners Group**	**233**	-	**-**	-	**233**	-
Trafigura Group	**64**	-	**-**	-	**64**	-
Total	**297**	-	**-**	-	**297**	-
Rendering of services*						
Vadinar Oil Terminal Limited	**-**	-	**864**	696	**864**	696
Total	**-**	-	**864**	696	**864**	696
Interest expenses						
Trafigura Group	**389**	-	**-**	-	**389**	-
Total	**389**	-	**-**	-	**389**	-

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

(₹ in million)

Nature of transactions	Enterprises having significant influence		Subsidiaries		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Inter corporate deposits given@						
Coviva Energy Terminals Limited	-	-	-	2	-	2
Total	-	-	-	2	-	2

^ includes ₹ 11,391 million (Previous year ₹ Nil) for lease rental payments

* including taxes wherever applicable

** including ₹ 172 million capitalised during FY 2019-20.

% During the year ended March 31, 2020, the export advance contracts backed by export performance bank guarantees by a lender worth USD 255 million (equivalent to ₹ 18,083 million) obtained by the Company were novated under a tripartite agreement between the Company, the former buyer, and Trafigura Group, whereby Trafigura Group has paid the outstanding advances to the former buyer and going forward all the supply against such advances shall be made to Trafigura Group as per delivery schedule stated in such contracts. The terms and conditions of novated contracts remain significantly unchanged.

Includes sales of finished goods of ₹ 18,545 million (for the year ended March 31, 2019: Nil) pursuant to long term arrangements entered between the Company and a third party and the said third party and Trafigura Group.

@ The Company has given inter-corporate deposits to its subsidiary carrying interest rate of 13% and repayable on demand

B. Transactions with other classes of related parties

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
i) Key management personnel (Short term employee benefits)@	**267**	254
@including employer contribution to provident fund and 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.		
ii) Key management personnel (Director Sitting Fees)	**10**	11
iii) Contribution during the period (includes Employees' share and contribution) to the controlled trust	**509**	599

C. Balances with related parties :

(₹ in million)

Nature of balances	Enterprises having significant influence		Subsidiaries		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Assets						
Financial assets						
Trade receivables (refer note (iii) A below)						
Rosneft Group	-	1,356	-	-	-	1,356
Trafigura Group##	668	4,649	-	-	668	4,649
Vadinar Oil Terminal Limited	-	-	0	0	0	0
Total	668	6,005	0	0	668	6,005
Loans						
Inter corporate deposits						
Coviva Energy Terminals Limited	-	-	15	15	15	15
Total	-	-	15	15	15	15
Other financial assets						
Other receivables						
Rosneft Group	8	-	-	-	8	-
Trafigura Group	11	-	-	-	11	-
Coviva Energy Terminals Limited	-	-	4	2	4	2
Total	19	-	4	2	23	2

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

Nature of balances	Enterprises having significant influence		Subsidiaries		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Other assets						
Prepaid expense						
Trafigura Group	**523**	-	**-**	-	**523**	-
Total	**523**	-	**-**	-	**523**	-
Liabilities						
Other financial liabilities						
Trade payables (refer note (iii) B below)						
Rosneft Group	**24,549**	4,078	**-**	-	**24,549**	4,078
Trafigura Group	**371**	653	**-**	-	**371**	653
UCP Group	**6**	-	**-**	-	**6**	-
Vadinar Oil Terminal Limited	**-**	-	**3,425**	57	**3,425**	57
Total	**24,926**	4,731	**3,425**	57	**28,351**	4,788
Lease liability						
Vadinar Oil Terminal Limited	**-**	-	**23,833**	-	**23,833**	-
Total	**-**	-	**23,833**	-	**23,833**	-
Other liabilities						
Trafigura Group	**1,535**	-	**-**	-	**1,535**	-
Total	**1,535**	-	**-**	-	**1,535**	-
Advance received from customers (refer note (iii) C below)						
Trafigura Group	**46,027**	27,115	**-**	-	**46,027**	27,115
Total	**46,027**	27,115	**-**	-	**46,027**	27,115

Notes:

(i) Rosneft Group and Trafigura Group under their respective contracts with the Group have the right to make the first offer for both sale of raw material and purchase of finished products. Where the transaction with the above parties is executed without calling for comparative quotations, the same are done based on the Group's internal assessment. Where quotations are called for and the Group is able to get a better offer, these two parties reserve the right to match the offer, in which case the Group is obliged to transact with them. For supplies of finished products made against advance payments, premium / discounts to the market price index are pre-negotiated based on similar process. Where the Group participates in the tenders floated by these parties for purchasing raw material, price to be quoted are determined on a case to case basis based on Group's internal assessment and are approved by the management of the Group.

(ii) Rosneft Group and Trafigura Group have been advising the Group on regular basis and providing insight into the market dynamics which helps in strategising the crude procurement and sale of finished products. In consideration for the same, the Group is paying a fee of USD 0.1 for every barrel of raw materials purchased and finished products exported.

Subsequent to the balance sheet date, the Company has terminated its aforementioned contract with a Rosneft Group entity. Further, the said Rosneft Group entity has unilaterally assigned some of its receivables from the Company under the said contract to and in favour of other Rosneft Group entity(s). Consequent to such assignments, the Company has to fulfil its payment obligations towards the assigned amounts to such Rosneft Group entity(s), subject to necessary regulatory approvals.

(iii) Terms of receivables / payables:

A. Unsecured trade receivables are unsecured, non-interest bearing collected within 30 days from the date of sale.

B. Trade payables are non-interest bearing and are settled within 30 days of purchase.

C. Advance from customers also include interest bearing advances, which are settled through supply of goods over a period of 2 to 3 years at pre-determined mechanism of the consideration.

Includes receivable of ₹ 668 million (for the year ended March 31, 2019: Nil) for sales of finished goods of pursuant to long term arrangements entered between the Company and a third party and the said third party and Trafigura Group

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

46 BUSINESS COMBINATION

The Board of Directors of the Company at its meeting held on July 24, 2019 and Board of Directors of Vadinar Oil Terminal Limited (VOTL) at its Meeting held on August 7, 2019, considering the financial and operational synergies has approved a scheme of arrangement whereby the Company's subsidiary, Vadinar Oil Terminal Limited will merge with the Company. The scheme is subject to the approval of the regulatory authorities.

47 IMPAIRMENT TESTING OF GOODWILL

The Company recognised goodwill of ₹ 10,324 million arising on the merger of Vadinar Power Company Limited (VPCL) and Nayara Energy Properties Limited (NEPL) with the Company. The Company has determined that its entire operations fall into single CGU and single operating segment, vis., refining of crude oil and marketing of petroleum products in domestic and overseas market (refining business). Hence, the entire goodwill is allocable to the refining business CGU / segment and the carrying value of the CGU as at the balance sheet date is ₹ 517,046 million (March 31, 2019: ₹ 528,607 million).

The Company performed its annual impairment test for the financial year ended March 31, 2020 as at year end.

The recoverable amount of the CGU has been determined at ₹ 635,955 (US$ 8,436) million [March 31, 2019: ₹ 720,203 (US$10,139) million] based on the value in use calculation using discounted cash flow model {refer note 4(B)(iv)} based on business assumptions approved by management covering a five-year period and is in line with the business plan presented to the Board. The Company has considered forecast consensus, industry reports, economic indicators and general business conditions to make an assessment of the implications of the COVID-19 pandemic upto the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions. Since the value in use is higher than the carrying amount of the refining business CGU, the Company has not determined the fair value less costs of disposal separately.

Key assumptions used for value in use calculations:

The calculation of value in use for the unit is most sensitive to the following assumptions:

Gross Refining Margin (GRM) – The GRM projections, which is a difference between total product revenue and total feedstock cost for the year, are broadly in line with the 5 year business plan of the CGU prepared based on the forward curves of crude and product prices. The GRMs are estimated to be US$ 7 per bbl for FY 2020-21 and gradually rise to US$ 8.9 per bbl and then return to US$ 8.7 and US$ 8.2 per bbl in FY 2023-24 and FY 2024-25, respectively. Thereafter GRMs increase at a nominal rate of 2% per annum post the 5 year period. A US$ 0.5 per bbl decline in the projected GRM over the forecast period would lead to a decline in the recoverable value by ₹39,276 million (US$ 521 million).

Discount rates - Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Accordingly, the Company has estimated a discount rate of 10.7%. An increase in the discount rate by 50 basis points leads to decline in the recoverable value by ₹31,813 million (US$ 422 million).

Considering the above, the management has assessed that any reasonable possible change in assumptions will not trigger recognition of impairment.

Notes to Standalone Financial Statements (Contd.)

For the year ended March 31, 2020

48 IMPACT OF COVID-19

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which got further extended till May 31, 2020. Further, during March 2020 / April 2020, there has been significant volatility in oil prices, due to major demand centres affected by lockdown.

The Company is in the business of petroleum products which are considered as essential goods and was generally allowed to continue to carry on the operations with adequate safety measures. Hence, the lockdown did not have any material impact on operations of the Company for the financial year ended March 31, 2020.

Consequent to the above, the Company has recognised certain adjustments of exceptional nature (refer note 35). The Company has performed a detailed analysis of the impact caused by COVID-19 considering the market conditions and other developments upto the date of approval of these financial statements. Among other matters, impact of reduction in the demand and realisation has been factored in evaluating the Company's ability to be a going concern for atleast 12 months after the reporting date and impairment of non-financial assets (refer note 47 for impairment analysis). The Company has considered its expected future cash flows, available lines of credit and ability to raise short term funds in arriving at the conclusion that it remains a going concern and has also performed additional sensitivities on some of its key inputs to validate its assumption of going concern. The management believes that COVID-19 impact, if any, is short-term and there will be no medium to long-term impact on the Company or its financial position or financial performance. Despite the volatile market scenario, the Company's supply network and the risk management action have resulted in protecting the Company's cash flows significantly in the near future.

Basis the above evaluation, the management has concluded that there is no other significant impact on the operations or financial position on the Company, and accordingly, no additional adjustments are required to these financial statements at this point in time. However, the impact of the global health pandemic may be different from that estimated at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions and assess its impact on the financial position of the Company.

49 SEGMENT INFORMATION

Segment information has been provided under the Notes to the Consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
DIN : 07719852
Sussex, United Kingdom

Prasad K. Panicker
Director & Head of Refinery
DIN : 06476857
Devbhumi Dwarka, India

B. Anand
Chief Executive Officer
DIN : 00162957
Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Independent Auditor's Report

To the Members of Nayara Energy Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Nayara Energy Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error,

Independent Auditor's Report (Contd.)

which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and w hether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (Contd.)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

OTHER MATTER

The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries whose financial statements and other financial information reflect total assets of INR 1 million as at March 31, 2020, and net cash outflows of INR 1 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements and other financial information certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have relied upon 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 Ind AS financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company and by the directors of its subsidiary companies as on March 31, 2020 taken on record by the respective Board of Directors of the Holding Company and the subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Act;

f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

g) In our opinion the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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 Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 36 to the consolidated Ind AS financial statements;

Independent Auditor's Report (Contd.)

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20 and 25 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Naman Agarwal
Partner
Membership Number: 502405
UDIN: 20502405AAAABP1728

Place of Signature: New Delhi

Date: June 30, 2020

Annexure 1

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NAYARA ENERGY LIMTED

Report on the Internal Financial Controls 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 Nayara Energy Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Nayara Energy Limited (hereinafter referred to as the "Holding Company") and its subsidiary 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 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 Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be 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 with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Naman Agarwal
Partner
Membership Number: 502405
UDIN: 20502405AAAABP1728

Place of Signature: New Delhi

Date: June 30, 2020

Consolidated Balance Sheet

As at March 31, 2020

(₹ in million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	6	443,265	457,999
(b) Capital work-in-progress	6	5,251	4,823
(c) Goodwill	6	108,184	108,184
(d) Other Intangible assets	6	331	266
(e) Right-of-use assets	6	38,240	-
(f) Financial assets			
(i) Investments	7	-	-
(ii) Other financial assets	8	1,770	5,600
(g) Other non-current assets	9	2,732	3,202
(h) Non-current tax assets (net)		8,746	8,713
Total non-current assets		**608,519**	588,787
2) Current assets			
(a) Inventories	10	59,281	94,550
(b) Financial assets			
(i) Investments	11	-	1,001
(ii) Trade receivables	12	12,703	36,891
(iii) Cash and cash equivalents	13	30,020	7,059
(iv) Bank balances other than (iii) above	14	11,056	6,283
(v) Other Financial assets	15	31,571	5,682
(c) Other current assets	16	5,980	5,930
Total current assets		**150,611**	157,396
TOTAL ASSETS		**759,130**	746,183
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	15,072	15,072
(b) Other equity	18	174,209	174,461
Equity attributable to equity holders of the parent		189,281	189,533
Non-controlling Interests	43	2,868	2,632
Total Equity		**192,149**	192,165
LIABILITIES			
1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	98,800	118,266
(ii) Other financial liabilities	20	160,096	70,157
(b) Deferred tax liabilities (net)	21	54,739	80,706
(c) Other non-current liabilities	22	22,885	35,821
Total non-current liabilities		**336,520**	304,950
2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	8,773	57,402
(ii) Trade payables	24	96,416	92,711
(iii) Other financial liabilities	25	97,740	72,020
(b) Other current liabilities	26	26,034	26,041
(c) Provisions	27	803	811
(d) Current tax liabilities (net)		695	83
Total current liabilities		**230,461**	2 49,068
TOTAL EQUITY AND LIABILITIES		**759,130**	746,183

See accompanying notes to the consolidated financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
DIN : 07719852
Sussex, United Kingdom

Prasad K. Panicker
Director & Head of Refinery
DIN : 06476857
Devbhumi Dwarka, India

B. Anand
Chief Executive Officer
DIN : 00162957
Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Consolidated Statement of Profit & Loss

For the year ended March 31, 2020

(₹ in million)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	28	998,683	986,594
Other income	29	6,816	16,538
Total Income		**1,005,499**	1,003,132
Expenses			
Cost of raw materials consumed		626,594	618,542
Excise duty		142,884	130,367
Purchases of stock-in-trade		123,646	146,102
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(3,816)	(2,425)
Employee benefits expense	31	6,981	5,357
Finance costs	32	27,496	25,626
Depreciation and amortisation expense	6	22,235	18,366
Other expenses	33	45,158	48,880
Total expenses		**991,178**	990,815
Profit before exceptional items and tax		14,321	12,317
Exceptional items	34	4,544	1,773
Profit before tax		9,777	10,544
Tax expense:	21		
(a) Current tax expenses		1,791	967
(b) Deferred tax (reversal) / expenses [Include ₹ 18,458 million (Previous year ₹ NIL) reversal on account of change in tax provisions]		(17,014)	2,692
Total tax (reversal) / expenses		**(15,223)**	3,659
Profit for the year		25,000	6,885
Other comprehensive income			
Items that will not be reclassified to profit and loss		(9)	(89)
Remeasurement income /(loss) on defined benefit plans		14	(137)
Income tax effect		(23)	48
		(9)	(89)
Items that will be reclassified to profit and loss		(21,546)	822
Effective portion of cash flow hedges (net)		(28,766)	1,153
Income tax effect		7,178	(403)
		(21,588)	750
Foreign currency monetary item translation difference account		102	109
Income tax effect		(60)	(38)
		42	71
Exchange difference arising on translation of foreign operation		-	1
Income tax effect		-	-
		-	1
Other comprehensive (loss) / Income for the year, net of tax		(21,555)	733
Total comprehensive income for the year (comprising profit and other comprehensive (loss) / Income for the year)		**3,445**	7,618

Consolidated Statement of Profit & Loss (Contd.)
For the year ended March 31, 2020

(₹ in million)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year attributable to:			
(a) Equity holders of the parent		24,764	6,789
(b) Non-controlling interests		236	96
Other Comprehensive (loss) / income for the year attributable to:			
(a) Equity holders of the parent		(21,555)	733
(b) Non-controlling interests		0	(0)
Total comprehensive income attributable to:			
(a) Equity holders of the parent		**3,209**	7,522
(b) Non-controlling interests		**236**	96
Earnings per share (Face value ₹ 10 per share)	35		
Basic and Diluted (in ₹)		16.61	4.55

See accompanying notes to the consolidated financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
DIN : 07719852
Sussex, United Kingdom

Prasad K. Panicker
Director & Head of Refinery
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Devbhumi Dwarka, India

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Chief Executive Officer
DIN : 00162957
Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Consolidated Statement of Changes in Equity
for the year ended March 31, 2020

a. Equity Share Capital

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	15,072	15,072
Closing balance	**15,072**	15,072

b. Other Equity

Consolidated Statement of Changes in Equity for the year April 01, 2018 to March 31, 2019

(₹ in million)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)			Attributable to owners of the Parent	Non-controlling interest	Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency Translation Reserve	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account			
Balance as at April 01, 2018	**409**	**78,014**	**2**	**594**	**89,389**	**(1)**	**(1,167)**	**(301)**	**166,939**	**2,536**	**169,475**
Profit for the year	-	-	-	-	6,789	-	-	-	6,789	96	6,885
Other Comprehensive Income for the year	-	-	-	-	(89)	1	750	71	733	(0)	733
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**6,700**	**1**	**750**	**71**	**7,522**	**96**	**7,618**
Debenture redemption reserve transferred to General Reserve	**-**	**-**	**(2)**	**2**	**-**	**-**	**-**	**-**	**-**		**-**
Balance as at March 31, 2019	**409**	**78,014**	**-**	**596**	**96,089**	**-**	**(417)**	**(230)**	**174,461**	**2,632**	**177,093**

Consolidated Statement of Changes in Equity (Contd.)
for the year ended March 31, 2020

Consolidated Statement of Changes in Equity for the year April 01, 2019 to March 31, 2020

(₹ in million)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)		Attributable to owners of the Parent	Non-controlling interest	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account			
Balance as at April 01, 2019	**409**	**78,014**	**596**	**96,089**	**(417)**	**(230)**	**174,461**	**2,632**	**177,093**
Adjustment to the opening balance of retained earnings on initial application of Ind AS 116 {refer note 5 (i)}	-	-	-	(3,461)	-	-	(3,461)	-	(3,461)
Restated balance as at April 01, 2019	**409**	**78,014**	**596**	**92,628**	**(417)**	**(230)**	171,000	2,632	173,632
Profit for the year	-	-	-	24,764	-	-	**24,764**	**236**	**25,000**
Other Comprehensive (loss) for the year	-	-	-	(9)	(21,588)	42	**(21,555)**	**0**	**(21,555)**
Total Comprehensive income for the year	**-**	**-**	**-**	**24,755**	**(21,588)**	**42**	**3,209**	**236**	**3,445**
Balance as at March 31, 2020	**409**	**78,014**	**596**	**117,383**	**(22,005)**	**(188)**	**174,209**	**2,868**	**177,077**

* Recycled from cash flow hedge reserve to statement of profit and loss account ₹ 12,853 million (Previous year ₹ 16,520 million).

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
DIN : 07719852
Sussex, United Kingdom

Prasad K. Panicker
Director & Head of Refinery
DIN : 06476857
Devbhumi Dwarka, India

B. Anand
Chief Executive Officer
DIN : 00162957
Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in million)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow from operating activities**		
	Net profit before tax	**9,777**	**10,544**
	Adjustments for:		
	Interest income	(1,829)	(1,461)
	Depreciation and amortisation expense	22,235	18,366
	Loss on disposal / discard of property, plant and equipment (net)	3	172
	Gain on investment / financial assets measured at FVTPL	(224)	(772)
	Export obligation deferred income	(248)	(1,866)
	Unrealised foreign exchange differences (net)	4,506	(2,710)
	Net mark to market (gain) / loss on derivative contracts	(8,540)	1,150
	Net expected credit loss	533	190
	Provision for doubtful advances	344	4
	Finance costs	27,496	25,626
	Operating profit before working capital changes	**54,053**	**49,243**
	Adjustments for working capital changes:		
	Decrease / (Increase) in inventories	35,729	(21,238)
	Decrease / (Increase) in trade and other receivables	11,878	(12,350)
	Increase in trade and other payables (refer footnote b)	25,633	9,955
	Cash generated from operating activities	**127,293**	**25,610**
	Income tax paid (net) (including interest)	(1,172)	(3,191)
	Net cash generated from operating activities	**126,121**	**22,419**
B	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including capital work in progress, Intangible assets, Capital advances and Capital creditors)	(5,038)	(15,597)
	Proceeds from sale of short term investments (net)	1,225	12,792
	(Placement) / Encashment of short term bank deposits (net)	(5,016)	3,786
	Interest received	1,662	2,281
	Net cash (used in) / generated from investing activities	**(7,167)**	**3,262**
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	30,586	33,000
	Repayment of long-term borrowings	(53,318)	(36,304)
	Proceeds from short-term borrowings	11,522	55,000
	Repayment of short-term borrowings	(30,272)	(82,782)
	Net changes in short term borrowings of less than 3 months	(28,434)	10,189
	Payment of principal portion of lease liabilities	(840)	-
	Finance cost paid	(23,936)	(24,046)
	Net cash (used in) financing activities	**(94,692)**	**(44,943)**
	Net increase / (decrease) in cash and cash equivalents	24,262	(19,262)
	Net exchange differences on foreign currency bank balances	429	0
	Cash and cash equivalents at the beginning of the year	5,339	24,601
	Cash and cash equivalents at the end of the year	30,030	5,339

Consolidated Statement of Cash Flows (Contd.)
for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Composition of Cash and cash equivalents included in the consolidated statement of cash flows comprise of the following consolidated balance sheet amounts:		
Cash and cash equivalents as per the consolidated balance sheet (refer note 13)	30,020	7,059
Add: Earmarked bank balances (refer note 14)	10	9
Less: Bank overdraft (refer note 23)	-	(1,729)
Total	30,030	5,339

Reconciliation between the opening and closing balances in the Consolidated balance sheet for liabilities arising from financing activities

Particulars	As at April 1, 2019	Cash changes (net)	Non cash changes (net)#	As at March 31, 2020
Long term borrowings including current maturities classified in other financial liabilities	126,695	(22,732)	2,747	106,710
Short term borrowings *	55,673	(47,184)	284	8,773

Particulars	As at April 1, 2018	Cash changes (net)	Non cash changes (net)#	As at March 31, 2019
Long term borrowings including current maturities classified in other financial liabilities	128,295	(3,304)	1,704	126,695
Short term borrowings *	73,390	(17,593)	(124)	55,673

Interest for the period has been paid in cash.

*Excluding bank overdraft disclosed as part of cash and cash equivalent for the purpose of cashflow statement.

Notes:

a) The above cash flow from operating activities has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

b) Cash flow from operations include net inflow of ₹ 69,799 million (₹ 52,093 million net inflow for year ended March 31, 2019) arising from long term advances received from customers, net of goods supplied during the year. The goods will be supplied against these advances over next two to three years.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
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Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

Notes to Consolidated Financial Statements
For the year ended March 31, 2020

1. CORPORATE INFORMATION

Nayara Energy Limited (the Company) is a public limited Company incorporated under the provisions of the Companies Act, 1956 (since replaced by the Companies Act, 2013, as amended). The registered office of the Company is located at Devbhumi Dwarka, Gujarat, India. The Company and its subsidiaries (collectively referred to as the Group) are primarily engaged in the business of refining of crude oil, marketing of petroleum products in domestic and overseas markets, providing port and terminal services for the Company's refinery. The Company owns India's second largest single site refinery at Vadinar, Gujarat with a current capacity of 20MMTPA. The Company has over 5,700 operational outlets and more than 2,200 outlets at various stages of completion.

The consolidated financial statements of Nayara Energy Limited and its subsidiaries (collectively, the Group) for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the directors on June 30, 2020.

Information of the Group's structure is also provided in note 48. Information on other related party relationships of the Group is provided in note 47.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind ASs), prescribed under Section 133 of the Companies Act 2013 (as amended) (herein after referred to as "the Act" read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

These consolidated financial statements are prepared under the accrual basis and historical cost measurement, except for certain financial instruments (refer accounting policy on financial instruments), which are measured at fair values. The consolidated financial statements provide comparative information in respect of the previous period. The consolidated financial statements are presented in Indian National Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest million, except where otherwise indicated. All amounts individually less than ₹ 0.5 million have been reported as "0".

A. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively, the "Group") as at reporting date. Subsidiaries are entities controlled by the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31.

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Notes to Consolidated Financial Statements (Contd.)
For the year ended March 31, 2020

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Deferred tax assets and liabilities are recognised for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Business combinations and goodwill

Non-common control business combinations

Non-common control business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses {refer note 4 (B) (iii)}.

B. Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each consolidated balance sheet date. The group has also disclosed fair value of financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (refer note 42)
- Quantitative disclosures of fair value measurement hierarchy (refer note 42)
- Financial instruments (including those carried at amortised cost) (refer note 42)

C. Property, Plant and Equipment

Property, plant & equipment (PPE) is recorded at cost of acquisition less accumulated depreciation and impairment loss, if any. Capital work in progress is stated at cost, net of accumulated impairment losses, if any.

Cost of acquisition comprises of all costs incurred to bring the assets to their present location and working condition up to the date the assets are ready for their intended use. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection including turnaround and maintenance is performed, its cost is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Depreciation on PPE is provided, pro-rata for the period of use, by the straight line method, over the estimated useful life given below, which is different than useful life as specified in the Schedule II to the Companies Act, 2013. The estimate of the useful life of these assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Major inspection including turnaround and maintenance cost are depreciated over the next cycle. The estimated useful life of items of property, plant and equipment is mentioned below:

Particulars	Estimated useful life (in years)
Temporary Building	3
Building including taken on lease	15-60
Plant and machinery	2-40
Furniture and fixtures	1-10
Office equipment	1-6
Vehicles	1-10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition,

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For the year ended March 31, 2020

intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period, and treated as change in estimate, if any change is required.

The Group has estimated the useful life of software and licenses ranging from 3 - 5 years from the date of acquisition and amortises the same over the said period on a straight line basis.

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

E. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Current and Non-Current Classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

F. Leases (also refer note 5(i))

A contract or parts of contracts that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable period of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised, or a termination option will not be exercised.

Group as a lessee

At the commencement of a lease contract, a right-of-use asset and a corresponding lease liability are recognised, unless the lease term is 12 months or less or value of underlying asset is of low value. The commencement date of a lease is the date the underlying asset is made available for use.

Lease liability is measured at an amount equal to the present value of the lease payments during the lease term that are not paid at that date. Lease liability includes contingent rentals and variable lease payments that depend on an index, rate, or where they are fixed payments in substance. The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate when the lease term changes following a reassessment.

Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.

In general, a corresponding right-of-use asset is recognised at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee adjusted for accumulated depreciation, impairment losses and any remeasurement of lease liabilities. The depreciation on right-of-use assets is recognised as expense unless capitalised when the right-of-use asset is used to construct another asset. Right of use assets are depreciated on a straight line basis over the lesser of the assessed useful lives of the asset, or the lease period.

Impairment of the right-of-use asset

Right-of-use assets are subject to existing impairment requirements as set out in 'Impairment of non-financials assets''

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

G. Inventories

Inventories 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 purchased, and coal inventory is determined on a first in first out basis and the cost of all other inventories is determined on a monthly weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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For the year ended March 31, 2020

H. Revenue recognition

(i) Sale of goods

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The recovery of excise duty flows to the Group on its own account, revenue includes excise duty. Revenue does not include other taxes like GST, VAT, CST etc.

(ii) Variable consideration

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration. The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Group applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

I. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

J. Retirement and other employee benefits

Contributions to defined contribution plans are recognised as expense on accrual basis when employees have rendered services and as when the contributions are due.

The Group determines the present value of the defined benefit obligation and fair value of plan assets. The net liability or assets represents the deficit or surplus in the Group's defined benefit plans. (The surplus is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans). The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

Past service costs are recognised in the consolidated statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs;

- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under the head 'employee benefit expense' in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

- Net interest expense or income

K. Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to the consolidated statement of profit and loss reflects the amount that arises from using this method.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

(i) Transaction and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange difference arising on settlement/ restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended March 31, 2016 prepared under previous GAAP, are capitalised as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/ upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable. Exchange difference arising on settlement / restatement of other items are charged to statement of profit and loss.

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date. The restated gain / loss is recognised in OCI.

L. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. Derivatives can be financial assets or financial liabilities depending on whether value is positive or negative, respectively.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

a) Initial Recognition and measurement

The Group initially recognises loans and advances, deposits and debt securities issued on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument. A financial asset is initially measured at fair value plus / minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification of financial assets

On initial recognition, a financial asset is classified into one of the following categories:

- Financial assets other than equity investment at amortised cost
- Financial assets other than equity investment at fair value through other comprehensive income (FVTOCI)
- Financial assets other than equity investment at fair value through profit or loss (FVTPL)

Notes to Consolidated Financial Statements (Contd.)
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Financial assets other than equity investment measured at amortised cost:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to deposits, trade and other receivables.

Financial assets other than equity investment at FVTOCI:

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not designated at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than equity investment at FVTPL:

FVTPL is a residual category for financial assets. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

c) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in the consolidated statement of profit and loss on disposal of that financial asset.

d) Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- For other assets, the Group uses 12 month Expected Credit Loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime Expected Credit Loss is used.

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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For the year ended March 31, 2020

For trade receivables, the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

e) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the consolidated statement of profit and loss and is included in the 'Other income' line item.

(ii) Financial liabilities / debt and equity instruments

a) Classification as financial liability / debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument in Ind AS 32.

b) Financial liabilities / debt

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings including payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. Derivative can be financial assets or financial liabilities depending on whether value is positive or negative, respectively.

c) Financial liabilities:

The financial liabilities used to minimise accounting mismatch are classified and measured as at FVTPL in accordance with Ind AS 109. All other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

d) Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the new liability recognised plus consideration paid or payable is recognised in the consolidated statement of profit and loss.

M. Derivative financial instruments and hedge accounting

(i) Initial recognition and subsequent measurement of Derivative and embedded derivatives financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks. These derivatives include foreign exchange forward contracts, foreign exchange options, commodity forward contracts, interest rate swaps and cross / full currency swaps.

All derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial

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assets when the fair value is positive and as financial liabilities when the fair value is negative.

The resulting gain or loss is recognised in the consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit and loss or otherwise depends on the nature of the hedge item.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 'Financial Instruments' are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

(ii) Hedge Accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

(iii) Cash flow hedges

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

Hedge accounting is discontinued when - 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 Cash Flow Hedge Reserve Account at that time is retained and is recognised when the forecast transaction is ultimately recognised and affects 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.

N. Borrowing Costs

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

O. Taxes

(i) Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside consolidated statement of profit and loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken

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in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. However, recognition of deferred tax asset is subject to the following exceptions: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.

(iii) Sales tax (includes value added tax and Goods and services tax)

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other assets and other liabilities in the consolidated balance sheet.

P. Provisions and Contingent liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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For the year ended March 31, 2020

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Q. Cash and short-term deposits

Cash and short-term deposits in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

R. Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows a better understanding of the underlying performance of the business in the year and facilitates more appropriate comparison with prior periods. Exceptional items are adjusted in arriving at profit before tax.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Critical accounting judgements

In the process of applying the Group's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

i) Determination of functional currency

The Management makes judgements in determining the functional currency based on economic substance of the transactions relevant to each entity in the Group. In concluding that Indian Rupees is the functional currency for the parent Company, the management considered (i) the currency that mainly influences the sales prices for goods and services, the labour, material and other costs of providing goods and services, and (ii) the effect of the competitive forces and regulations of the country which mainly determine the sales prices of the goods and services. As no single currency was clearly dominant, the management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained. The management has concluded that INR is the functional currency of the parent.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or cannot be quantified reliably are treated as contingent liabilities. Among other matters, such determination require involvement of legal and other subject matter experts. Depending on materiality, the Group may involve internal and/ or external experts to

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

make such assessment. Contingent liabilities are disclosed in the notes but are not recognised. refer note no 36.

ii) Fair value measurements of financial instruments

When the fair values of financial assets or financial liabilities recognised or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 42 for further disclosures.

iii) Impairment of non-financial assets

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 44.

iv) Duty drawback

Income on duty draw-back is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The Group claims draw-back of National Calamity Contingent duty (NCCD) on exports in line with duty drawback rules and recognises the same as revenue. The Group is confident of recovery and continues to recognise the duty draw-back claim {refer note 38 (A)}.

5. CHANGES IN ACCOUNTING POLICIES AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

i. Changes in accounting policies

A. Ind AS 116 - Leases

Effective April 1, 2019, the Group adopted Ind AS 116 – Leases ("Ind As 116) and applied to all lease contract, identified as lease under Ind AS 17 -Leases ("Ind AS 17"), existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the transition date.

All operating lease contracts, with limited exceptions, were recognised on the balance sheet by recognising right-of-use assets and corresponding lease liabilities at the transition date. Group applied the modified retrospective transition method, and consequently comparative information is not restated. As a practical expedient, no reassessment was performed of contracts that were previously identified as leases and contracts that were not previously identified as containing a lease applying Ind AS 17 Determining whether an Arrangement contains a Lease. At the adoption date, additional lease liabilities were recognised for leases previously classified as operating leases applying Ind AS 17. These lease liabilities were measured at the present value of the remaining lease payments and discounted using entity-specific incremental borrowing rates at April 1, 2019.

In general, a corresponding right-of-use asset was recognised for an amount equal to each lease liability, adjusted by the accumulated depreciation, amount of any prepaid or accrued lease payments relating to the specific lease contract, as recognised on the balance sheet at March 31, 2019.

The Group also applied the available practical expedients wherein Group has:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

All the commitments existing as on the date of initial recognition of Ind AS 116 were taken into account while calculating ROU Assets and Lease liabilities.

At the transition date, the remaining lease payments were discounted, as required under the transition approach chosen, using the incremental borrowing rate as per the transition date of April 1, 2019. To determine the incremental borrowing rate for each lease contract, a risk-free rate at transition date was applied, adjusted for other factors such as the credit rating of the entity that entered into the lease contract, a country risk premium, the impact of currency, an asset specific element and the term the lease contract. The incremental borrowing rates applied upon transition were in range of 6% to 9%. Refer note 39 for disclosure of accounting under Ind-AS 116.

On adoption of Ind AS 116 on date of transition, April 1, 2019, the Group has recognised ROU assets of ₹ 36,783 million, lease liabilities of ₹ 41,795 million and reversal of opening prepaid expenses of ₹ 308 million. Net impact of ₹3,461 million (net of tax credit of ₹ 1,858 million) has been adjusted in the retained earnings on the date of transition. There is no impact on non controlling interest.

B. In addition, the below amendments have also became effective for the Group from financial year beginning April 1, 2019. However, the management has evaluated and determined that the adoption of these amendments will not have any material impact on the financial statements since there are no such transactions or the Group's existing policies are aligned to these amendments:

- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Amendments to Ind AS 109: Prepayment Features with Negative Compensation
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
- Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- Annual improvement to Ind AS (2018): These improvements include:

  i. Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

  ii. Amendments to Ind AS 111: Joint Arrangements

  iii. Amendments to Ind AS 12: Income Taxes

  iv. Amendments to Ind AS 23: Borrowing Costs

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For the year ended March 31, 2020

6 PROPERTY, PLANT AND EQUIPMENT, CAPITAL-WORK-IN-PROGRESS, GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)
	As at April 01, 2018	Additions (refer note 2)	Deductions	As at March 31, 2019	As at April 01, 2018	During the year	Deductions	As at March 31, 2019	As at March 31, 2019
A) Property, Plant & Equipment -Owned									
Land (Freehold)	52,815	3	-	52,818	-	-	-	-	52,818
Buildings	16,093	849	1	16,941	3,052	749	-	3,801	13,140
Plant and machinery	436,218	19,256	7,708	447,766	46,620	17,338	7,698	56,260	391,506
Furniture and fixtures	184	89	2	271	114	25	1	138	133
Office equipments	762	189	6	945	476	114	5	585	360
Vehicles	121	8	9	120	77	9	8	78	42
Total (I)	**506,193**	**20,394**	**7,726**	**518,861**	**50,339**	**18,235**	**7,712**	**60,862**	**457,999**
Property,Plant & Equipment obtained on finance lease									
Land	2	-	2	-	2	-	2	-	-
Plant and machinery	24	-	24	-	23	-	23	-	-
Total (II)	**26**	-	**26**	-	**25**	-	**25**	-	-
Total Property, Plant and Equipment (I+II)	**506,219**	**20,394**	**7,752**	**518,861**	**50,364**	**18,235**	**7,737**	**60,862**	**457,999**
B) Capital Work In Progress									
Capital work-in-progress									**4,823**
C) Goodwill									
Goodwill	108,184	-	-	108,184	-	-	-	-	**108,184**
D) Other intangible assets									
Softwares & licenses	1,058	67	-	1,125	728	131	-	859	**266**
Total (A+B+C+D)	**615,461**	**20,461**	**7,752**	**628,170**	**51,092**	**18,366**	**7,737**	**61,721**	**571,272**

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

6 PROPERTY, PLANT AND EQUIPMENT, CAPITAL-WORK-IN-PROGRESS, GOODWILL, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)
	As at April 01, 2019	Additions (refer note 2 & 4 below)	Deductions/ Remeasurement	As at March 31, 2020	As at April 01, 2019	During the year	Deductions	As at March 31, 2020	As at March 31, 2020
A) Property,Plant & Equipment -Owned									
Land (Freehold)	52,818	48	-	52,866	-	-	-	-	52,866
Buildings	16,941	237	-	17,178	3,801	694	-	4,495	12,683
Plant and machinery	447,766	3,943	236	451,473	56,260	18,708	74	74,894	376,579
Furniture and fixtures	271	11	8	274	138	20	7	151	123
Office equipments	945	858	61	1,742	585	256	57	784	958
Vehicles	120	22	2	140	78	8	2	84	56
Total Property, Plant and Equipment	**518,861**	**5,119**	**307**	**523,673**	**60,862**	**19,686**	**140**	**80,408**	**443,265**
B) Capital Work In Progress									
Capital work-in-progress									**5,251**
C) Goodwill									
Goodwill	108,184	-	-	108,184	-	-	-	-	**108,184**
D) Other intangible assets									
Softwares & licenses	**1,125**	**187**	**1**	**1,311**	**859**	**122**	**1**	**980**	**331**
E) Right-of-Use assets (refer note - 39)									
Tangible Assets									
Land	-	9,932	102	9,830	-	390	-	390	**9,440**
Building	-	1,618	-	1,618	-	253	-	253	**1,365**
Plant & machinery	-	1,800	-	1,800	-	305	-	305	**1,495**
Vehicles	-	460	94	366	-	9	-	9	**357**
Total Tangible Assets	**-**	**13,810**	**196**	**13,614**	**-**	**957**	**-**	**957**	**12,657**
Intangible Assets									
Trademark	-	27,138	85	27,053	-	1,470	-	1,470	**25,583**
Total Right-of-use assets	**-**	**40,948**	**281**	**40,667**	**-**	**2,427**	**-**	**2,427**	**38,240**
Total (A+B+C+D+E)	**628,170**	**46,254**	**589**	**673,835**	**61,721**	**22,235**	**141**	**83,815**	**595,271**

for details of assets pledge as security, refer note 19 and 23.

Notes:

1. Land and building having carrying value aggregating to ₹ 2,676 million (Previous year ₹ 2,676 million) has been pledged for a loan taken by a third party. The Group is in discussion with the lender for release of the pledge.
2. Additions to plant and machinery include exchange loss on long-term foreign currency borrowing taken to finance property plant and equipment (refer note 3(K)) amounting to ₹ 1,507 million (Previous year loss of ₹ 1,774 million) & borrowing cost of ₹ nil million (Previous year ₹ 176 million).
3. In line with its major maintenance practices, the Group had completed major maintenance of its refinery and all other plant and machinery during turnaround activity in previous year. The Group incurred total cost of ₹ 324 million under other expenses (previous year ₹ 9,728 million - including raw materials consumption of ₹ 1,202 million, salary of ₹ 242 million and other expense of ₹ 3,387 million) on the major maintenance activity which have been capitalised to the plant and machinery.
4. Additions to ROU assets includes ₹ 36,783 million accounted for on April 1, 2019 on implementation of Ind AS 116.
5. The Company incurred total cost of ₹ 1,809 million (including salary of ₹ 264 million and other expense of ₹ 1,545 million) for petrochemical project which is included in Capital work in progress.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

7 INVESTMENTS (NON CURRENT) (UNQUOTED)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Investments - At FVTPL		
Investments in equity shares (fully paid-up)		
13,000,000 (Previous year 13,000,000) equity shares of ₹ 10 each of Petronet VK Limited*	-	-
1,584,000 (Previous year 1,584,000) equity shares of ₹ 10 each of Petronet CI Limited * @	-	-
10,000,000 (Previous year 10,000,000) equity shares of ₹ 0.10 each of Petronet India Limited * @	-	-
Total	-	-

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate amount of unquoted investments	-	-
Total	-	-

* Investments are fair valued at Zero.
@ companies are under liquidation

8 OTHER FINANCIAL ASSETS (NON CURRENT) (UNSECURED AND CONSIDERED GOOD, UNLESS OTHERWISE STATED)

(₹ in million)

Particulars		As at March 31, 2020	As at March 31, 2019
Security deposits	**(A)**	333	306
Other receivables			
Export incentive receivables {refer note 38(A)}		-	4,163
From Others {refer note 38(B)}			
- Considered good		789	925
- significant increase in credit risk		338	159
- Less: Expected credit loss {refer note 42(C)(v)}		(338)	(159)
	(B)	789	5,088
Bank Deposits with remaining maturity of more than twelve months #	**(C)**	376	132
Interest accrued on bank deposits	**(D)**	10	0
Derivative Assets	**(E)**	262	74
	Total (A+B+C+D+E)	1,770	5,600

\# mainly placed as margin for guarantees obtained from banks and to earn interest at the respective short-term deposit rates.
For details of assets pledged as security against borrowings, refer note 19 and 23.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

9 OTHER NON-CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	240	647
Capital advances	245	63
Claims / other receivables		
- Considered good	2,247	2,492
- Considered doubtful	280	-
- Less: Provision for doubtful debt	(280)	-
Total	2,732	3,202

For details of assets pledged as security against borrowings, refer note 19 and 23.

10 INVENTORIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials {including in transit ₹ 8,995 million (Previous year ₹ 31,447 million)}	21,839	55,458
Work-in-progress	17,149	18,737
Finished goods {including in transit ₹ 2,777 million (Previous year ₹ 658 million)}	13,540	14,472
Stores and spare parts {including in transit ₹ 8 million (Previous year ₹ 21 million)}	5,091	4,121
Other consumables {including in transit ₹ 662 million (Previous year ₹ 701 million)}	1,662	1,762
Total	59,281	94,550

a. Inventories are net of non-cash inventory holding loss amounting to ₹ 11,822 million (Previous year ₹ Nil), refer note 34.
b. For details of inventories pledged as security against borrowings, refer note 19 and 23.
c. refer note 3(G) for basis of valuation.

11 INVESTMENTS (CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in mutual funds - At FVTPL*	-	1,001
Total	-	1,001

*Aggregate amount of quoted investments and market value thereof.
For the Group's exposure to credit risks refer note 42(C)(v)

12 TRADE RECEIVABLES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Unsecured*	12,703	36,891
Trade Receivables - credit impaired	8	8
	12,711	36,899
- Less: Expected credit loss {refer note 42(C)(v)}	(8)	(8)
Total	12,703	36,891

* Includes ₹ 5,887 million (Previous year ₹ 2,266 million) backed by letters of credit.
For the Group's exposure to credit and currency risks, and loss allowances related to trade receivables, refer note 42(C)(v).
For amounts due from related parties, refer note 47.
For details of assets pledged as security against borrowings, refer note 19 and 23.
For details of bills discounting not meeting derecongnition criteria, refer note 23.
The Group has discounted bill receivables amounting to ₹ 7,391 million (As at March 31, 2019 ₹ 4,508 million), on non-recourse basis. The management has assessed that the Group does not have any continuing involvement with the said bills discounted, except in an unlikely scenario of dispute arising with regard to the existence of the receivable discounted. Accordingly, the discounting meets derecognition criteria and the money received has been netted off from the trade receivables discounted.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

13 CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in:		
-Current accounts	7,084	3,449
-Exchange earners' foreign currency (EEFC) accounts	19,137	1,446
-Deposits with original maturities less than 3 months*	3,799	2,155
Cheques on hand	-	8
Cash on hand	-	1
Total	30,020	7,059

*Short-term deposits are made with banks for varying periods of up to three months depending on the immediate cash requirements of the Group and to earn interest at the respective short-term deposit rates.

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked bank balances (debenture / unclaimed debenture interest)	10	9
Margin deposits*	6,478	6,274
Other deposits	4,568	0
Total	11,056	6,283

* Mainly placed as margin for letters of credit facilities, guarantees and short term borrowings obtained from banks and to earn interest at the respective bank deposit rates.

15 OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED AND CONSIDERED GOOD, UNLESS OTHERWISE STATED)

(₹ in million)

Particulars		As at March 31, 2020	As at March 31, 2019
Security deposits	(A)	221	216
Other receivables			
Export incentive receivables {refer note 38(A)}		4,614	-
- From others			
- Considered good		13,750	2,587
- significant increase in credit risk		628	274
- Less: Expected credit loss {refer note 42(C)(v)}		(628)	(274)
	(B)	18,364	2,587
Interest accrued on bank deposits	(C)	199	157
Derivative assets	(D)	12,787	2,722
Total (A+B+C+D)		31,571	5,682

For details of assets pledged as security against borrowings, refer note 19 and 23.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

16 OTHER CURRENT ASSETS (UNSECURED AND CONSIDERED GOOD, UNLESS OTHERWISE STATED)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances recoverable in cash or in kind or for value to be received	928	854
Prepaid expenses (refer note 47)	4,114	4,675
Balances with government authorities	376	351
(A)	5,418	5,880
Claims / other receivables		
- Considered good	562	50
(B)	562	50
Total (A+B)	5,980	5,930

For details of assets pledged as security against borrowings, refer note 19 and 23.

17 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	₹ in million	Number of shares	₹ in million
Authorised				
Equity shares of ₹ 10 each	8,000,680,000	80,007	8,000,680,000	80,007
Preference Shares of ₹ 10 each	1,000,000,000	10,000	1,000,000,000	10,000
Issued and subscribed				
Equity shares of ₹ 10 each	1,552,487,155	15,525	1,552,487,155	15,525
Paid up				
Equity shares of ₹ 10 each fully paid up	1,490,561,155	14,906	1,490,561,155	14,906
Add : Forfeited shares - Equity shares of ₹ 10 each	61,926,000	166	61,926,000	166
		15,072		15,072

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	₹ in million	Number of shares	₹ in million
Shares outstanding at the beginning of the year	1,490,561,155	14,906	1,490,561,155	14,906
Add : Equity shares issued	-	-	-	-
Shares outstanding at the end of the year	1,490,561,155	14,906	1,490,561,155	14,906

The above includes 475,731,927 (Previous year 951,463,854) underlying equity shares represented by 3,109,359 (Previous year 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.

The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

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For the year ended March 31, 2020

Holders of GDS are entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under the Deposit Agreement and any Indian tax applicable to such dividends. The holders of GDS are entitled to instruct the Depository to exercise the voting rights, arising under the equity shares represented by the GDS at general meetings and through postal ballot. In the event of liquidation the rights of the GDS holders are equivalent to rights of the equity shareholders.

c) Details of shareholders holding more than 5% shares (including GDS) in the Company:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of shares	Number of shares	% of shares
3,109,359 (3,109,359 as at March 31, 2019) GDS held by Kesani Enterprise Company Ltd	**475,731,927**	**31.92%**	475,731,927	31.92%
Nil (3,109,359 as at March 31, 2019) GDS held by Rosneft Singapore Pte. Limited (Formerly known as Petrol Complex Pte. Limited)	**-**	**0.00%**	475,731,927	31.92%
Equity shares held by Kesani Enterprise Company Ltd	**256,594,520**	**17.21%**	256,594,520	17.21%
Equity shares held by Rosneft Singapore Pte. Limited (Formerly known as Petrol Complex Pte. Limited)	**732,326,446**	**49.13%**	256,594,519	17.21%

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of equity shares.

18 OTHER EQUITY

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve	**596**	596
Retained Earnings	**117,383**	96,089
Other Comprehensive Income:		
Cash flow hedge reserve	**(22,005)**	(417)
Foreign currency monetary item translation difference account	**(188)**	(230)
Other Reserves:		
Capital reserve	**409**	409
Securities premium	**78,014**	78,014
Foreign currency Translation Reserve	**(0)**	(0)
Total	**174,209**	174,461

General reserve: Represents the reserve created mainly on account of amount transfer from debenture redemption reserve on redemption of debentures. It can be used for distribution to equity shareholders only after complying with restrictions contained in the Companies (Declaration and Payment of Dividend) Rules, 2014 , as amended.

Retained earnings: Net earnings, retained by the Group to be reinvested in its core business. It also includes fair valuation of property, plant and equipment and other assets done by the Group on transition to Ind AS and used as deemed cost of the concerned assets. Whether the Company can use these amount for distribution depend on specific requirements of the Companies Act, 2013 (as amended) and rules framed thereunder. Particularly, unrealised fair value gains cannot be used for dividend distribution.

Cash flow hedge reserve: Changes in the fair value of derivatives/ hedging instruments that are designated and qualify as cash flow hedges are deferred in the "Cash Flow Hedge Reserve". The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts deferred in the Cash Flow Hedge Reserve Account are recycled in the statement of profit and loss in the periods when the hedged item is recognised and affects the statement of profit and loss, in the same line as the hedged item.

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For the year ended March 31, 2020

Foreign currency monetary item translation difference account: Represents exchange differences arising on reporting of long-term foreign currency monetary items that are accumulated and amortised over the balance period of such long-term liability by recognition as income or expense in each such periods.

Capital reserve: Capital reserve can be utilised for issuance of bonus shares.

Securities premium : The amount in the account represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares. The same can be utilised for the items specified under section 52 of the Companies Act, 2013.

Foreign currency translation reserve: Represents exchange differences arising on translation of the foreign operations. The cumulative amount is reclassified to profit or loss when the foreign operation is disposed-off.

19 BORROWINGS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Borrowings - At amortised cost		
Debentures		
Non convertible debentures	**23,920**	23,860
Term loans*		
From banks	**79,485**	102,835
From financial institutions	**3,305**	-
Current maturities of long term debt included under other financial liabilities (refer note 25)	**(7,910)**	(8,429)
Total	**98,800**	118,266

* refer note 42(C)(ii)for borrowings outstanding in foreign currencies.

(A) Security for term loans and funded interest facilities from banks and debentures

(₹ in million)

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
i)	ECB loan is secured by first charge, ranking pari passu with other term lenders on all present and future immovable assets (except certain leased out assets and fixed assets of power plant), all present and future movable assets, security interest on the rights, title and interest under project documents, insurance policies and second charge pari-passu with other term lenders on the current assets.	12,861	23,166
ii)	Rupee and USD loan availed from various banks/ financial institutions are secured by first charge, ranking pari- passu with other term lenders on the fixed assets (movable and immovable) , both present and future of the Company (except certain leased out assets and fixed assets of power plant). Second charge, pari- passu with other term lenders on the current assets of the Company, first charge by way of assignment or security interest over all rights, tiles, insurance and interest in all project documents to which the Company is a party, first charge on DSRA/ margin as and when created.	63,813	66,006
iii)	Non convertible debentures are secured by first charge, ranking pari-passu with other lenders on the fixed assets (movable and immovable except certain leased out assets and fixed assets of power plant), both present and future of the Company in relation to Project, Second charge, pari- passu with other term lenders on the current assets of the Company, first charge by way of assignment or security interest over insurance policy.	23,920	23,860

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
iv)	Rupee Term Loans along with interest are secured by first pari passu charge over both movable and immovable fixed assets of power plant of the Company, both present and future, Second charge, pari- passu with other term lenders on the current assets of the Group.	6,116	13,663
	Total	**106,710**	**126,695**

(B) Repayment and other terms:

(₹ in million)

Sr No.	Particulars	As at March 31, 2020	As at March 31, 2019
i)	ECB Loans carry interest rate of 3 months / 6 months LIBOR + margin ranging from 3.60% p.a. to 5.00% p.a. are repayable in unequal instalments starting from March 2015 and ending in June 2024.	12,861	23,166
ii)	Rupee loan and USD Loan from various lenders carry interest of respective lenders rate of 3/6 month MCLR/ 3 months USD LIBOR + spread ranging from 40 bps to 360 bps and is repayable in unequal instalments starting from March 2018 and ending to June 2038.	63,813	66,006
iii)	The rupee term loan facility from banks carry interest rate at bank's 1Y MCLR + 1.17% is repayable in 30 structured quarterly instalments beginning March 31, 2020 and ending to September 2027.	6,116	-
iv)	The rupee term loan facility from banks carry interest rate at bank's 3M MCLR + 0.90% is repayable in 51 structured quarterly instalments beginning December 31, 2017 and ending to June 2030.	-	13,663
v)	Non-convertible debentures carry fixed interest of 9.50% p.a. is repayable in a single bullet in July 2021.	23,920	23,860
	Total	**106,710**	**126,695**

(C) In March 2017, the Company and its subsidiaries Vadinar Oil Terminal Limited and Vadinar Power Company Limited (VPCL) (now merged with the Company) applied to one of its lenders to prepay the entire outstanding loans along with applicable interest and prepayment penalty. The said lender did not respond to the said request and subsequently in August 2017, the Company, VOTL and VPCL went ahead and prepaid all their dues to the said lender aggregating to ₹ 8,282 million (including interest and prepayment penalty of ₹ 152 million). The Company has issued legal notice and filed writ petition in Hon'ble High Court of Bombay against the lender, for release of charge over assets of the Company and issue of no dues certificate, which is under consideration.

The Company has obtained legal advice on the current situation, as per which no additional liability should devolve on the Group with respect to its borrowings from the said lender and accordingly, the Group has not recorded any liability with respect to the same.

20 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	**76**	64
Lease liabilities (refer note 39)	**46,025**	-
Derivative Liabilities	**5,941**	1,296
Advances received from customers (refer note 47)	**108,054**	68,797
Total	**160,096**	70,157

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

21 TAXATION

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities (Net)	54,739	80,706
Total	54,739	80,706

(A) Income tax (benefit) / expense (₹ in million)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	(A)	1,791	967
Deferred tax	(B)	(17,014)	2,692
Total tax expense (reversed) / charged to statement of profit and loss	**(A+B)**	**(15,223)**	3,659
Deferred tax charged / (reversed) to other comprehensive income / (loss)		**(7,095)**	**393**

(B) The income tax expenses for the year can be reconciled to the accounting profit as follows: (₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (Loss) before tax	9,777	10,544
Statutory tax rate	25.17%	34.94%
Expected income tax expense at statutory rates	2,461	3,684
Items giving rise to difference in tax		
Disallowances on tax assessment	830	-
Deferred tax asset not recognised (net)	133	-
Effect of change in indexed cost of land	(243)	(243)
Effect of change in tax provisions (refer note (E) below)	(18,458)	-
Others	54	218
Total Income tax (reversal) / expense	**(15,223)**	**3,659**
Effective tax rate (Excluding effect of changes in tax provisions)	**33.09%**	**34.70%**
Effective tax rate (Including effect of changes in tax provisions)	**-155.70%**	**34.70%**

(C) Composition of deferred tax (assets) / liabilities: (₹ in million)

Deferred tax balance in relation to	As at March 31, 2019	Recognised through profit and loss	Recognised in other comprehensive income	Recognised in Equity (on initial adoption of Ind-AS 116)	As at March 31, 2020
Difference in Property, plant and equipment	110,562	(17,696)	-	-	92,866
Carried forward unabsorbed depreciation	(25,397)	7,514	-	-	(17,883)
Carried forward Business Loss	(512)	66	-	-	(446)
Effect of mark to market accounting	(219)	6,555	(7,095)	-	(759)
Lease Accounting	-	(13,998)	-	(1,858)	(15,856)
Inventory- Provision for NRV	-	(2,976)	-	-	(2,976)
Others	(603)	396	-	-	(207)
Total (A)	**83,831**	**(20,139)**	**(7,095)**	**(1,858)**	**54,739**
MAT credit entitlement (Total B)	**(3,125)**	**3,125**	-	-	-
Total (A+B)	**80,706**	**(17,014)**	**(7,095)**	**(1,858)**	**54,739**

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

(₹ in million)

Deferred tax balance in relation to	As at March 31, 2018	Recognised through profit and loss	Recognised in other comprehensive income	Impact on account of merger	As at March 31, 2019
Difference in Property, plant and equipment	105,890	4,672	-	-	110,562
Carried forward unabsorbed depreciation	(22,130)	(3,267)	-	-	(25,397)
Carried forward Business Loss	-	(512)	-		(512)
Effect of mark to market accounting	(35)	(577)	393	-	(219)
Others	(3,946)	3,343	-	-	(603)
Total (A)	**79,779**	**3,659**	**393**	**-**	**83,831**
MAT credit entitlement (Total B)	**(3,860)**	**(967)**	**-**	**1,702**	**(3,125)**
Total (A+B)	**75,919**	**2,692**	**393**	**1,702**	**80,706**

(D) The Group has not recognised deferred tax assets of ₹ 7,923 million and ₹ 47 million (March 31, 2019 ₹ 7,923 million and ₹ Nil) on carried forward short term capital losses and business losses respectively in the absence of a reasonable certainty towards their utilisation. These capital losses and business losses can be carried forward upto March 31, 2026 and March 31, 2028 respectively.

(E) The Group has foregone its MAT Credit and opted for lower corporate tax rate of 25.17% as provided under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 and accordingly has calculated its tax charge. Further, the Group has also re-measured its deferred tax balances as at April 1, 2019 on the revised tax provisions and a net credit of ₹ 18,458 million has been accounted for on such re-measurement.

(F) The Group has not recognised deferred tax assets of ₹ 1,462 million (Previous year ₹ 878 million) on unabsorbed depreciation of ₹ 5,810 million (Previous year ₹ 2,513 million) due to ongoing litigation towards its allowability.

22 OTHER NON-CURRENT LIABILITIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances received from customers	**22,885**	35,821
Total	**22,885**	35,821

23 SHORT TERM BORROWINGS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Borrowings		
Buyers' credits and bills discounting* @	**4,523**	32,729
Bank overdraft	**-**	1,729
Short term loan from banks	**-**	14,971
Working capital demand loan from bank	**4,250**	7,973
Total	**8,773**	57,402

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

Security for short term borrowing:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Buyers' credits is Secured / to be secured by first charge on entire current assets of the Company (existing and future) on a pari passu basis among lenders, second charge on Property Plant and Equipment including both present and future (except certain leased out assets and fixed assets of power plants) on a pari passu with other lenders, and certain shares of a related party on a pari passu with other lenders. The loan carries an interest rate which is determined and fixed on date of availing of the loan which is presently at 3.00% p.a. to 8.40% p.a. and are repayable within 3 months of being drawn.	4,523	32,729
b) Bank overdraft / cash credit from bank is secured by fixed deposits maintained with a bank and carries interest rate of 1% over fixed deposits rate and is repayable on demand.	-	1,729
c) Short Term Loan of from bank is secured by first charge on entire current assets of the Company (existing and future) on a pari passu basis among lenders; second charge on Property Plant and Equipment including both present and future (except fixed assets of power plants) on a pari passu with other lender, and certain shares of a related party on a pari passu with other lenders. The loan carries an interest rate of 3 months marginal cost of funds based lending rate (MCLR) plus spread of 0.60% p.a. and 6 months marginal cost of funds based lending rate (MCLR) plus spread of 0.60% p.a. i.e 8.95% to 9.40% and is repayable within six month of being drawn.	-	14,971
d) Working Capital Demand loan from bank is secured / to be secured by i) first charge on all current assets both present and future including all receivables ranking pari passu basis among lenders, second charge by way of mortgage of immovable and movable properties, including revenues both present and future on pari passu with other lenders and certain shares of a related party on a pari passu with other lenders. These loans carries fixed interest rate of 7.2% and 3 months marginal cost of funds based lending rate (MCLR) i.e. 8.65% p.a. These loans are repayable on demand.	4,250	7,973
Total	**8,773**	57,402
* The Company has discounted trade receivable on full recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. The related trade receivables have been disclosed under note 12	-	17,165

@ refer note 42(C)(ii) for borrowings outstanding in foreign currencies.

24 TRADE PAYABLES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables (refer note 47)	**96,416**	92,711
Total	**96,416**	92,711

Trade payables are non-interest bearing and are normally settled within 0-90 days.

Notes to Consolidated Financial Statements (Contd.)
For the year ended March 31, 2020

25 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt (refer note 19)	7,910	8,429
Interest accrued but not due on borrowings	2,425	1,779
Capital creditors	846	1,184
Security deposits	232	208
Lease liabilities (refer note 39)	1,317	-
Unclaimed debenture interest and principal (secured) #	10	10
Advances received from customers (refer note 47)	73,721	55,424
Other liabilities	1,853	3,167
Derivative Liabilities	9,426	1,819
Total	97,740	72,020

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

26 OTHER CURRENT LIABILITIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues@	8,325	9,855
Advances received from customers	17,649	15,883
Export Obligation Deferred Income*	60	303
Total	26,034	26,041

@Statutory dues mainly includes contribution to PF, withholding taxes, excise duty and sales tax / GST etc.

*In respect of unfulfilled export obligation of ₹ 63,413 million (Previous year ₹ 256,993 million).

27 PROVISIONS (CURRENT)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Compensated absences	417	375
Gratuity (refer note 46)	386	436
Total	803	811

28 REVENUE FROM OPERATIONS

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from sale of products #		
Sale of manufactured products	866,696	829,974
Sale of traded goods	129,202	152,746
Other operating revenues {refer note 38(A)}*	2,785	3,874
Total	998,683	986,594

Comprises of revenue from contracts with customers of ₹980,384 million (Previous year ₹ 1,005,291 million) recognised at a point in time and ₹ 15,514 million pertaining to hedging gain (Previous year ₹ 22,571 million pertaining to hedging loss) related to sales which are recycled from the cash flow hedge reserve when the underlying sales contract is executed and concluded.

* Includes duty drawback income of ₹ 1,024 million (Previous year ₹ 862 million) and export obligation fulfilment income of ₹ 305 million (Previous year ₹ 1,919 million).

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers. The management believes that such disaggregation better depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Export sales {including deemed export of ₹ Nil million (Previous year ₹ 4,086 million)	353,551	362,478
Domestic Oil marketing companies	215,630	273,010
Retail Outlets	377,019	332,967
Others	34,184	36,836
Total revenue from contracts with customers	**980,384**	1,005,291

(₹ in million)

Contract balances	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Trade receivables *	12,703	36,891	29,272
Contract liabilities	222,309	175,925	94,519

* Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days. As on March 31, 2020, ₹ 8 million (Previous year ₹ 8 million) has been recognised towards provision for expected credit losses on trade receivables.

Contract assets are initially recognised for revenue earned from sale of the petroleum products when receipt of consideration is conditional on successful completion of billing shipment. Upon completion of billing milestone, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities include long-term / short-term advances received to deliver petroleum products.

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue recognised out of contract liabilities outstanding at the beginning of the year	72,608	25,539

Changes in contract liabilities are mainly due to revenue being recognised against the same, receipt of new advances and foreign exchange fluctuations.

Reconciliation of the amount of revenue from contract with customers with the contracted price

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue as per contracted price	983,036	1,007,422
Adjustments		
Discount and incentives	(2,652)	(2,131)
Revenue from contract with customers	**980,384**	1,005,291

Performance obligation

The performance obligation is satisfied upon delivery of the goods and services made as per the terms agreed with customers and payment is generally due within 0 to 30 days from delivery except in case of adjustment against export advances. Pricing of sales made under these export advances is based on market index at the time of supply. Hence it reflects fair value.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

29 OTHER INCOME

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- Bank deposits (carried at amortised cost)	**1,676**	799
- Other financial assets (carried at amortised cost) {refer note 38(B)}	**153**	118
- Derivative instruments-not designated as hedge	**-**	544
	1,829	1,461
Other non-operating income	**1,011**	832
Other gains (net)		
-Gain on settlement of commodity derivative - carried at FVTPL	**3,752**	13,473
- Net gain on investments carried at FVTPL	**224**	772
Total	**6,816**	16,538

30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in million)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Opening inventories:			
- Finished goods		**14,472**	13,013
- Work-in-progress		**18,737**	17,770
- Stock-in-trade		**-**	1
	(A)	**33,209**	30,784
Closing inventories:			
- Finished goods		**13,540**	14,472
- Work-in-progress		**17,149**	18,737
	(B)	**30,689**	33,209
Non-cash inventory holding loss (part of exceptional Item, refer note 34)	**(C)**	**6,336**	-
Net (Increase) in Inventory	**Total (A)-(B)-(C)**	**(3,816)**	(2,425)

31 EMPLOYEE BENEFITS EXPENSE*

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	**6,224**	4,841
Contribution to provident and other funds (refer note 46)	**440**	316
Staff welfare expenses	**317**	200
Total	**6,981**	5,357

* ₹ 264 million (Previous year NIL) petrochemical division related expense capitalised (refer note 6).

* net of Nil (Previous year ₹ 242 million) capitalised during turnaround (refer note 6).

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

32 FINANCE COSTS*

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest		
a) On debentures	**2,285**	1,530
b) On term loans	**7,639**	10,342
c) Interest expenses on lease liabilities (refer note 39)	**3,186**	-
d) On others	**8,996**	9,135
Exchange differences regarded as an adjustment to borrowing costs	**303**	123
Derivative instruments-carried at FVTPL	**584**	-
Other finance charges	**4,503**	4,496
Total	**27,496**	25,626

* net of ₹ Nil (Previous year ₹ 176 million) capitalised during the year (refer note 6).

33 OTHER EXPENSES*

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of chemical, catalyst, stores and spare parts	**3,882**	3,324
Product and Intermediate material storage charges	**580**	-
"Consumption of power, fuel and electricity {exclude fuel consumed out of own production ₹ 16,996 million (Previous year ₹ 16,872 million)}	**9,626**	9,662
Rent / Return on investment / Adhoc Compensation to retail outlets	**-**	671
Freight and Forwarding Charges	**12,160**	9,662
Rent, rates and taxes	**3,040**	5,292
Insurance	**1,112**	743
Legal and professional fees	**3,484**	2,998
Repairs and maintenance	**1,828**	1,661
Debit balance / doubtful debts written off net of provision	**344**	4
Loss on disposal / discard of property, plant and equipment (net)	**3**	172
Exchange differences (net)	**4,572**	9,314
Trademark Fees	**66**	2,555
Expected credit loss (net) {refer note 42(C)(v)}	**533**	190
Sundry expenses	**3,928**	2,632
Total	**45,158**	48,880

Notes:

* Net of ₹ 1,545 million (Previous year NIL) petrochemical division related expense capitalised (refer note 6).

* Net of ₹ 324 million (Previous year ₹ 3,387 million) capitalised during refinery turnaround (refer note 6).

34 EXCEPTIONAL ITEMS

Exceptional items comprise of

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A Variation in foreign exchange fluctuation on overdue crude purchase liabilities (net of earmarked bank balances) and other related costs	**-**	1,773
B Non cash inventory holding loss on closing inventories due to fall in oil prices*	**11,822**	
C Non-cash commodity derivative gains to hedge price risk - not designated as hedge	**(7,278)**	-
Total	**4,544**	1,773

* Non cash inventory holding loss include ₹ 5,486 million on raw materials and ₹ 6,336 million on finished goods/Work-in-progress inventory.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

35 EARNINGS PER SHARE

The following table reflects the profit and data on equity shares used in the basic and diluted EPS computations:

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to ordinary equity holders of the parent for basic & diluted earnings (₹ in million)	(A)	24,764	6,789
Weighted average number of ordinary shares for basic and diluted EPS	(B)	1,490,561,155	1,490,561,155
Nominal value of ordinary shares (₹)		10/-	10/-
Basic and Diluted earnings per share (₹)	(A/B)	**16.61**	4.55

36 CONTINGENT LIABILITIES

(₹ in million)

	Particulars	As at March 31, 2020	As at March 31, 2019
A.	**Claims against the Group not acknowledged as debts**		
i)	Claims filed by creditors of an erstwhile subsidiary (Essar Oil & Gas Exploration & Production Limited). The Group reserves its right to claim the entire amount back from the said entity.	402	555
ii)	Pursuant to a take or pay arrangement (arising out of assignment of a contract for specified periods) for supply of Natural gas, a claim has been raised on the Company by the supplier, after adjusting an amount of ₹ 1,860 million realised by invoking the Bank Guarantee provided by the Company which has since been reimbursed by the assignor, as on March 31, 2020. The Company has disputed the entire claim and the matter is currently under arbitration. The Company on the basis of legal advice does not expect any material liability to devolve on the Company.	19,623	17,957
iii)	Other claims against the Group	3,058	3,015
B.	**Other money for which the Group is contingently liable**		
i)	In respect of income tax demands on various issues	270	263
ii)	In respect of Sales tax / VAT on sale of SKO and LPG to Oil marketing companies which were ultimately sold through Public Distribution system {includes likely reimbursement of ₹ 33,758 million (as at March 31, 2019 ₹ 31,243 million)}	42,311	39,204
iii)	Other demands of Sales tax /VAT	856	818
iv)	In respect of custom duty / excise duty / service tax mainly relating to classification of products sold, allowability of cenvat credit {includes likely reimbursement of ₹ Nil (as at March 31, 2019 ₹ 521 million)}	6,915	7,851
v)	The Reserve Bank of India (RBI) levied a penalty on the Company for delay in the allotment of equity against advances for Global Depositary Shares (GDS). The Company contested the penalty and appealed to the RBI Governor which was rejected. The Company has challenged the same before the Bombay High Court through a writ petition. In the meanwhile, the Enforcement Directorate initiated and closed an investigation in the matter and the order is awaited. The management is of the opinion that it should get relief and at most be liable for a sum of ₹ 49 million only (Previous year ₹49 million) for which necessary provision has been made in these financial statements.	2,412	2,412

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

Notes to Consolidated Financial Statements (Contd.)
For the year ended March 31, 2020

37 CAPITAL AND OTHER COMMITMENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Capital commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**6,132**	2,030

B. Other commitments

(i) 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 ending on September 29, 2023. This bareboat charter gets implemented only if ESCL defaults in 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.

(ii) The Group has an obligation arising out of the regulatory guidelines to operate retail fuel outlets in India to setup retail fuel outlets in remote service areas. The extent of the remote service areas are directly related to the outlets the Group have in the network. The Group has 211 number of retail outlets to be setup on the balance sheet date and discussion with the Ministry of Petroleum & Natural Gas is in progress on the Group's plan for fulfilling the obligation and seeking support in terms of time period of implementation and supply security of products in the remote service areas.

38 (A) Revenue from operation includes ₹ 669 million (Previous year ₹ 526 million) towards duty drawback on National Calamity Contingent Duty (NCCD) paid on imported crude which was recognised based on a favourable order of the Hon'ble Gujarat High Court. The department vide its notification dated 12th May 2020 fixed the brand rate on Duty Drawback of NCCD. Accordingly, the Company has assessed the recovery of above income as highly probable and considered the total receivables of ₹ 4,455 million (As at March 31, 2019 ₹ 4,013 million) as good of recovery and classified as current.

(B) The Hon'ble Supreme Court of India in July 2015 had ordered a customer to pay ₹ 1,821 million (including interest of ₹1,387 million). Basis this order the Company has a recognised receivable of ₹ 912 million (As at March 31, 2019 ₹ 834 million) from the customer. The Company has assessed the recoverability of both the above balances as highly probable and hence has considered them as good of recovery.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

39 LEASES

Group as a lessee

The Group has lease contracts for various items of land, plant & machinery, building, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 5 and 10 years, leases of land generally have lease terms between 20 and 30 years, while building and other equipment generally have lease terms between 5 and 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios and some lease contracts include extension , termination options and variable lease payments.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(₹ in million)

Particular	As at March 31, 2020			
	Right of use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01,2019	36,783	41,795	-	-
Additions	4,165	4,165	-	-
Deletion/discarded/Retirement	(102)	(123)	-	-
Remeasurement on account of change in term of agreement	(179)	(179)		
Depreciation expense	(2,427)	-	2,427	-
Interest accruals	-	3,186	3,186	-
Unrealised forex loss	-	2,709	-	-
Payments	-	(4,026)	-	-
Others	-	(185)	-	-
As at March 31,2020	**38,240**	**47,342**	**5,613**	**-**
Current lease liabilities (refer note 25)	-	**1,317**	-	-
Non-current lease liabilities (refer note 20)	-	**46,025**	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(840)
- Towards Interest	-	-	-	(3,186)
Total	**-**	**-**	**-**	**(4,026)**
Other Leases				
Short Term Leases (included in cost of Sales)	-	-	296	-
Low value Leases (Included in Administrative expenses)	-	-	29	-
Variable leases (Included in cost of sales)	-	-	19	-
Total	**-**	**-**	**344**	**-**
As at March 31, 2020	**38,240**	**47,342**	**5,957**	**(4,026)**

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

40 SEGMENT INFORMATION

Identification of Segments:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Management Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 Operating Segments), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

According to the management, the Group with all its subsidiaries are engaged in the single business of refining of crude oil and marketing of petroleum products in domestic and overseas market (refining business). The management believes that activities such as operation of crude oil terminal, power plant and construction & leasing of township, etc., are supporting the refining business. Hence, the management views operations of the entire Group as one activity for measuring performance. Basis this, the management has decided that the entire Group is a single segment entity.

Information about major customers:

Two customers in the Refining and Marketing segment contributed revenues (including excise duty) aggregating to ₹ 221,543 million, (for the year ended March 31, 2019 : One customer in the Refining and Marketing segment contributed revenues aggregating to ₹ 149,777 million).

No other customer contributed 10% or more, to the total revenue for both the year ended March 31, 2020 and March 31, 2019.

Information about product and services

The Groups sells only petroleum products hence product wise disclosure is not applicable

Geographical Information: (₹ in million)

Revenue from operations	Year ended March 31, 2020	Year ended March 31, 2019
Within India	645,132	628,202
Outside India:		
Singapore	42,421	51,690
Mozambique	51,749	11,030
UAE	59,919	63,811
Malaysia	25,156	51,778
Other Countries	174,306	180,083

The revenue information above is based on the locations of the customers.

Non current assets (excluding financial assets and non current tax assets)	As at March 31, 2020	As at March 31, 2019
Within India	598,003	574,474
Outside India	-	-

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

41 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maximise the shareholder value while safeguarding its ability to continue as a going concern.

For the purpose of the Group's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders of the parent and non-controlling interests. The Net Debt comprises all long term and short term borrowings as well as export advances having original maturities for more than 1 year less cash and bank balances. Bank loans availed by the Group are subject to certain financial covenants based on information presented in standalone financial statements of the Company and the Company is compliant with these financial covenants on the reporting date as per the terms of the loan agreements. There is no outstanding default on the repayment of loans (including interest thereon) as at March 31, 2020.

The Group monitors its capital using gearing ratio, which is net debt divided to equity and underlying net debt.

The amounts managed as capital by the Group for the reporting periods under review and gearing ratio are summarised as follows:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings (refer note 19)	98,800	118,266
Short term borrowings (refer note 23)	8,773	57,402
Upfront fees	1,237	1,302
Current maturity of long term borrowing (refer note 25)	7,910	8,429
Lease liabilities (refer note 20 and 25)	47,342	-
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 20 and 25)	194,010	124,231
Total debt	**358,072**	**309,630**
Less : Cash and cash equivalents (refer note 13)	(30,020)	(7,059)
Less : Bank balances (refer note 14)	(11,056)	(6,283)
Total cash and bank balances	**(41,076)**	**(13,342)**
Net debt (a)	**316,996**	**296,288**
Equity share capital (refer note 17)	15,072	15,072
Other equity (refer note 18)	174,209	174,461
Non-controlling Interests (refer note 43)	2,868	2,632
Total equity	**192,149**	**192,165**
Equity and underlying net debt (b)	**509,145**	**488,453**
Gearing ratio (a/b)	62.26%	60.66%

Notes to Consolidated Financial Statements (Contd.)
For the year ended March 31, 2020

42 FINANCIAL INSTRUMENTS

(A) Categories of financial instruments :

Given below is the category wise carrying amount of Company's financial instruments:

As at March 31, 2020 : (₹ in million)

Particulars	Fair value through profit or loss Fair value	Financial Assets/ Liabilities designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets					
Trade receivables*	9,716	-	2,987	12,703	12,703
Cash and cash equivalent*	-	-	30,020	30,020	30,020
Bank balances other than cash and cash equivalent*	-	-	11,056	11,056	11,056
Derivatives	437	12,612	-	13,049	13,049
Other financial assets*	-	-	20,292	20,292	20,292
Total	**10,153**	**12,612**	**64,355**	**87,120**	**87,120**
Financial Liabilities					
Long-term borrowings#*	-	-	106,710	106,710	106,214
Short-term borrowings*	-	-	8,773	8,773	8,773
Trade payables*	-	30,559	65,857	96,416	96,416
Derivatives	456	14,911	-	15,367	15,367
Lease liability	-	33,081	14,261	47,342	50,722
Other financial liabilities*	-	181,775	5,442	187,217	187,217
Total	**456**	**260,326**	**201,043**	**461,825**	**464,709**

As at March 31, 2019 : (₹ in million)

Particulars	Fair value through profit or loss Fair value	Financial Assets/ Liabilities designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets					
Current Investments	1,001	-	-	1,001	1,001
Trade receivables*	17,236	-	19,655	36,891	36,891
Cash and cash equivalent*	-	-	7,059	7,059	7,059
Bank balances other than cash and cash equivalent*	-	-	6,283	6,283	6,283
Derivatives	65	2,731	-	2,796	2,796
Other financial assets*	-	-	8,486	8,486	8,486
Total	**18,302**	**2,731**	**41,483**	**62,516**	**62,516**
Financial Liabilities					
Long-term borrowings#*	-	-	126,695	126,695	127,749
Short-term borrowings*	-	-	57,402	57,402	57,402
Trade payables*	-	-	92,711	92,711	92,711
Derivatives	1,048	2,067	-	3,115	3,115
Other financial liabilities*	-	124,221	6,412	130,633	130,633
Total	**1,048**	**126,288**	**283,220**	**410,556**	**411,610**

including current maturities of long-term borrowings

* The management assessed that the fair value of these financial assets and liabilities approximate their carrying amounts due to the short term maturities of these instruments. For fair value of long term borrowings, refer below level wise disclosure.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

B) Level-wise disclosure of fair value for financial instruments requiring fair value measurement/ disclosure:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Investment in mutual funds	-	1,001	I	Net asset value declared by mutual fund
Trade receivables	9,716	17,236	II	Discounted cashflow - future cashflows are based on the terms of trade receivables. Cashflows are discounted at the current market rate reflecting current market risks.
Foreign currency forward exchange contracts-Assets	174	66	II	Interest rate swaps, foreign exchange forward / option contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
Foreign currency forward exchange contracts-Liabilities	16	942	II	
Foreign currency option contracts-Assets	263	-	II	
Foreign currency option contracts-Liabilities	-	29	II	
Commodity Derivative Contracts -Assets	11,764	1,881	II	
Commodity Derivative Contracts -Liabilities	10,118	699	II	
Currency swap contracts -Assets	848	849	II	
Currency swap contracts -Liabilities	4,611	889	II	
Interest rate swap contracts -Liabilities	622	556	II	
Advance received from export customers*	181,775	124,231	II	Long-term advances are evaluated based on parameters such as interest rates, specific country risk factors, credit risk and other relevant risk characteristics of the advance. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the advance. These cash flows are discounted at a rate that reflects current market rate and the current market risk. Also, being foreign currency, amounts are restated at the closing rate.

Notes to Consolidated Financial Statements (Contd.)
For the year ended March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Trade Payables	30,559	-	II	Trade payables are evaluated based on parameters such as specific country risk factors, credit risk and other relevant risk characteristics of the payables. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the trade payable. These cash flows are discounted at a rate that reflects current market rate and the current market risk. Also, being foreign currency, amounts are restated at the closing rate.
Lease liabilities	50,722	-	II	Fair value of lease liabilities are determined based on discounted cash flow method using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.
Long term borrowings (including current maturities)	106,214	127,749	II	Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the borrowing. These cash flows are discounted at a rate that reflects current market rate and the current market risk.

*Physical commodity contracts, when used for trading purposes or readily convertible into cash and designated as at FVTPL for mitigating accounting mismatch, are treated as financial instrument. Unless designated as hedging instruments, such contracts are measured at fair value and associated gains and losses are recognised in the consolidated statement of profit and loss.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

(C) Financial risk management objectives

The Group's principal financial liabilities, other than derivatives, comprise loans and overdrafts, export advances and trade payables. The management treats the export advances as financial instruments for risk management purposes. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash and short-term deposits which arise directly from its operations. The Group also invests surplus resources in mutual fund or similar instruments.

The Group is subject to fluctuations in commodity prices and currency exchange rates due to nature of its operations. Risks arising from the Group's financial instruments are commodity price risk, foreign currency risk, interest rate risk, liquidity risk and credit risk. The Group enters into derivative transactions, primarily in the nature of commodity derivative contracts, forward currency contracts, currency swap contracts, currency options contracts and interest rate swap contracts. The purpose is to manage commodity price risk, currency risks and interest rate risks arising from the Group's operations. To mitigate risk, the Group may also designate existing foreign currency financial assets and liabilities as economic hedge against highly probable sale/ purchases.

The Group has a Risk Management Committee established by its Board of Directors overseeing the risk management framework and developing and monitoring Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identification and mapping controls against this risk, monitor the risk and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and Group's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

i) Commodity price risk

The prices of refined petroleum products and crude oil are linked to the international prices. The Group's revenues, cost and inventories are exposed to the risk of fluctuation in prices of crude oil and petroleum products in the international markets. From time to time, the Group uses commodity derivative instruments to hedge the price risk of forecasted transactions such as forecast crude oil purchases and refined product sales. These derivative instruments are considered economic hedges for which changes in their fair value are recorded in the statement of Profit and Loss. However, in cases where the Group designates these derivative instruments as cash flow hedge, the effective portion of gain / loss on derivative is recognised in other comprehensive income and accumulated in equity. The amount is reclassified to statement of profit and loss when the hedged items impacts the statement of profit and loss.

The Group operates a risk management desk that uses hedging instruments to seek to reduce the impact of market volatility in crude oil and product prices on the Group's profitability. The Group's risk management desk uses a range of conventional oil price-related financial and commodity derivative instruments such as futures, swaps and options that are available in the commodity derivative markets. (The derivative instruments used for hedging purposes typically do not expose the Group to market risk because the change in their market value is usually offset by an equal and opposite change in the market value of the underlying asset, liability or transaction being hedged). The Group's open positions in commodity derivative instruments are monitored and managed on a daily basis to ensure compliance with its stated risk management policy which has been approved by the management.

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

Particulars	Qty. in Barrels ('000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Designated as cash flow hedges				
Crude oil				
Buy Positions				
Less than 1 year	8,062	6,350	(1,662)	157
Sell Positions				
Less than 1 year	(65)	-	86	-

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

Particulars	Qty. in Barrels ('000)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Petroleum products				
Buy Positions				
Less than 1 year	59,375	17,400	(4,837)	22
More than 1 year	40,000	-	(870)	-
Sell Positions				
Less than 1 year	(2,325)	(21,620)	1,649	1,003
Total (A)	**105,047**	**2,130**	**(5,634)**	**1,182**
Not designated as cash flow hedges				
Crude oil				
Sell Positions				
Less than 1 year	(353)	-	127	-
Petroleum products				
Buy Positions				
Less than 1 year	2,300	-	(118)	-
More than 1 year	6,000	-	(108)	-
Sell Positions				
Less than 1 year	(12,190)	-	7,378	-
Total (B)	**(4,243)**	**-**	**7,279**	**-**
Total (A + B)	**100,804**	**2,130**	**1,645**	**1,182**

The line items in the balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

Debit balance in cash flow hedge reserve of ₹ 5,634 million as at March 31, 2020 (credit balance of ₹ 1,182 million as at March 31, 2019) on commodity derivative (gross of tax) contracts have been recognised in other comprehensive income.

The following table details sensitivity to a 5% increase in the price of respective commodity. A positive number below indicates an increase in equity and negative number would be an inverse impact on equity.

(₹ in million)

Particulars	Impact on Equity (net of taxes)		Impact on Profit (net of taxes)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Crude oil				
Buy Positions				
Less than 1 year	(87)	7	-	-
Sell Positions				
Less than 1 year	(6)	-	(27)	-
Petroleum products				
Buy Positions				
Less than 1 year	(73)	27	(20)	-
More than 1 year	(27)	-	(4)	-
Sell Positions				
Less than 1 year	(6)	(2,088)	(789)	-
Total	**(199)**	**(2,054)**	**(840)**	**-**

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

ii) **Foreign currency risk management:**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed as per advice of Risk Management Committee (RMC) within approved policy parameters.

a) The carrying amounts of the Group's monetary assets and liabilities denominated in different currencies are as follows:

As at March 31, 2020 :

Particulars	Assets		Liabilities*	
	₹ in million	FC in million	₹ in million	FC in million
USD	49,030	650	380,369	5,047
EURO	66	1	4,868	59
Other Currencies	2	0	4	0
TOTAL	**49,098**		**385,241**	

As at March 31, 2019 :

Particulars	Assets		Liabilities*	
	₹ in million	FC in million	₹ in million	FC in million
USD	16,911	244	287,467	4,156
EURO	141	2	19,819	255
Other Currencies	2	0	392	20
TOTAL	**17,054**		**307,678**	

* includes borrowings in foreign currency USD 432 million (₹ 32,573 million) {(Previous year USD 661 million (₹ 45,734 million)}.

b) **Outstanding foreign currency forward exchange and option contracts**

The Group has entered into foreign exchange forward and option contracts with the intention of reducing the foreign exchange risk of recognised assets and liabilities. These foreign exchange forward and option contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Not designated in hedging relationship

Particulars	Notional amounts (in Foreign Currency million)		Fair value of assets/(liabilities) (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Forward Contracts:				
Buy US$				
Less than 3 months	419	535	158	(830)
Buy EUR Sell US$				
Less than 3 months	-	216	-	(46)
Options:				
Call US$				
Less than 3 months	111	14	262	(29)

Sensitivity to a 5% increase in foreign currency rate is ₹ 1,493 million (Previous year ₹ 1,672 million) (net of tax). A positive number indicates an increase in profit and negative number would be an inverse impact on profit.

c) The management has designated certain financial liabilities in foreign currency as cash flow hedges against highly probable future forecast sales. Such designation help the Company to reduce/ mitigate foreign exchange risk of related liabilities and highly probable sales as gain/ loss on restatement of liabilities is recognised in other comprehensive income. As at March 31, 2020 the Company has restated such liabilities amounting to ₹ 245,415 million equal to USD 3,255 million (Previous year ₹ 124,221 million equal to USD 1,796 million) at closing exchange rate and has taken the resultant loss to cash flow hedge reserve.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

d) Unhedged currency risk position:

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

As at March 31, 2020 :

Currency	Assets		Liabilities	
	₹ in million	FC in million	₹ in million	FC in million
USD	49,030	650	95,005	1,260
EURO	66	1	4,868	59
Other Currencies	2	0	4	0
TOTAL	**49,098**		**99,877**	

As at March 31, 2019 :

Currency	Assets		Liabilities	
	₹ in million	FC in million	₹ in million	FC in million
USD	16,911	244	125,271	1,811
EURO	141	2	3,074	39
Other Currencies	2	0	392	20
TOTAL	**17,054**		**128,737**	

The following table details sensitivity to a 5% increase in foreign currency rates. A positive number below indicates an increase in profit or equity and negative number would be an inverse impact on profit or equity.

Particulars	Impact on Profit (net of taxes)		Impact on Equity (net of taxes)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Receivable				
USD	**1,834**	550	-	-
EURO	**2**	5	-	-
Other Currencies	**0**	0	-	-
Payables				
USD	**(4,410)**	(5,310)	**(7,944)**	(4,041)
EUR	**(182)**	(645)	-	-
Other Currencies	**(0)**	(13)	-	-

e) **Currency swap contracts**

The Group has also entered into currency swap contracts to cover the currency risk on forecasted sales. The following table details the currency swap contracts outstanding at the end of the reporting period:

Designated as cash flow hedges

Sell US$	Notional amounts (in USD million)		Fair value of liabilities (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Less than 1 year	**20**	12	**848**	720
1 year to 2 years	**22**	13	**609**	654
2 years to 5 years	**325**	282	**(4,433)**	(1,413)
More than 5 years	**33**	-	**(786)**	-
Total	**400**	307	**(3,762)**	**(39)**

The line items in the balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

Debit balance in cash flow hedge reserve of ₹ 2,464 million as at March 31, 2020 (debit balance of ₹ 393 million as at March 31, 2019) (Gross of tax) on currency swap contracts have been recognised in other comprehensive income.

Sensitivity to a 5% increase in foreign currency rate is ₹ 1,276 million (Previous year ₹ 740 million) (net of tax). A positive number indicates a decrease in equity and negative number would be an inverse impact on equity.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The borrowings of the Group are denominated in rupees and US dollars with a mix of floating and fixed interest rate. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group has exposure to interest rate risk, arising principally on changes in base lending rates and LIBOR rates. Hedging activities are evaluated regularly to align with interest rate views and define risk appetite, ensuring that the most cost effective hedging strategies are applied.

The following table provides a breakdown of the Group's fixed and floating rate liabilities:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	**27,306**	24,000
Floating rate borrowings	**89,414**	161,399
Lease liabilities (refer note 20 and 25)	**47,342**	-
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 20 and 25)	**194,010**	124,231
Total	**358,072**	309,630
Less: Upfront fee	**(1,237)**	(1,302)
Total	**356,835**	308,328

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's, profit for the year ended March 31, 2020 would decrease / increase by ₹ 1,060 million (Previous year ₹ 929 million) (net of tax). This is mainly attributable to the Group's exposure to interest rates on its variable rate liabilities.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the variable rate loan. The following tables detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Certain interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Designated as cash flow hedges

Outstanding Contracts (Floating to Fixed)

Particulars	Notional amounts (in USD million)		Fair value of liabilities (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Less than 1 year	**6**	21	**(63)**	(93)
1 year to 2 years	**6**	24	**(59)**	(126)
2 years to 5 years	**18**	100	**(60)**	(263)
Total	**30**	145	**(182)**	**(482)**

The line items in the balance sheet that include the above hedging instruments are other financial liabilities.

Debit balance in cash flow hedge reserve of ₹ 107 million as at March 31, 2020 (credit balance of ₹ 39 million as at March 31, 2019) on interest rate swap derivative contracts (gross of tax) has been recognised in other comprehensive income.

A 50 basis points increase (decrease) in interest rate and all other variables held constant would result in ₹ 25 million (Previous year: ₹ 105 million) (net of tax) increase (decrease) in equity.

Notes to Consolidated Financial Statements (Contd.)
For the year ended March 31, 2020

Not designated in hedging relationship

Outstanding Contracts (Floating to Fixed)

Particulars	Notional amounts (in USD million)		Fair value of liabilities (net) (₹ in million)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Less than 1 year	**29**	21	**(206)**	(49)
1 year to 2 years	**6**	23	**(200)**	(25)
2 years to 5 years	**113**	-	**(34)**	-
Total	**148**	44	**(440)**	(74)

A 50 basis points increase (decrease) in interest rate and all other variables held constant would result in ₹ 38 million (Previous year: ₹ 11 million) (net of tax) increase (decrease) in profit.

iv) Liquidity Risk

The Group monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The following tables detail the Group's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates existing at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay. Details of maturity profile are as given below.

(₹ in million)

As at March 31, 2020	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings including future interest	17,237	73,622	66,044	156,903
Short Term Borrowings including future interest	8,927	-	-	8,927
Trade payables	96,416	-	-	96,416
Lease Liabilities including future interest	4,688	19,102	63,823	87,613
Other financial liabilities including future interest on export advance	84,251	105,167	11,735	201,153
Derivatives	9,426	5,941	-	15,367
Total	**220,945**	**203,832**	**141,602**	**566,379**

(₹ in million)

As at March 31, 2019	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings including future interest	20,631	92,247	102,154	215,032
Short Term Borrowings including future interest	58,491	-	-	58,491
Trade payables	92,711	-	-	92,711
Other financial liabilities including future interest on export advance	65,316	53,798	26,203	145,317
Derivatives	1,819	1,296	-	3,115
Total	**238,968**	**147,341**	**128,357**	**514,666**

The Group has undrawn committed facilities as at March 31, 2020 of ₹ 75,174 million (₹ 22,905 million as at March 31, 2019) with maturities ranging from one to two years.

v) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Group's credit risk arises principally from the trade receivables, investments, cash & bank balances and derivatives.

Notes to Consolidated Financial Statements (Contd.)
For the year ended March 31, 2020

Trade receivables:

Customer credit risk is managed centrally by the Group and is subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on extensive credit rating and individual credit limits and approved in accordance with the Delegation of Authority.

Credit risk on receivables is also mitigated, to some extent, by securing the same against letter of credit and guarantees of reputed nationalised and private sector banks. Trade receivables consist of a large number of customers spread across geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The credit period on sale of goods ranges from 0 to 30 days with or without security. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The history of trade receivables shows a negligible allowance for bad and doubtful debts. Given below is the ageing of trade receivables of the Group:

Ageing of trade receivables (gross): (₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Not due	**11,536**	34,732
0-30 days	**1,104**	2,130
31-180 days	**63**	26
More than 181 days	**8**	11
Total	**12,711**	36,899

The Group does not have a legal right of offset against any amounts owed by the Group to the counterparties. Trade receivables have been given as collateral towards borrowings (refer note 19 and 23). Expected credit losses are provided based on the credit risk of the counterparties (refer note 12).

Investments, cash and bank balances and derivatives

The Group's treasury function manages the financial risks related to the business. The Treasury function focuses on capital protection, liquidity and yield maximisation. Investment of surplus funds are made in reputed mutual funds and bank deposits. Counterparty credit limits are reviewed and approved by Board/Audit Committee of the Company. These limits are set to minimise the concentration of risks and therefore mitigates the financial loss through counterparty's potential failure to make payments. Expected credit losses are provided based on the credit risk of the counterparties.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. Further, commodity derivative contracts are entered only with international over the counterparties having high credit rating and thus the risk of default is minimised.

Movement in the expected credit loss allowance

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**441**	251
Expected credit loss (reversed) / recognised (net)	**533**	190
Balance at the end of the year	**974**	441

The Group's maximum exposure to the credit risk for the components of the balance sheet as at March 31, 2020 and March 31, 2019 is the carrying amounts mentioned in note 8, note 12, and note 15.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

43 NON-CONTROLLING INTEREST (NCI)

NCI relates to 2.37% (Previous year: 2.37%) shares held by other shareholders in VOTL. VOTL is engaged in Handling and storage of crude oil and petroleum products. Its principal place of business is in India.

The table below shows summarised financial information of VOTL.

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current assets	146,860	147,370
Current assets	12,643	2,815
Non-current liabilities	35,698	37,034
Current liabilities	2,980	2,133
Net Assets	**120,825**	**111,018**
Equity attributable to owners of the group	117,957	108,386
Non-controlling interest	**2,868**	**2,632**

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue (Including other income)	21,596	15,611
Expenses (including exceptional items)	7,749	9,323
Profit for the year	**9,950**	**4,033**
Profit attributable to owners of the Group	9,714	3,937
Profit attributable to non-controlling interests	236	96
Profit for the year	9,950	4,033
Other comprehensive loss attributable to the owners of the Group	1	(2)
Other comprehensive loss attributable to non-controlling interests	0	(0)
Other comprehensive loss during the year	1	(2)
Total comprehensive income attributable to the owners of the Group	9,715	3,935
Total comprehensive income attributable to non-controlling interests	236	96
Total comprehensive income during the year	9,951	4,031
Cash flows		
Net cash inflow from operating activities	11,558	10,960
Net cash inflow from investing activities	(5,071)	(301)
Net cash outflow from financing activities	(4,717)	(8,639)
Net cash inflow	**1,770**	**2,020**

Transaction towards non-controlling interests in Coviva Energy Terminals Limited, being immaterial, has not been disclosed.

44 IMPAIRMENT TESTING OF GOODWILL

The Group recognised goodwill of ₹ 108,073 million during the financial year ended March 31, 2018 arising on the acquisition of Vadinar Oil Terminal Limited (VOTL) and Vadinar Power Company Limited (VPCL). The Group has determined that its entire operations fall into single CGU and single operating segment, vis., refining of crude oil and marketing of petroleum products in domestic and overseas market (refining business). Hence, the entire goodwill is allocable to the refining business CGU / segment and the carrying value of the CGU as at the balance sheet date is ₹ 557,031 million (March 31, 2019: ₹ 571,272 million).

The Group performed its annual impairment test for the financial year ended March 31, 2020 as at year end.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

The recoverable amount of the CGU has been determined at ₹ 635,955 (US$ 8,436) million [March 31, 2019: ₹ 720,203 (US$10,139) million] based on the value in use calculation using discounted cash flow model {refer note 4(B)(iii)} based on business assumptions approved by management covering a five-year period and is in line with the business plan presented to the Board. The Group has considered forecast consensus, industry reports, economic indicators and general business conditions to make an assessment of the implications of the COVID-19 pandemic upto the date of approval of these financial statements. The Group has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions. Since the value in use is higher than the carrying amount of the refining business CGU, the Group has not determined the fair value less costs of disposal separately.

Key assumptions used for value in use calculations

The calculation of value in use for the unit is most sensitive to the following assumptions:

Gross Refining Margin (GRM) – The GRM projections, which is a difference between total product revenue and total feedstock cost for the year, are broadly in line with the 5 year business plan of the CGU prepared based on the forward curves of crude and product prices. The GRMs are estimated to be US$ 7 per bbl for FY 2020-21 and gradually rise to US$ 8.9 per bbl and then return to US$ 8.7 and US$ 8.2 per bbl in FY 2023-24 and FY 2024-25, respectively. Thereafter GRMs increase at a nominal rate of 2% per annum post the 5 year period. A US$ 0.5 per bbl decline in the projected GRM over the forecast period would lead to a decline in the recoverable value by ₹39,276 million (US$ 521 million).

Discount rates - Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Accordingly, the Group has estimated a discount rate of 10.7%. An increase in the discount rate by 50 basis points leads to decline in the recoverable value by ₹31,813 million (US$ 422 million).

Considering the above, the management has assessed that any reasonable possible change in assumptions will not trigger recognition of impairment.

45 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES / ASSOCIATES

Name of Entity	2019-20							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated other comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
Parent:								
Nayara Energy Limited	90.41%	173,721	59.40%	14,851	100.00%	(21,555)	-194.60%	(6,704)
Subsidiaries:-								
Indian:								
Vadinar Oil Terminal Limited	8.75%	16,820	39.80%	9,950	0.00%	1	288.86%	9,951
Coviva Energy Terminals Limited	-0.10%	(187)	-0.72%	(180)	0.00%	-	-5.23%	(180)
Nayara Energy Global Limited (formerly known as Essar Oil Trading Mauritius Limited)	0.00%	0	0.00%	-	0.00%	(0)	0.00%	(0)
Inter Group Elimination and Consolidation Adjustments	0.93%	1,795	1.52%	379	0.00%	(1)	10.97%	378
Grand Total	100.00%	192,149	100.00%	25,000	100.00%	(21,555)	100.00%	3,445

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

Name of Entity	2018-19							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated other comprehen-sive income	₹ in million	As % of total comprehen-sive income	₹ in million
Parent:								
Nayara Energy Limited	**96.30%**	**185,051**	**49.99%**	**3,442**	**100.14%**	**734**	**54.82%**	**4,176**
Subsidiaries:-								
Vadinar Oil Terminal Limited	3.65%	7,016	58.58%	4,033	-0.27%	(2)	52.91%	4,031
Coviva Energy Terminals Limited	**0.00%**	**(7)**	**-0.03%**	**(2)**	**-**	**-**	**-0.03%**	**(2)**
Nayara Energy Global Limited (formerly known as Essar Oil Trading Mauritius Limited)	**0.00%**	**-**	**0.04%**	**3**	**0.00%**	**(0)**	**0.04%**	**3**
Enneagon Limited	**0.00%**	**-**	**-0.03%**	**(2)**	**0.14%**	**1**	**-0.01%**	**(1)**
Intergroup Elimination and Consolidation Adjustments	**0.05%**	**105**	**-8.55%**	**(589)**	**0.00%**	**0**	**-7.73%**	**(589)**
Grand Total	**100.00%**	**192,165**	**100.00%**	**6,885**	**100.00%**	**733**	**100.00%**	**7,618**

Note: "0.00%" represents % less than 0.005%.

46 DEFINED BENEFIT PLANS

(1) Defined benefit plans :

i) Gratuity Plan

In accordance with the Payment of Gratuity Act, 1972, the Group contributes to a defined benefit plan (the "Gratuity Plan") for employees who have completed 5 years of service. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group. The Gratuity plan is a funded plan and the Group makes contribution to LIC of India / SBI Life Insurance in India.

(₹ in million)

Sr. No.		Particulars	Gratuity (Funded)	
			As at March 31, 2020	As at March 31, 2019
A	**Net assets / liability recognised in the balance sheet**			
	i	Present value of defined benefit obligation	**853**	781
	ii	Fair value of plan assets	**467**	345
	iii	Funded status - deficit (iii = ii-i)	**(386)**	(436)
	iv	Net assets / (liability) recognised in the balance sheet	**(386)**	(436)
B	**Expenses recognised in profit and loss for the year**			
	i	Service cost	**77**	55
	ii	Past Service cost	**-**	-
	iii	Interest cost	**26**	20
	Components of defined benefit costs recognised in Profit and loss		**103**	75
	i	Actuarial losses - experience	**46**	118
	i	Actuarial losses/(gains) - assumptions	**(63)**	19
	iii	Return on plan assets greater than discount rate	**1**	0
	Components of defined benefit costs recognised in Other Comprehensive Income		**(14)**	137
	Total expenses		**89**	212

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

Sr. No.	Particulars	Gratuity (Funded) As at March 31, 2020	Gratuity (Funded) As at March 31, 2019
C	**Change in obligation and assets**		
i	**Change in defined benefit obligation**		
a	Defined benefit obligation at beginning of the year	**781**	520
b	Defined benefit obligation on account of acquisition of subsidiary	**-**	-
c	Current Service cost	**77**	55
d	Interest cost	**54**	38
e	Past Service cost	**-**	-
f	Acquisition adjustment / Transfer Out @	**-**	63
g	Actuarial losses - experience	**46**	118
h	Actuarial losses - demographic assumptions	**25**	-
i	Actuarial losses/(gains) - financial assumptions	**(88)**	19
j	Benefit payments	**(43)**	(31)
k	Employees contribution	**-**	-
l	Defined Benefit obligation at the end of the year	**852**	781
ii	**Change in fair value of assets**		
a	Fair value of plan assets at the beginning of the year	**345**	180
b	Fair value of plan assets on account of acquisition of subsidiaries	**-**	-
c	Acquisition adjustment / Transfer Out@	**3**	46
d	Interest income on plan assets	**28**	18
e	Contributions made	**135**	132
f	Return on plan assets lesser than discount rate	**(1)**	(0)
g	Benefits payments	**(43)**	(31)
h	Fair value of plan assets at the end of the year	**467**	345
D	**Actuarial assumptions**		
1	Discount rate (per annum)	**6.50%**	7.10%
2	Rate of salary increase	**9.00%**	12.00%
3	Rate of Withdrawal Rate	**8.00%**	11.00%
4	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 / State Bank of India	**100%**	100%
F	**Employer's best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date**	**98**	108

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

- Figures in bracket indicates negative value.

Notes : Weighted average duration of the defined benefit obligation is 6 years as at March 31, 2020.

These plans typically expose the Group to actuarial risks such as: interest rate risk, salary risk and demographic risk

1. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

The defined benefit obligations shall mature after year ended March 31, 2020 as follows:

Particulars	(₹ in million)
As at March 31	
2021	98
2022	89
2023	90
2024	100
2025	118
March 31, 2026 to March 31, 2030	581

Sensitivity Analysis:

Method used for sensitivity analysis:

The sensitivity results below determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
		Increase/(decrease) in DBO	
A)	**Discount Rate :**		
	Defined benefit obligation	**853**	781
	Discount rate	**6.50%**	7.10%
	1. Effect on DBO due to 0.5% increase in Discount Rate	**(30)**	(23)
	2. Effect on DBO due to 0.5% decrease in Discount Rate	**32**	26
B)	**Salary Escalation Rate :**		
	Salary Escalation rate	**9.00%**	12.00%
	1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	**22**	16
	2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	**(21)**	(16)
C)	**Withdrawal Rate :**		
	Attrition rate	**8.00%**	11.00%
	1. Effect on DBO due to 5.00% increase in Withdrawal Rate	**(21)**	(32)
	2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	**33**	47

ii) Provident Fund :

Based on actuarial valuation in accordance with Ind AS 19 for interest rate guarantee of exempted provident fund liability of employees, there is no interest shortfall in the funds managed by the trust and hence there is no further liability as at March 31, 2020 and March 31, 2019. Having regard to the assets of the Fund and the return on the investments, the Group does not expect any deficiency in the foreseeable future.

Eligible employees of the Group receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a portion to the Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The plan assets have been primarily invested in government securities and high quality corporate bonds.

The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The actuary has provided a valuation for provident fund liabilities using the deterministic approach guidance issued by Actuarial Society of India. The present value of benefit obligation as at March 31, 2020 is ₹ 3,427 million (₹ 2,658 million as at March 31, 2019) as per the actuarial report and the fair value of plan assets is higher than the same as at each reporting date. Hence, there is no shortfall as at March 31, 2020 and March 31, 2019

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

Key assumptions used in determining the present value obligation of the interest rate guarantee are the Government of India (GOI) bond yield 7.10% (March 31, 2019 7.10 %), Remaining term to maturity of portfolio 5 years (March 31, 2019: 6 years) and Expected guaranteed interest rate 8.50% (March 31, 2019 8.65% for the first year and 8.60% thereafter) . The Group contributed ₹ 201 million and ₹ 144 million during the years ended March 31, 2020 and March 31, 2019, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

Each year, the Board of Trustees reviews the level of funding in the provident fund plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review.

(2) Defined contribution plans :

Group's contribution to superannuation fund, provident fund and pension fund aggregating to ₹ 26 million and ₹ 106 million (Previous year ₹ 9 million and ₹ 84 million) respectively are recognised in the consolidated statement of profit and loss as and when the contributions are due. There is no obligation other than the contribution payable to the respective trusts.

47 RELATED PARTY DISCLOSURES

I. Names of related parties and description of relationship:

Enterprises having significant influence	Rosneft Group comprises Rosneft Oil Company and its controlled entities
	Trafigura Group comprises Trafigura Group Pte. Limited and its controlled entities
	UCP Group comprises UCP PE Investments Limited and entities under common control
Key management personnel	Mr. Charles Anthony Fountain, Executive Chairman
	Mr. C. Manoharan, Director & Head of Refinery (from March 29, 2012 to December 19, 2019)
	Mr. Prasad K. Panicker, Director & Head of Refinery (from February 17, 2020)
	Mr. Didier Casimiro , Director (from July 05, 2018 to February 21, 2020)
	Mr. Alexander Romanov, Director
	Mr. Andrew James Balgarnie, Director (from August 19, 2017 to December 27, 2018)
	Mr. Chin Hwee Tan, Director
	Ms. Elena Sapozhnikova, Director (from August 19, 2017 to October 08, 2018)
	Mr. Alexey Karavaykin, Director (from December 28, 2018 to January 30, 2020)
	Mr. Jonathan Kollek, Director
	Mr. Alexander Bogdashin, Director (from October 9, 2018 to January 30, 2020)
	Mr. Krzysztof Zielicki Antoni, Director
	Mr. Alexey Lizunov, Director (from January 30, 2020)
	Ms. Victoria Cunningham, Director (from January 30, 2020)
	Ms. Avril Conroy, Director (from May 23, 2020)
	Mr. Marcus George Cooper, Director (from August 19, 2017 upto July 04, 2018)
	Ms. Naina Lal Kidwai, Independent Director
	Mr. Deepak Kapoor, Independent Director
	Mr. R Sudarsan, Nominee Director (from January 15, 2013 to February 1, 2019)
	Mr. B. Anand, Chief Executive Officer
Other related party	Nayara Energy Limited Employees' Provident Fund (formerly known as Essar Oil Limited Employees' Provident Fund) (Controlled Trust)

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

A. Transactions with related parties

(₹ in million)

Nature of transactions	Total	
	2019-20	2018-19
Advance received from customers		
Trafigura Group	**29,641**	47,222
Total	**29,641**	47,222
Export advances novated		
Trafigura Group%	**18,083**	-
Total	**18,083**	-
Sale of products* (refer note (i) below)		
Trafigura Group #	**89,627**	94,275
Rosneft Group	**105,856**	36,997
Total	**195,483**	131,272
Purchase of raw material (refer note (i) below)		
Rosneft Group	**127,853**	16,565
Trafigura Group	**62,760**	19,335
Total	**190,613**	35,900
Interest expenses		
Trafigura Group	**389**	-
Total	**389**	-
Product and raw material consultancy services (refer note (ii) below)		
Trafigura Group	**790**	725
Rosneft Group	**704**	727
Total	**1,494**	1,452
Other consultancy services		
United Capital Partners Group**	**233**	-
Trafigura Group	**64**	-
Total	**297**	**-**

*including taxes wherever applicable

** including ₹ 172 million capitalised during FY 2019-20.

% During the year ended March 31,2020, the export advance contracts backed by export performance bank guarantees by a lender worth USD 255 million (equivalent to ₹ 18,083 million) obtained by the Company were novated under a tripartite agreement between the Company, the former buyer, and Trafigura Group, whereby Trafigura Group has paid the outstanding advances to the former buyer and going forward all the supply against such advances shall be made to Trafigura Group as per delivery schedule stated in such contracts. The terms and conditions of novated contracts remain significantly unchanged.

Includes sales of finished goods of ₹ 18,545 million (for the year ended March 31, 2019: Nil) pursuant to long term arrangements entered between the Company and a third party and the said third party and Trafigura Group.

B. Transactions with other classes of related parties

(₹ in million)

	2019-20	2018-19
i) Key management personnel (Short term employee benefits)@	**267**	254
@including employer contribution to provident fund and 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.		
ii) Key management personnel (Director Sitting Fees)	**11**	11
iii) Key management personnel (Commission to Directors)	**37**	-
iv) Contribution during the period (includes Employees' share and contribution) to the controlled trust	**509**	599

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

C. Balance with related parties (₹ in million)

Nature of balances	As at March 31, 2020	As at March 31, 2019
Assets		
Financial assets		
Trade receivables (refer note (iii) A below)		
Rosneft Group	-	1,356
Trafigura Group##	668	4,649
Total	**668**	6,005
Other financial assets		
Other receivables		
Rosneft Group	8	-
Trafigura Group	11	-
Total	**19**	-
Other assets		
Prepaid expense		
Trafigura Group	523	-
Total	**523**	-
Liabilities		
Other financial liabilities		
Trade payables (refer note (iii) B below)		
Rosneft Group	24,549	4,078
Trafigura Group	371	653
United Capital Partners Group	6	-
Total	**24,926**	4,731
Other liabilities		
Trafigura Group	1,535	-
Total	**1,535**	-
Advance received from customers (refer note (iii) C below)		
Trafigura Group	46,027	27,115
Total	**46,027**	**27,115**

Notes:

(i) Rosneft Group and Trafigura Group under their respective contracts with the Group have the right to make the first offer for both sale of raw material and purchase of finished products. Where the transaction with the above parties is executed without calling for comparative quotations, the same are done based on the Group's internal assessment. Where quotations are called for and the Group is able to get a better offer, these two parties reserve the right to match the offer, in which case the Group is obliged to transact with them. For supplies of finished products made against advance payments, premium / discounts to the market price index are pre-negotiated based on similar process. Where the Group participates in the tenders floated by these parties for purchasing raw material, price to be quoted are determined on a case to case basis based on Group's internal assessment and are approved by the management of the Group.

(ii) Rosneft Group and Trafigura Group have been advising the Group on regular basis and providing insight into the market dynamics which helps in strategising the crude procurement and sale of finished products. In consideration for the same, the Group is paying a fee of USD 0.1 for every barrel of raw materials purchased and finished products exported. Subsequent to the balance sheet date, the Company has terminated its aforementioned contract with a Rosneft Group entity. Further, the said Rosneft Group entity has unilaterally assigned some of its receivables from the Company under the said contract to and in favour of other Rosneft Group entity(s). Consequent to such assignments, the Company has to fulfil its payment obligations towards the assigned amounts to such Rosneft Group entity(s), subject to necessary regulatory approvals.

(iii) Terms of receivables / payables:

A. Unsecured trade receivables are unsecured, non-interest bearing collected within 30 days from the date of sale.

B. Trade payables are non-interest bearing and are settled within 30 days of purchase.

C. Advance from customers also include interest bearing advances, which are settled through supply of goods over a period of 2 to 3 years at pre-determined mechanism of the consideration.

\## Includes receivable of ₹ 668 million (for the year ended March 31, 2019: Nil) for sales of finished goods of pursuant to long term arrangements entered between the Company and a third party and the said third party and Trafigura Group.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

48 DETAIL OF SUBSIDIARIES AND COMPOSITION OF GROUP

Following subsidiaries have been considered in the preparation of consolidated financial statements.

Sr. No.	Name of Subsidiaries	Principal activities	Relation	Country of Incorporation	Proportion of ownership Interest (%)	
					As at March 31, 2020	As at March 31, 2019
1	Vadinar Oil Terminal Limited (VOTL) (w.e.f. June 29, 2017) (refer note a)	Handling and storage of crude oil and petroleum products	Subsidiary	India	97.63%	97.63%
2	Coviva Energy Terminals Limited (CETL) * (refer note b)	Engaged in development of marine liquid terminal facilities	Subsidiary	India	100.00%	100.00%
3	Nayara Energy Global Limited (NEGL) {formerly known as Essar Oil Trading Mauritius Limited (EOTML)} (refer note c)	It was engaged in investment holding activities and trading in commodities. There have been no operations in this company till date.	Wholly Owned Subsidiary	Mauritius	100.00%	100.00%
4	Enneagon Limited, Mauritius (w.e.f. June 29, 2017) (refer note c & d)	It was engaged in the buying and selling of petroleum and coal products. Enneagon has been dissolved during the current financial year.	Subsidiary	Mauritius	NA	97.63%

Notes:

a) Audited financial statements have been considered for consolidation.

b) VOTL is holding 25% (Previous year 25%) and the Company is holding 75% (Previous year 75%) in CETL and hence CETL became subsidiary of the Company.

c) Unaudited financial statements have been considered for consolidation.

Further the sole shareholder of Nayara Energy Global Limited (i.e. Nayara Energy Limited) has passed a resolution on April 30 2020 for voluntary liquidation of NEGL, which is in progress.

d) Enneagon Limited, Mauritius has been dissolved during the financial year 2019-20.

Notes to Consolidated Financial Statements (Contd.)

For the year ended March 31, 2020

49 IMPACT OF COVID-19

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which got further extended till May 31, 2020. Further, during March 2020 / April 2020, there has been significant volatility in oil prices, due to major demand centres affected by lockdown.

The Group is in the business of petroleum products which are considered as essential goods and was generally allowed to continue to carry on the operations with adequate safety measures. Hence, the lockdown did not have any material impact on operations of the Group for the financial year ended March 31, 2020.

Consequent to the above, the Group has recognised certain adjustments of exceptional nature (refer note 34) . The Group has performed a detailed analysis of the impact caused by COVID-19 considering the market conditions and other developments upto the date of approval of these financial statements. Among other matters, impact of reduction in the demand and realisation has been factored in evaluating the Group's ability to be a going concern for atleast 12 months after the reporting date and impairment of non-financial assets (refer note 44 for impairment analysis). The Group has considered its expected future cash flows, available lines of credit and ability to raise short term funds in arriving at the conclusion that it remains a going concern and has also performed additional sensitivities on some of its key inputs to validate its assumption of going concern. The management believes that COVID-19 impact, if any, is short-term and there will be no medium to long-term impact on the Group or its financial position or financial performance. Despite the volatile market scenario, the Group's supply network and the risk management action have resulted in protecting the Group's cash flows significantly in the near future.

Basis the above evaluation, the management has concluded that there is no other significant impact on the operations or financial position on the Group, and accordingly, no additional adjustments are required to these financial statements at this point in time. However, the impact of the global health pandemic may be different from that estimated at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions and assess its impact on the financial position of the Group.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405
New Delhi, June 30, 2020

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
DIN : 07719852
Sussex, United Kingdom

Prasad K. Panicker
Director & Head of Refinery
DIN : 06476857
Devbhumi Dwarka, India

B. Anand
Chief Executive Officer
DIN : 00162957
Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

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 million)**	**(₹ in million)**	**Amt in USD**	**(₹ in million)**
	Vadinar Oil Terminal Limited (VOTL)	**Coviva Energy Terminals Limited (CETL)**	**Nayara Energy Global Limited (NEGL) {formerly known as Essar Oil Trading Mauritius Limited} (Refer note below)**	
Reporting period	31-03-2020	31-03-2020	31-03-2020	
The date since when subsidiary was Incorporated / acquired	29-6-2017	29-6-2017	11-03-2014	
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	₹	₹	USD	1US$=₹75.3859
Share capital	3,219	1	100	0
Reserves & surplus	13,604	(188)	2,028	0
Total assets	55,502	2,517	3,000	0
Total liabilities	38,679	2,704	872	0
Investments	0	-	-	-
Turnover	21,596	-	-	-
Profit before taxation	13,847	(177)	376	0
Provision for taxation	3,897	3	9	0
Profit after taxation	9,950	(180)	367	0
Proposed dividend	-	-	-	-
% of shareholding	97.63%	100%	100%	
Names of subsidiaries which are yet to commence operations			Coviva Energy Terminals Limited, Nayara Energy Global Limited	
Names of subsidiaries which have been liquidated or sold during the year			Enneagon Limited (liquidated during the year)	

Note:
Shareholder of Nayara Energy Global Limited (i.e. Nayara Energy Limited) has passed a resolution on April 30 2020 for voluntary liquidation of NEGL, which is under progress.

For and on behalf of the Board of Directors

Charles Anthony Fountain
Executive Chairman
DIN : 07719852
Sussex, United Kingdom

Prasad K. Panicker
Director & Head of Refinery
DIN : 06476857
Devbhumi Dwarka, India

B. Anand
Chief Executive Officer
DIN : 00162957
Mumbai, India

Anup Vikal
Chief Financial Officer
Mumbai, India

Mayank Bhargava
Company Secretary
Thane, India
June 30, 2020

AGM Notice

NAYARA ENERGY LIMITED
Registered Office: Khambhalia, Post Box No. 24, Dist.: Devbhumi Dwarka - 361 305, Gujarat, India
Corporate Identity Number: U11100GJ1989PLC032116
Phone: 91 2833 661444, Fax: 91 2833 662929
Email: investors@nayaraenergy.com
Website: www.nayaraenergy.com

NOTICE is hereby given that Thirtieth Annual General Meeting of the members of **NAYARA ENERGY LIMITED** will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on Thursday, September 17, 2020 at 2:30 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, 2020 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, 2020 together with the report of Auditors thereon.

3. To appoint a Director in place of Mr. Charles Anthony Fountain (DIN 07719852) 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. Krzysztof Zielicki (DIN 07692730) 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 a Director in place of Mr. Chin Hwee Tan (DIN 07703660) 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.

SPECIAL BUSINESS

6. **Appointment of Ms. Victoria Cunningham as Director of the Company**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) ("Act"), Ms. Victoria Cunningham (DIN: 08595967), who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 30, 2020 pursuant to Section 161 of the Act and who holds office up to the date of the next 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 a Director of the Company, liable to retire by rotation."

7. **Appointment of Mr. Alexey Lizunov as Director of the Company**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) ("Act"), Mr. Alexey Lizunov (DIN: 08670188), who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 30, 2020 pursuant to Section 161 of the Act and who holds office up to the date of the next 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 a Director of the Company, liable to retire by rotation."

8. **Appointment of Ms. Avril Conroy as Director of the Company**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) ("Act"), Ms. Avril Conroy (DIN: 08740726), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 23, 2020 pursuant to Section 161 of the Act and who holds office up to the date of the next 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 a Director of the Company, liable to retire by rotation."

9. **Appointment of Mr. Prasad K. Panicker as Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) ("Act"), Mr. Prasad K. Panicker (DIN: 06476857), who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 17, 2020 pursuant to Section 161 of the Act and who holds office until the date of the next 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 a Director of the Company, liable to retire by rotation."

10. **Appointment of Mr. Prasad K. Panicker as Director & Head of Refinery of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time ("the Act") and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the appointment of Mr. Prasad K. Panicker (DIN: 06476857) as Whole time Director designated as 'Director & Head of Refinery' of the Company, for a period of three years with effect from February 17, 2020 to February 16, 2023 (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 right to the Board of Directors (hereinafter referred to as 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 appointment and/or remuneration including period in office as it may deem fit within the parameters set out in the Explanatory Statement, without being required to seek any further consent or approval of the members."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration as set out in the Explanatory Statement annexed hereto or the altered remuneration as approved by the Board, as applicable, be paid to Mr. Prasad K. Panicker notwithstanding that such remuneration is in excess of the limits prescribed under section 197 read with Schedule V of the Act."

"RESOLVED FURTHER THAT the Board 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 and settle all questions or doubts that may arise in this connection."

11. **Ratification 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 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Diwanji & Co., Cost Accountants (Firm Registration Number: 00339), 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, 2021, 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

Place: Thane, India
Date: June 30, 2020

Registered Office:
Khambhalia, Post Box No. 24,
Dist. Devbhumi Dwarka – 361305, Gujarat.
Phone: 91 2833 661444, Fax: 91 2833 662929
e-mail: investors@nayaraenergy.com
Website: www.nayaraenergy.com

Notes:

1. Considering the present COVID 19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act 2013, ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Generally, 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. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. In compliance with the MCA circulars, the notice of AGM along with the Annual Report for the financial year 2019-20, is being sent by providing a weblink through electronic mode to all the members who have registered their email IDs with the depository participants (DP) / Share transfer agent (STA). Members may further note that notice of AGM along with the Annual Report for FY 2019-20 will also be available on the Company's website www.nayaraenergy.com and at the website of the service provider providing remote e-voting platform i.e. https://www.evoting.nsdl.com for download.

4. Copies of the documents, stated in the notice, will be available for inspection electronically. Members seeking to inspect such documents can send email at companysec@nayaraenergy.com.

5. As required under Secretarial Standard 2 specified by the Institute of Company Secretaries of India, the details of all Directors seeking appointment or re-appointment at this AGM, are appended at the end of this Notice.

6. Members are further requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers and update their Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective DPs (in case of electronically held shares) and Company's Share Transfer Agents (in case of shares in physical form).

7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Corporate Members authorising its representatives to attend the Meeting through VC / OAVM are requested to send a scanned copy of duly certified Board Resolution authorising their representative(s) to attend through VC / OAVM and to vote through remote e-voting / e-voting on their behalf at the AGM. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in and companysec@nayaraenergy.com.

9. 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. Link Intime India Private Limited. The prescribed form in this regard may also be obtained from M/s. Link Intime India Private Limited.

10. In terms of Companies (Prospectus and Allotment of Securities) Third Amendment Rules 2018 dated September 10, 2018 ("Rules"), every shareholder of the Company who intends to transfer his / her shares held in physical form, needs to get such shares dematerialized before transfer. Accordingly, requests for effecting transfer of shares held in physical form are not being accepted by the Company. You are requested to get in touch with a depository participant and take necessary actions to dematerialize your physically held shares. ISIN for equity shares of the Company is – INE011A01019.

11. Pursuant to Section 124 of the Act, 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 2012-13 have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The members, whose unclaimed amounts have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

Procedure of registration of E-mail ID

1. For shareholders holding shares in physical form

The members of the Company holding Equity Shares in physical form and who have not registered their e-mail addresses may get their email IDs registered by sending scanned copy of a request on plain paper signed by the shareholder (including joint holders, if any) to the Registrar and Transfer Agent **("RTA")** of the Company, M/s Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in by providing:

(i) Folio No.;
(ii) Name of shareholder (including joint holders, if any);
(iii) Email ID to be registered; and
(iv) Mobile No. (Optional)

Along with scanned copy of the request, the following documents are required:

(i) Scanned copy of the share certificate (front and back);
(ii) Self-attested scanned copy of PAN card; and
(iii) Self-attested scanned copy of any one of Aadhar card / passport / driving license / electricity bill (not older than 3 months)

Email ID shall be registered / updated by RTA post verification of documents.

2. For shareholders holding shares in dematerialised form

The members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant by following the procedure prescribed by the Depository Participant.

Voting through electronic means

1. Pursuant to Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company will provide remote e-voting facility to the members to exercise their right to vote on resolutions proposed to be considered at the AGM. All business to be transacted at the AGM can only be transacted through the electronic voting system. The facility of casting the votes by the members using the electronic voting system will be provided by National Securities Depository Limited (NSDL).

2. 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 September 12, 2020

   End of remote e-voting : Up to 5.00 p.m. of September 16, 2020

   Remote e-voting shall not be allowed beyond 5.00 p.m. of September 16, 2020. Further, those members, who will be present in the meeting through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. Members 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 determining entitlement of members for casting votes through remote e-voting and e-voting at the AGM is September 10, 2020.

3. 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 August 14, 2020 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.

4. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.

5. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

6. The members 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.

7. 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 September 10, 2020.

8. 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. September 10, 2020 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. Link Intime India Private Limited at 022 4918 6000 or send email at pradeep.mokale@linkintime.co.in.

9. The Board of Directors of the Company has appointed Mr. Mitesh Dhabliwala (Membership No. FCS – 8331 COP No. 9511) or failing him Ms. Sarvari Shah (Membership No. FCS – 9697, COP No. 11717) or failing her Ms. Jigyasa Ved (Membership No. FCS – 6488, COP No. 6018) of M/s Parikh Parekh and Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during AGM and remote e-voting process in a fair and transparent manner.

10. 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 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.

11. 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.

12. The result of the remote e-voting along with the report of scrutiniser will also be placed on the website of the Company viz. www.nayaraenergy.com and on the website of NSDL.

13. The scrutinizer's decision on the validity of remote e-voting and e-voting at the AGM will be final.

INSTRUCTION FOR REMOTE E-VOTING

The instructions to equity shareholders for e-voting are as under:

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-voting system at www.evoting.nsdl.com.

How to Log-in to NSDL e-voting website?

(i) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

(ii) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

(iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

(iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(v) Your password details are given below:

a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b. Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

(vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(viii) Now, you will have to click on "Login" button.

(ix) After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

(i) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

(ii) After click on Active Voting Cycles, you will be able to see all the companies e-voting Event Number ("EVEN") in which you are holding shares and whose voting cycle is in active status.

(iii) Select "EVEN" 113373 of "Nayara Energy Limited" for casting your vote.

(iv) Now you are ready for e-Voting as the Voting page opens.

(v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

(vi) Upon confirmation, the message "Vote cast successfully" will be displayed.

(vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

(i) 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail at cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in.

Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.

(ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

(iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

INSTRUCTIONS FOR E-VOTING AT THE AGM

The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

Only those Members, who will be present in the meeting through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

   Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for members on first come first serve basis.

3. Members who need assistance before or during the AGM, can contact NSDL on 1800 222 990 or contact Ms. Pallavi Mhatre of NSDL at 022 24994545 or send an e-mail at pallavid@nsdl.co.in.

4. Members are encouraged to join the AGM through Laptops/IPads connected through broadband for better experience. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at Shareholderqueries@nayaraenergy.com from September 11, 2020, (9:00 a.m. IST) to September 14, 2020 (5:00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. The members who have queries on financial statements or any matter to be approved at the AGM may send the same latest by Monday, September 14, 2020 mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at Shareholderqueries@nayaraenergy.com. These queries will be replied suitably either at the AGM or by e-mail.

As required by Section 102 of the Companies Act, 2013, and Secretarial Standard 2, following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 6 to 11 of the accompanying Notice:

Item No. 6

As per the Articles of Association of the Company, Kesani Enterprises Company Limited ("Kesani Enterprises"), a shareholder holding 49.13% stake in the share capital of the Company, has right to nominate 4 Directors on the Board of Directors of the Company and to remove or replace such nominees from time to time. Kesani Enterprises had nominated 4 Directors on the Board of Nayara Energy Limited.

Kesani Enterprises had withdrawn the nomination of Mr. Alexander Bogdashin and in his place nominated Ms. Victoria Cunningham as its nominee on the Board of the Company. Accordingly, the Board of Directors appointed Ms. Victoria Cunningham as Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") w.e.f. January 30, 2020 to hold office till the date of the next Annual General Meeting.

In terms of the provisions of Section 152 of the Act, appointment of Ms. Victoria Cunningham is subject to approval of the members by passing of Ordinary Resolution. Kesani Enterprises has also given a notice in writing under Section 160 of the Act proposing the candidature of Ms. Victoria Cunningham for the office of Director. Accordingly, it is proposed to seek approval of the shareholders for appointment of Ms. Victoria Cunningham as Director liable to retire by rotation.

The Company has received from Ms. Victoria Cunningham a consent to act as Director of the Company, other disclosures and declaration confirming that she is not disqualified from being appointed as Director in terms of Section 164 of the Act.

As required under Secretarial Standard 2 specified by the Institute of Company Secretaries of India, the qualification, experience and other details of Ms. Victoria Cunningham is appended at the end of the Notice for information of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Ms. Victoria Cunningham, 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 of the Notice for the approval of the members.

Item No. 7 & 8

As per the Articles of Association of the Company, Rosneft Singapore Pte. Limited ("Rosneft Singapore"), a shareholder holding 49.13% stake in the share capital of the Company, has right to nominate 4 Directors on the Board of Directors of the Company and to remove or replace such nominees from time to time. Rosneft Singapore had nominated 4 Directors on the Board of Nayara Energy Limited.

Rosneft Singapore had withdrawn the nomination of Mr. Alexey Karavaykin and in his place nominated Mr. Alexey Lizunov as its nominee on the Board of the Company. Further, Rosneft Singapore nominee, Mr. Didier Casimiro, had resigned effective from February 21, 2020. Rosneft Singapore subsequently nominated Ms. Avril Conroy as its nominee on the Board of the Company. Accordingly, the Board of Directors appointed Mr. Alexey Lizunov and Ms. Avril Conroy as Additional Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") w.e.f. January 30, 2020 and May 23, 2020 respectively to hold office till the date of the next Annual General Meeting.

In terms of the provisions of Section 152 of the Act, appointments of Mr. Alexey Lizunov and Ms. Avril Conroy are subject to approval of the members by Ordinary Resolution. Rosneft Singapore has also given a notice in writing under Section 160 of the Act proposing the candidature of Mr. Alexey Lizunov and Ms. Avril Conroy for the office of Director. Accordingly, it is proposed to seek approval of the shareholders for appointment of Mr. Alexey Lizunov and Ms. Avril Conroy as Directors liable to retire by rotation.

The Company has received from Mr. Alexey Lizunov and Ms. Avril Conroy consent to act as Director of the Company, other disclosures and declaration confirming that they are not disqualified from being appointed as Director in terms of Section 164 of the Act.

As required under Secretarial Standard 2 specified by the Institute of Company Secretaries of India, the qualification, experience and other details of Mr. Alexey Lizunov and Ms. Avril Conroy are appended at the end of the Notice for information of the members.

Mr. Alexey Lizunov and Ms. Avril Conroy are deemed to be interested in relation to the respective resolutions for their appointments as Director of the Company. Except this, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 7 and 8 of the Notice.

The Board recommends the resolutions set forth in Item No. 7 and 8 of the Notice for the approval of the members.

Item No. 9 & 10

Mr. C. Manoharan, Director & Head of Refinery tendered resignation and ceased to be in the employment of the Company w.e.f. December 19, 2019.

Pursuant to the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company, at its meeting held on January 30, 2020, appointed Mr. Prasad K. Panicker as Additional Director and thereafter as Director & Head of Refinery for a period of three years with effect from February 17, 2020 to February 16, 2023 (both days inclusive).

Pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") and Article 84 of the Articles of Association of the Company, Mr. Prasad K. Panicker holds office of Director till the date of the ensuing Annual General Meeting. Approval of shareholders is required under section 152 of the Act for appointment of Mr. Prasad K. Panicker as Director liable to retire by rotation. Hence, the resolution at Item no. 9 is being proposed for approval of shareholders.

Further under the provisions of Section 196 and 197 read with Schedule V of the Act, appointment of Mr. Prasad K. Panicker as Director & Head of Refinery for a period of three years with effect from February 17, 2020 and payment of remuneration to him during his tenure in office will require approval of shareholders. Hence, the resolution at Item No. 10 is being proposed for approval of shareholders.

The Company has received consent from Mr. Panicker to act as Director 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 confirmation from Mr. Panicker that he is not disqualified from being appointed as Wholetime Director of the Company in terms of Section 196 read with Schedule V of the Act. The Company has received a notice in writing from a member proposing appointment of Mr. Panicker as Director of the Company.

The particulars of remuneration payable to Mr. Panicker on his appointment as Director & Head of Refinery are ₹2,35,29,412 per annum comprising of basic salary, allowances and perquisites including house rent allowance, special allowance, reimbursement of expenses for operating vehicle, entertainment, telephone, professional pursuit, medical expenses, food coupons, leave travel allowance and contribution to provident fund, all as per Company rules. In addition, he will be paid annual performance linked incentive of ₹1,64,70,588 per annum which depending on performance of the Company and his performance assessed as per the Company policy can be up to a maximum of 150% of annual performance linked incentive 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. In the event of exemplary contribution, the Director & Head of Refinery shall be eligible for Spot Bonus of up to 35% of his fixed compensation, at the discretion of the Board. The Board be and is hereby authorized to increase remuneration payable to Mr. Panicker annually, based on the performance of the Company and his individual performance. 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.

On account of adjustment of past accumulated losses, there was inadequacy of profits in the financial year 2019-20 computed under Section 198 of the Act, as a consequence of which the remuneration payable to Mr. Panicker during his tenure in the office together with remuneration paid / payable to other executive directors would exceed the limits prescribed under Section 197 read with Schedule V of the Act. Accordingly, approval of the members is sought by passing of special resolution in terms of section 197(3) read with Schedule V of the Act for the managerial remuneration payable to Mr. Panicker during his term in office. Further, pursuant to the provisions of section 197(3) read with Schedule V of the Act approval of the members is also sought for authorising the Board of Directors to make annual revision in the remuneration payable to Mr. Panicker and pay performance linked incentive / spot bonus on such revised remuneration during the term of his office and authorising the Board of Directors to alter and vary the terms and conditions of his appointment.

The relevant information required to be provided to members as per Schedule V of the Act is set out below:

I. General Information

(1) Nature of Industry:

The Company belongs to the refining industry. It is an existing company engaged in refining of crude oil and marketing of petroleum products.

(2) Commencement of commercial production:

The Company is an operating entity. The Company operates an oil refinery which commenced commercial production in the year 2008. The refinery expansion project commissioned in March 2012 enhancing the refinery capacity to 18 MMTPA. Thereafter, the Optimization project was commissioned in June 2012 further enhancing the refining capacity to 20 MMTPA.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – N.A

(4) Financial performance:

The financial performance of the Company in the preceding financial year was as under:

Financial parameters	Financial year ended March 31 2020 (₹ in Million)
Revenue from Operations	1,006,417
Earnings before finance cost, depreciation and amortization, exceptional items & discontinued operation and tax (EBIDTA)	56,973
Net profit / (loss) after tax as per Statement of Profit & Loss	14,851
Net profit / (loss) computed u/s 198 of the Act	(27,793)

(5) Foreign investments and collaborations, if any:

Prior to August 18, 2017, Essar Energy Holdings Ltd., erstwhile foreign promoter company was holding 98.26% stake in the Company in the form of Equity Shares and Global Depository Shares. On August 18, 2017, in accordance with two separate Share Purchase Agreements both dated October 15, 2016, the entire stake held by Essar Energy Holdings Ltd and its associates was acquired by two shareholders namely, Rosneft Singapore Pte Limited, Singapore (subsidiary of PJSC Rosneft Oil Company, Russia) taking 49.13% stake and Kesani Enterprises Company Limited, Cyprus a consortium led by Trafigura Pte Limited and UCP PE Investments Limited acquiring another 49.13% in share capital of the Company.

II. Information about Mr. Prasad K. Panicker

Mr. Panicker is 60 years old. He has done B. Sc. (Engg.) in Chemical Engineering from the Government Engineering College, Thrissur, Kerala and completed MBA from School of Management Studies, Cochin University of Science & Technology. He has also undergone Management Development Program on 'Authentic Leadership' at Harvard Business School, Boston in 2014 and 'Leadership Programme' at Indian School of Business, Hyderabad in 2011.

Mr. Panicker has 38 years of enriching techno-commercial exposure of driving business results, achieving excellence in refining production, creating integrated synergies with various marketing business units, shaping processes and driving organizational excellence. Mr. Panicker started his career in Kochi Refinery of Bharat Petroleum in 1982 and worked in most of the technical areas before moving to Mumbai Refinery as its operation chief in 2009. In 2013, Mr. Panicker became the Head of Kochi Refinery designated as Executive Director, BPCL Kochi Refinery. He superannuated from the BPCL Kochi Refinery on December 31, 2019.

The Board identified Mr. Panicker having rich experience in the refining sector, as suitable candidate for taking up the position of Director & Head of Refinery of the Company.

The remuneration earned by Mr. Panicker during the nine months period ended December 31, 2019 in his previous employment was ₹95,82,509. Since the Company is not listed, it does not include section on 'Corporate Governance' in its Annual Report. As required under clause (IV)(iv) Section II Part II of Schedule V, during financial year 2019 – 20, Mr. Panicker received remuneration of ₹2,762,755 from Nayara Energy Limited, comprising of basic salary and allowances of ₹25,88,962 and retirement benefits amounting to ₹1,73,793. There was no separate provision for payment of severance fee to Mr. Panicker. He was not given any stock options during the financial year 2019-20.

In the event of loss or inadequacy of profits in any financial year during the period of appointment of Mr. Prasad K. Panicker, the remuneration payable by way of salary, perquisites, allowances etc. as aforesaid will be paid to him and the approval being sought by passing of the resolutions at this meeting shall be treated as consent from the shareholders under Section 197(3) read with Schedule V of the Act. The remuneration paid / proposed to be paid to the Director & Head of Refinery is comparable with the remuneration being paid for similar assignments in the industry.

Mr. Panicker is functioning in professional capacity and does not have any interest in the capital of the Company or any of its subsidiaries directly or indirectly or through any other statutory structures. He does not have any, direct or indirect interest or related to the Directors of the Company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment. He possesses post graduate level qualification with expertise and specialized knowledge in the field in which the Company operates.

III. Other information

(1) Reasons for inadequacy of profit, if any:

The Company earned profits of ₹14,851 million as per the statement of profit and loss for the financial year ended March 31, 2020. However, on account of adjustment of past accumulated losses necessitated by amendment introduced by the Companies (Amendment) Act, 2017 notified on September 12, 2018, there was inadequacy of profits computed under Section 198 of the Act, as a consequence of which the remuneration paid to the executive directors in the financial year ended March 31, 2020 (i.e. the year in which Mr. Panicker has been appointed) exceeded the limits prescribed under Section 197 read with Schedule V of the Act.

(2) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

As stated above, the Company generated EBITDA and PAT of ₹56,973 million and ₹14,851 million respectively in the financial year 2019 - 20. There is inadequacy of profits as computed under section 198 of the Act on account of past accumulated losses incurred prior to change in control and change in Board of Directors of the Company.

The operations of the Company were satisfactory with the plant working beyond 100% capacity. During the last financial year 2018 – 19, the refinery underwent mandatory turnaround process for one month. The Company is expanding its country-wide chain of franchisee operated retail outlets and as of March 31, 2020 has over 5,700 operational retail outlets. The Company has also decided to merge its subsidiary, Vadinar Oil Terminal Limited with itself to have synergies of operations. All these factors together are expected to have positive impact on the profitability of the Company. Your Company is also considering various expansion opportunities which are in primary stage as of now.

Further, post-acquisition of the majority stake in the Company in 2017 by new shareholders i.e. Rosneft Singapore Pte. Limited and Kesani Enterprises Company Limited, the Board of Directors of the Company was reconstituted. Under the strategic and governance guidance provided by the Board, the Company is likely to gain momentum in the years to come.

A combination of the above would help in reducing operating costs and improvement in the performance of the Company in coming years. The Company has not committed any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in the financial year 2019-20.

Mr. Panicker does not have direct or indirect pecuniary relationship with the Company or relationship with the managerial personnel other than getting remuneration from the Company. He is not related to any Director or any other key managerial personnel of the Company. Except for Mr. Prasad K. Panikcer, none of the Directors / Key managerial personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No.9 and 10 of the Notice.

The Board of Directors is of the opinion that the appointment of and the remuneration payable to Mr. Prasad K. Panicker during his tenure of 3 years i.e. from February 17, 2020 to February 16, 2023 would be in the interest of the Company.

Accordingly, the Board of Directors recommend the resolution set forth in Item No. 9 and 10 of the Notice for the approval of the members of the Company by special resolution.

Item No. 11

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. Diwanji & Co., Cost Accountants, as Cost Auditors of the Company for the financial year ending on March 31, 2021 and the Cost Audit fees has been fixed at ₹12.10 lakh including XBRL filing of cost audit report and excluding out-of-pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 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.11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested financially or otherwise in the resolution at item no. 11 of the Notice.

The Board accordingly, recommends the resolution at Item No.11 of the Notice for your approval.

By order of the Board of Directors

Place: Thane, India
Date: June 30, 2020

Mayank Bhargava
Company Secretary

Registered Office:
Khambhalia Post, P. O. Box 24,
Dist. Devbhumi Dwarka – 361305, Gujarat.
Phone: 91 2833 661444, Fax: 91 2833 662929
e-mail: investors@nayaraenrgy.com
Website: www.nayaraenergy.com

Details of Directors, pursuant to Secretarial Standard 2 seeking appointment/ re-appointment at this General Meeting

Particulars	Mr. Tony Fountain	Mr. Krzysztof Zielicki	Mr. Chin Hwee Tan
Age	59	62	48
Qualification	BSc, Economics & International Studies and MPhil, Economics.	BSc Maths and MSc Maths.	CFA, CA (Australia and Singapore), Masters' degree from Yale University, Post Graduate from Harvard University.
Experience	Mr. Charles Fountain has around 35 years of experience. In his career span, he has held various positions in British Petroleum, where he has worked for around 25 years. For a period of two years, he has also worked as a CEO with Nuclear Decommissioning Authority and with Reliance Industries Limited for over 4 years as CEO Refinery & Marketing.	Mr. Krzysztof Zielicki has more than 38 years of experience in oil and gas industry. He has worked in senior positions in the upstream, midstream and retail at BP, Rosneft and several other oil and gas companies. He has also acted as member and advisor to several boards.	Mr. Chin Hwee Tan has more than 24 years of rich experience in management and financial roles. He is currently working as Head of Asia Pacific in Trafigura. Prior to joining Trafigura, he founded the Asia Operations of Apollo Global Management. In the past, he has held the position of Managing Director at Hedge Fund Amaranth Advisors and been on the Advisory Board of Monetary Authority of Singapore, Maritime Port Authority of Singapore and International Olympic Council.
Terms and conditions of appointment/ re-appointment	To hold office for a period of three years from January 2, 2018 to January 1, 2021.	Subject to retirement by rotation.	Subject to retirement by rotation.
Remuneration sought to be paid	Remuneration approved by the shareholders at the Annual General Meeting held on September 19, 2019.	Sitting fees and Commission on profits as may be approved by the Board from time to time.	Sitting fees and Commission on profits as may be approved by the Board from time to time.
Remuneration last drawn	Remuneration of ₹ 12,89,78,829 as Executive Chairman paid in Financial Year 2019-20.	Sitting fees of ₹ 13,00,000 paid in financial year 2019-20.	Sitting fees of ₹ 15,00,000 paid in financial year 2019-20.
Date of first appointment by the Board	August 19, 2017	August 19, 2017	August 19, 2017
Shareholding in the Company	Nil	Nil	Nil
Relationship with other directors, KMPs	Not related	Not related	Not related
Number of meetings of the Board attended during the year	5 out of 5	5 out of 5	5 out of 5
Other directorships	None in India	None in India	None in India
Chairmanship of committee of other Boards	None in India	None in India	None in India
Membership of committee of other Boards	None in India	None in India	None in India

Mr. Alexey Lizunov	**Ms. Victoria Cunningham**	**Ms. Avril Conroy**	**Mr. Prasad Panicker**
39	53	52	60
Specialist of Economics degree with concentration in International Finance.	An Executive MBA degree and a degree in Chemistry.	Fellowship in Marketing from the Chartered Institute of Marketing, UK.	B. Sc. (Engg.) in Chemical Engineering and MBA.
Mr. Alexey Lizunov has over 16 years of experience in finance and treasury functions in oil and gas companies. He is presently associated with the Rosneft Oil Company as Head of Structured Finance and Debt Obligations Department.	Victoria Cunningham is Co-Managing Partner of UCP and has over 18 years of investment banking and private equity experience in Russian and international markets. Ms. Victoria Cunningham joined UCP from Deutsche UFG, where she was Managing Director and Head of the Consumer, Retail and Pharma practice where she built the leading sector franchise in both ECM and M&A. Prior to that, Ms. Cunningham held the position of Vice-President in Deutsche Bank's London-based Corporate Finance Group, focussing on M&A advisory, IPOs, and leveraged and structured finance. She served on the board of Fashion Continent from 2008 to 2018 and has been an independent director of Seventh Continent, one of the leading Moscow food retail chains, and of Monocrystal, a leading technology business in Russia.	Ms. Conroy has 36 years of experience and professional in business operations with a focus on overall retail business including fuel retail and small wholesale. She joined Rosneft Oil Company in 2013 and is presently designated as Vice President for retail business and domestic market development overseeing Company's retail business and small wholesale.	Mr. Panicker has 38 years of enriching techno-commercial exposure of driving business results, achieving excellence in refining production, creating integrated synergies with various marketing business units, shaping processes and driving organizational excellence. Mr. Panicker started his career in Kochi Refinery of Bharat Petroleum in 1982 and worked in most of the technical areas before moving to Mumbai Refinery as its operation chief in 2009. In 2013, Mr. Panicker became the Head of Kochi Refinery designated as Executive Director, BPCL Kochi Refinery. He superannuated from the BPCL Kochi Refinery on December 31, 2019.
Subject to retirement by rotation.	Subject to retirement by rotation.	Subject to retirement by rotation.	To hold office for a period of three years from February 17, 2020 to February 16, 2023.
Sitting fees and Commission on profits as may be approved by the Board from time to time.	Sitting fees and Commission on profits as may be approved by the Board from time to time.	Sitting fees and Commission on profits as may be approved by the Board from time to time.	Details of remuneration sought to be paid are stated in explanatory statement to the Special Resolution at Item No. 10. Remuneration to be approved by the shareholders at this Annual General Meeting.
Sitting fees of ₹ 1,00,000 paid in financial year 2019-20.	Sitting fees of ₹ 1,00,000 paid in financial year 2019-20.	N.A.	Nil in Nayara Energy Limited. Kindly refer to explanatory statement to item no. 9 and 10.
January 30, 2020	January 30, 2020	May 23, 2020	February 17, 2020
Nil	Nil	Nil	Nil
Not related	Not related	Not related	Not related
1 out of 1	1 out of 1	N.A.	N.A.
None in India	None in India	None in India	None
None in India	None in India	None in India	None
None in India	None in India	None in India	None

NAYARA
ENERGY

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