NAYARA ENERGY LIMITED
ANNUAL REPORT 2025-26

NAYARA ENERGY



Endurance
Excellence
Performance

Inside Story

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Awards

- Deendayal Port Authority crossing 160 MMT in cargo handling in FY 2025-26
- 'Best Long-Term Supply Linkage – CPP 250–750 MW' award at Fly Ash Utilisation Awards 2025-26
- Excellence in Refining Operations (Private Sector) 2025-26
- IBC Agni Suraksha Puraskar 2026 at International Business Conferences 2025-26
- Indian Green Building Council, UB Traders, Kerala 2025-2028



Endurance Excellence Performance

The world's energy landscape is shaped not in moments of stability, but in periods of disruption. It is in these defining moments that organisations reveal what truly sets them apart.

FY 2025-26 was one such year. Geopolitical uncertainty reshaped trade routes, supply chains became increasingly complex, markets remained volatile, and the global energy ecosystem underwent profound change. Yet, amidst this turbulence, India's growth story gathered momentum, driven by industrial expansion, infrastructure development and rising energy aspirations.

For Nayara Energy, these conditions became more than a test. They became an opportunity to demonstrate the qualities that have long defined our organisation. We endured uncertainty without compromising reliability. We pursued excellence without slowing our ambition. And we delivered performance that strengthened India's energy security while creating enduring value for our stakeholders.

This is the story of a year defined not by the challenges we encountered, but by the way we responded.

A story of Endurance that sustained us.

We remained steadfast amidst external volatility, leveraging our integrated operations, diversified crude sourcing capabilities and highly complex refinery to ensure uninterrupted energy supplies, reliable product availability and seamless customer access across the country. Our ability to anticipate risks, adapt swiftly and execute with discipline enabled us to navigate one of the most demanding periods for the global energy industry.

A story of Excellence that elevated us.

Excellence shaped every decision we made. We accelerated localisation initiatives, expanded our domestic market presence and advanced strategic investments across refining, petrochemicals, retail, digital transformation and sustainability. By continuously strengthening our capabilities, we enhanced our competitiveness while building a stronger, smarter and more future-ready enterprise.

A story of Performance that defined us.

Disciplined execution translated into consistent performance across the business. Powered by the expertise, commitment and agility of our people, we upheld the highest standards of safety, governance and operational reliability while delivering the energy that fuels industries, mobility and economic growth.

Today, we stand stronger, more capable and better prepared for what lies ahead. Guided by Endurance, driven by Excellence and measured by Performance, we will continue powering India's progress.



About Nayara Energy

Fueling India, Securing Tomorrow

Nestled within the Gulf of Kutch lies Vadinar, a quaint coastal town situated in the Devbhumi Dwarka district. It is here that our illustrious journey unfolds, anchored by the presence of one of the world's most intricate refineries. Renowned for its exceptional safety standards, unwavering reliability, and remarkable efficiency, Nayara Energy's Vadinar refinery is India's second largest single-site refinery, capable of handling a diverse range of crude.

The increasing population, growing automobile sales and focus on infrastructure are some of the demand generating levers for India. To ensure optimum crude mix procurement for India's energy security, we navigate volatile markets through clearly defined strategies, and foresight, while ensuring a reliable and uninterrupted flow of crude. Nayara Energy is committed to fuelling our nation's growing demand for energy and strives to manufacture products that uphold our organisational values and position us as a reliable business partner. We operate India's largest private fuel station network offering quality products to our customers across the country.

Nayara Energy is fully focused on innovating and developing products that our customers want. We have adopted a phase-wise asset development strategy and have forayed into petrochemicals sector with a 450 KTPA Polypropylene plant which is a significant step in our crude to chemicals journey. As India makes its mark in the global economy, Nayara Energy is committed to fulfilling its role by fortifying India's energy security and powering its growth story.



Mission

As an Indian Company, Nayara Energy is in India and for India - highly driven and committed to fuel the nation's growing demand for energy. As a major downstream player, Nayara Energy fuels the country's dreams and aspirations, contributing significantly towards India's energy security.

Purpose

We are committed to providing the energy that fuels the dreams of our customers, partners, communities and employees.

Our Values

Constantly asks the question, is there a better way of doing things

Xtraordinary

Honour commitments with integrity, consistency and transparency

Ethical

EXCEL

Energetic

Constantly looking at better ways to shape tomorrow

Courageous

Succeed in the ever-changing market landscape

Lead

Taking ownership of our actions and lead by example



Building a More Energy-Secure Future



Prasad K. Panicker
Executive Chairman

Dear Valued Stakeholders,

It is a privilege to present Nayara Energy's Annual Report for FY 2025–26, a year that tested the resilience of the global energy system and reaffirmed the strategic importance of reliable domestic energy infrastructure. The year was marked by geopolitical realignment, fragmented trade flows, volatile commodity markets, and recurring disruptions across critical shipping corridors. In this environment, energy security moved from being an industry priority to a national imperative, alongside affordability, sustainability, and long-term economic resilience.

For Nayara Energy, FY 2025–26 reinforced a simple but powerful truth: in an uncertain world, disciplined execution, agility, and continuity of supply are decisive strengths. Despite external disruptions, we maintained focus on crude sourcing, refinery reliability, safety, and uninterrupted product availability, continuing to support India's growing energy needs as a dependable partner.

We also used the year to strengthen our foundations. Our priorities remained centered on operational excellence, strategic growth, a deeper domestic market presence, digital capability building, and responsible sustainability initiatives. These priorities are closely aligned with India's development journey and with our ambition to build a stronger, more resilient, and future-ready organisation.

Resilience in Action

The global economy remained resilient in CY 2025, but the underlying environment became more complex. Energy markets were shaped by geopolitical conflict, trade fragmentation, sanctions-driven realignments, and disruptions around strategic routes such as the Strait of Hormuz and the Red Sea. These developments affected crude flows, freight, insurance, trade settlements, refining margins, and pricing behaviour, underscoring the interconnected nature of global energy security.

At the same time, countries increasingly sought to diversify supply chains and secure reliable access to energy. The debate on energy transition therefore became more balanced: sustainability remains essential, but so do availability, affordability, and resilience. For large energy-importing economies such as India, this balance is particularly important.

The Strait of Hormuz and the Red Sea again demonstrated how concentrated chokepoints can influence global supply stability. For India, such developments reinforced the need for flexible sourcing, robust domestic refining capacity, diversified logistics, strategic storage and dependable downstream infrastructure.

Against this backdrop, Nayara Energy remained focused on business continuity across its integrated value chain. Our complex refinery configuration and sourcing flexibility enabled us to adapt to changing supply dynamics, maximise the processing of the available crude, and remove dependence on corridors no longer viable. This operating flexibility continues to be central to our ability to serve the domestic market reliably.

Navigating Sanctions with Resilience and Responsibility

During the year, Nayara Energy was impacted by unilateral and unjustified sanctions imposed by the European Union and the United Kingdom. These measures, which have extra-territorial consequences for an Indian company operating within India's legal and regulatory framework, created practical challenges across banking, insurance, shipping, vendor support, technology services, procurement of critical spares, crude sourcing, product placement, and trade settlements.

Our response has been measured, coordinated, and responsible. We established a dedicated sanctions risk mitigation framework, strengthened compliance oversight, reconfigured supply chains, diversified vendors and logistics routes, explored alternate technology and service arrangements, and reinforced domestic operating capabilities wherever feasible. We also continued constructive engagement with relevant stakeholders, including governmental and regulatory authorities, to address operational risks and preserve continuity.

These developments have tested the organisation, but they have also demonstrated its resilience. The ability to maintain safe operations and serve domestic energy demand despite constraints is a reflection of our people, our integrated business model, and our clear purpose. We will continue to navigate this environment with discipline and transparency. We will also remain committed to full compliance with applicable laws while protecting the interests of the Company, its stakeholders, and India's energy security.

Navigating the Evolving Market Landscape

India remained one of the strongest anchors of global growth during FY 2025–26. Supported by domestic consumption, infrastructure investment, manufacturing expansion, urbanisation, digitalisation, and policy reforms, the country continued to strengthen its position as a leading growth economy.

Government initiatives such as Make in India, Aatmanirbhar Bharat, PM GatiShakti, production-linked incentives, industrial corridors, and continued infrastructure outlays are deepening India's manufacturing and logistics base. This economic momentum is expected to translate into sustained demand for energy, mobility, industrial fuels, petrochemicals, and reliable supply infrastructure.

As India grows, its energy pathway must remain secure, affordable, and increasingly sustainable. The country will need resilient domestic refining, deeper downstream integration, and diversified supply chains to support industrial activity, freight movement, mobility demand, and development across Tier II and Tier III markets.

Nayara Energy's philosophy of 'In India, for India' is therefore more relevant than ever. Through reliable refinery operations, an expanding retail network, resilient supply infrastructure, and continued investments across the energy value chain, we remain committed to supporting India's growth while contributing to domestic value creation, employment, and national development.

Building a Responsible and Resilient Future

Our ESG commitment remains anchored in operational efficiency, environmental stewardship, community development, and responsible governance. During FY 2025–26, we continued initiatives in energy efficiency, emissions management, renewable power integration, water stewardship, biodiversity conservation, biofuels, etc. We also advanced nature-based solutions, including mangrove afforestation and wetland restoration in the Gulf of Kutch region.

Community development continues to be integral to inclusive growth. Our interventions in health, nutrition, education, livelihoods, rural infrastructure, water security, and environmental sustainability expanded development outreach and strengthened community resilience. Under Project Gram Samruddhi, cumulative water storage capacity increased to 22.81 MCM, supporting long-term self-sufficiency in local communities.

Strong governance, disciplined risk management, and ethical conduct remain central to our operating philosophy. We further strengthened risk oversight, internal controls, transparency, compliance, digital resilience, and business continuity measures, while reinforcing Board effectiveness and responsible decision-making.

Looking Ahead

Looking ahead, our focus is clear: strengthen operational excellence, preserve supply chain agility, deepen downstream integration, maintain financial stability and build capabilities for a changing energy future. Sustainability, digital transformation, compliance discipline, and responsible growth will continue to guide our long-term strategy.

On behalf of the Board, I thank our employees, customers, shareholders, business partners, lenders, communities, and all stakeholders for their continued trust and support. Their confidence strengthens our resolve. Together, we will continue to support India's energy aspirations and contribute to resilient, inclusive, and sustainable progress.

Warm regards,

Prasad K. Panicker

Executive Chairman

Delivering through Change, Building for the Future



Teymur Abasguliyev
Chief Executive Officer

Dear Valued Stakeholders,

Financial Year 2025-26 reinforced the value of resilience, agility and disciplined execution. Amid geopolitical uncertainties, evolving trade dynamics, supply chain disruptions and commodity price volatility, the global energy landscape continued to shift rapidly. In this environment, our focus remained on adapting swiftly, executing with discipline and delivering sustained value for our customers, partners and stakeholders.

At Nayara Energy, our response was guided by a simple principle: remain focused on what we can control. Throughout the year, we prioritised operational reliability, customer fulfilment, disciplined execution and long-term value creation. The results we achieved reflect the strength of our assets, the resilience of our business model and, most importantly, the dedication and commitment of our people.

At the same time, India's growth story continued to inspire confidence and opportunity. Strong economic momentum, expanding infrastructure, rising mobility, increasing industrial activity and a growing manufacturing base continue to drive demand for energy and petrochemical products. As a company committed to India's growth journey, we remain dedicated to supporting these aspirations through reliable energy supply, strategic investments and the continuous enhancement of our capabilities.

Building Resilience in a Dynamic Environment

The past year tested the ability of businesses across industries to navigate uncertainty. Established assumptions were repeatedly challenged, and maintaining continuity often required new approaches and faster decision-making. For us, it was an opportunity to demonstrate the resilience of our operating model.

Our ability to secure crude supplies, ensure vessel availability, uphold asset integrity and optimise operational efficiency, while meeting domestic market requirements amid challenging market conditions, enabled us to maintain uninterrupted operations throughout the year. These measures were not merely reactive but formed part of a broader initiative to build a more agile and future-ready organisation, well equipped to navigate an increasingly complex global landscape.

The resilience demonstrated during the year reflects the strength of our organisation, the dedication of our teams and the effectiveness of our long-term approach to risk management and operational excellence.

Operational Excellence Remains Our Foundation

In our industry, operational excellence is not a destination; it is a discipline that must be pursued every day.

During FY 2025-26, our Vadinar Refinery processed approximately 135.1 million barrels of crude oil while maintaining an operational availability of 99.75%.

Operational excellence at Nayara Energy extends beyond delivering safe, reliable and efficient operations—it also encompasses our commitment to responsible and sustainable growth. During the year, we continued to strengthen our environmental stewardship through targeted energy-efficiency resulted in energy savings of 48 TJ, while expanding the use of renewable power to support our decarbonisation journey. We continue to explore investment opportunities in renewable energy space and infrastructure to enhance energy resilience, improve operational efficiency and support India's transition towards a lower-carbon future. We further advanced cleaner mobility by commissioning 1,400 EV charging points and operating more than 35 CNG facilities across our retail network, alongside supporting the Government of India's E20 ethanol blending programme. Our biodiversity initiatives, including the completion of 775 hectares of mangrove plantation, and our record of zero incidents of environmental non-compliance underscore our commitment to conducting business responsibly. Sustainability remains firmly embedded in our operational philosophy, enabling us to enhance efficiency, strengthen resilience and create long-term value for our stakeholders while supporting India's evolving energy aspirations.



Our integrated refining and marketing model continued to demonstrate its strength during the year. Domestic marketing volumes, including both own and traded products, accounted for approximately 82% of total sales volume, supporting refinery throughput while mitigating the impact of market volatility through stronger domestic product placement.

This performance was supported by disciplined maintenance practices, strong technical capabilities and an unwavering focus on reliability and safety. It also reflects our continued investments in strengthening asset integrity, enhancing competitiveness and building long-term operational resilience.

Converting Strength into Market Leadership

The true measure of operational excellence lies in the value it creates for customers and the business.

Our integrated refining and marketing model continued to demonstrate its strength during the year. Domestic marketing volumes, including both own and traded products, accounted for approximately 82% of total sales volume, supporting refinery throughput while mitigating the impact of market volatility through stronger domestic product placement.

Retail continued to be one of our strongest-performing businesses during the year. We achieved our highest-ever retail sales volume of approximately 9 million KL, further strengthening our market position across key geographies. This performance was driven by consistent execution across network expansion, channel management, customer engagement and operational discipline. As we continue expanding our retail presence across the country, our focus remains on strengthening customer trust while improving productivity across the network.

Our Institutional Business delivered another year of strong performance, with on-purpose volumes reaching approximately 1.4 MMT, while sales to Oil Marketing Companies surpassed the targets despite operational challenges relating to port restrictions and vessel movement.

During the year, we also introduced several customer incentive initiatives, expanded into the Non-Fuel Retail (NFR) business and executed the phased rollout of Door-to-Door Diesel Delivery. These initiatives are aligned with our broader objective of strengthening customer relationships while creating new avenues for sustainable growth.

Building Beyond Fuels

As India continues to industrialise and expand its manufacturing base, demand for petrochemical products is expected to grow significantly. We believe this presents a substantial long-term opportunity for Nayara Energy.

Our Polypropylene business continued to strengthen our downstream integration strategy. During the year, we channelled our entire polypropylene sales volume of 317 KT to the domestic market and expanded our base to over 1,600 customers across India by focusing on high-demand grades aligned with evolving market requirements.

The business remains an important pillar of our downstream integration strategy and provides a strong platform for future growth.

Delivering Value Through Discipline

In an environment characterised by uncertainty and volatility, disciplined financial management remained a key priority.

Despite external headwinds, Nayara Energy delivered a strong financial performance during FY 2025-26. EBITDA stood at US$1.8 billion, while Profit After Tax reached approximately US$1.02 billion.

These results reflect the strength of our integrated business model, disciplined execution and our ability to create value across market cycles.

Our People and Our Responsibility

While assets and infrastructure are critical to our success, it is our people who ultimately define our performance.

Throughout the year, our employees demonstrated exceptional commitment, agility and collaboration in navigating a rapidly evolving operating environment. Their dedication enabled us to maintain business continuity, deliver strong results and continue advancing our strategic priorities.

Safety remains our highest priority and is deeply embedded in our culture. We continued strengthening our safety

In an environment characterised by uncertainty and volatility, disciplined financial management remained a key priority.

Despite external headwinds, Nayara Energy delivered a strong financial performance during FY 2025-26. EBITDA stood at US$1.8 billion, while Profit After Tax reached approximately US$1.02 billion



systems, contractor management practices, emergency preparedness and risk management capabilities, ensuring that every individual returns home safely. Reflecting the effectiveness of these efforts, we achieved a Total Recordable Injury Rate (TRIR) of 0.17 while maintaining zero Tier I and Tier II Process Safety Events across our refinery and depots during the year.

We remain committed to delivering long-term value for our shareholders through disciplined capital allocation and sustainable growth. We believe that long-term business success is inseparable from the well-being of our people, communities and the environment.

Looking Ahead

India's long-term growth outlook remains exceptionally strong. The country's increasing energy requirements, expanding industrial base, infrastructure development and manufacturing ambitions will continue to create significant opportunities across the energy and petrochemical sectors.

Nayara Energy enters this next phase from a position of strength. We have a resilient operating platform, a growing market presence, strong financial foundations and a clear strategic direction.

Our focus remains on enhancing competitiveness, strengthening operational flexibility, advancing integration, investing in future-ready capabilities and creating sustainable value for all stakeholders.

We remain confident in our ability to contribute meaningfully to India's energy security and economic progress while giving back to the communities we serve and creating enduring value for our stakeholders.

I would like to express my sincere gratitude to our employees, customers, partners, shareholders and all our stakeholders for their continued trust and support. Together, we will continue to fuel progress and transform lives.

Warm Regards,

Teymur Abasguliyev
Chief Executive Officer



BOARD'S REPORT





Dear Shareholders,

The Directors take immense pleasure in presenting the 36th Annual Report along with the Company's audited financial statements for the financial year ended March 31, 2026.

Highlights of financial performance on standalone basis

(₹ in million)

Particulars	FY 2025-26	FY 2024-25
Revenue from Operations	1,439,706	1,494,735
Total Income	1,451,340	1,505,806
Earnings before finance cost, depreciation / amortisation, and Tax (EBITDA)	160,136	122,436
Profit before Tax	122,667	84,315
Tax expenses	31,657	23,702
Profit for the period	91,010	60,613

INDUSTRY OVERVIEW



Global market

The global economy demonstrated notable resilience in CY 2025, with global GDP growth estimated at 3.4% by the International Monetary Fund (IMF). This performance reflected a balance between opposing forces, as trade-related disruptions arising from tariff impositions by the United States on key trading partners were partially offset by strong technology-led investments, particularly in artificial intelligence, alongside continued accommodative monetary policies and fiscal support by central banks. Nevertheless, growth prospects are subject to heightened downside risks and are expected to be downgraded unevenly across regions, primarily following the escalation of the conflict in West Asia in February 2026. The effective closure of the Strait of Hormuz, through which an average 20 million barrels per day of Crude Oil and Oil products (~20% of global oil demand) and 112 billion cubic meters of LNG (~20% of global LNG trade) were shipped in 2025, has had far-reaching implications, particularly for energy-importing economies. Further, disruption of 1.5 million barrels per day of LPG exports through Strait of Hormuz not just affected petrochemical production, but also adversely impacted cooking and heating demand, especially for India and East Africa.

Global headline inflation moderated to 4.1% in CY 2025 from 5.8% in CY 2024, according to the IMF, as price pressures eased across most regions. Inflation, however, remained relatively elevated in the United States, partly reflecting the impact of tariff-related measures.

Crude oil markets experienced pronounced volatility during FY 2025-26. Brent crude futures traded within a wide range of USD 58.20 to USD 119.50 per barrel, averaging USD 68.76 per barrel for the year. Prices trended lower through most of CY 2025 amid expectations of a supply surplus and broader macroeconomic concerns. This trend reversed sharply as geopolitical developments - including sanctions affecting oil supplies and disruptions in key producing regions - triggered renewed price spikes and heightened refinery margin volatility. Trade-related tariff actions and retaliatory measures further amplified market fluctuations. Downside pressures were partially mitigated by Chinese crude purchases for strategic petroleum reserve builds and an improving macroeconomic outlook towards the latter part of the year.

Expectations of oversupply briefly pushed crude markets into contango, with consensus pointing to a sizeable surplus entering 2026. This outlook changed materially in March 2026, as crude prices surged to multi-year highs following a sharp escalation of the West Asia conflict. Attacks on critical oil infrastructure and the de facto closure of the Strait of Hormuz disrupted Middle Eastern crude and product flows estimated at more than 13 million barrels per day (down from 20 million barrels per day, with diversion of some exports through Saudi's East-West pipeline and UAE's Habshan-Fujairah pipeline, bypassing Strait of Hormuz), shifting market expectations abruptly from surplus to potential deficit conditions for 2026, contingent on the duration and severity of the conflict.

On the supply side, OPEC+ gradually unwound production cuts during CY 2025, encouraging member nations to reclaim market share amid elevated prices earlier in the year. Output increases commenced in April 2025 with an initial hike of 138 kb/d, followed by larger monthly additions through mid-year and further increases into December 2025. As prices weakened sharply toward the year-end, the group paused further hikes in the first quarter of 2026. Non-OPEC+ supply growth was led by the Americas, with the United States, Canada, Brazil, Guyana, and Argentina contributing incremental volumes. According to the International Energy Agency, non-OPEC+ supply rose by 1.8 mbpd in 2025, while OPEC+ added a further 1.3 mbpd. Supply growth in CY 2026 is expected to moderate, particularly among OPEC+ producers, as logistical constraints persist amid ongoing geopolitical disruptions. Consequently, earlier expectations of a large oversupply are now considered unlikely to materialise, as current supply constraints outweigh demand destruction in a high-price environment.

Refining margins remained generally subdued for most of the year, reflecting weak product demand and higher refinery utilisation rates, despite the closure of two large U.S. Gulf Coast refineries during FY 2025-26. Transportation fuel demand rebounded in CY 2025 after a muted recovery in 2024, while demand for petrochemical feedstocks weakened amid tariff-related disruptions. Naphtha, LPG, and ethane together accounted for only around one-third of the total year-on-year oil demand increase of 847 kb/d. In March 2026, refining margins diverged significantly across regions - Asian and Middle Eastern refiners faced crude shortages and elevated spot prices, while U.S. refiners benefited from relatively resilient margins and higher utilisations following the maintenance season.

The near-term outlook for global growth and crude oil markets remains highly uncertain. The ongoing conflict in West Asia has resulted in one of the largest supply disruptions in the history of oil markets, with limited alternatives

INDUSTRY OVERVIEW

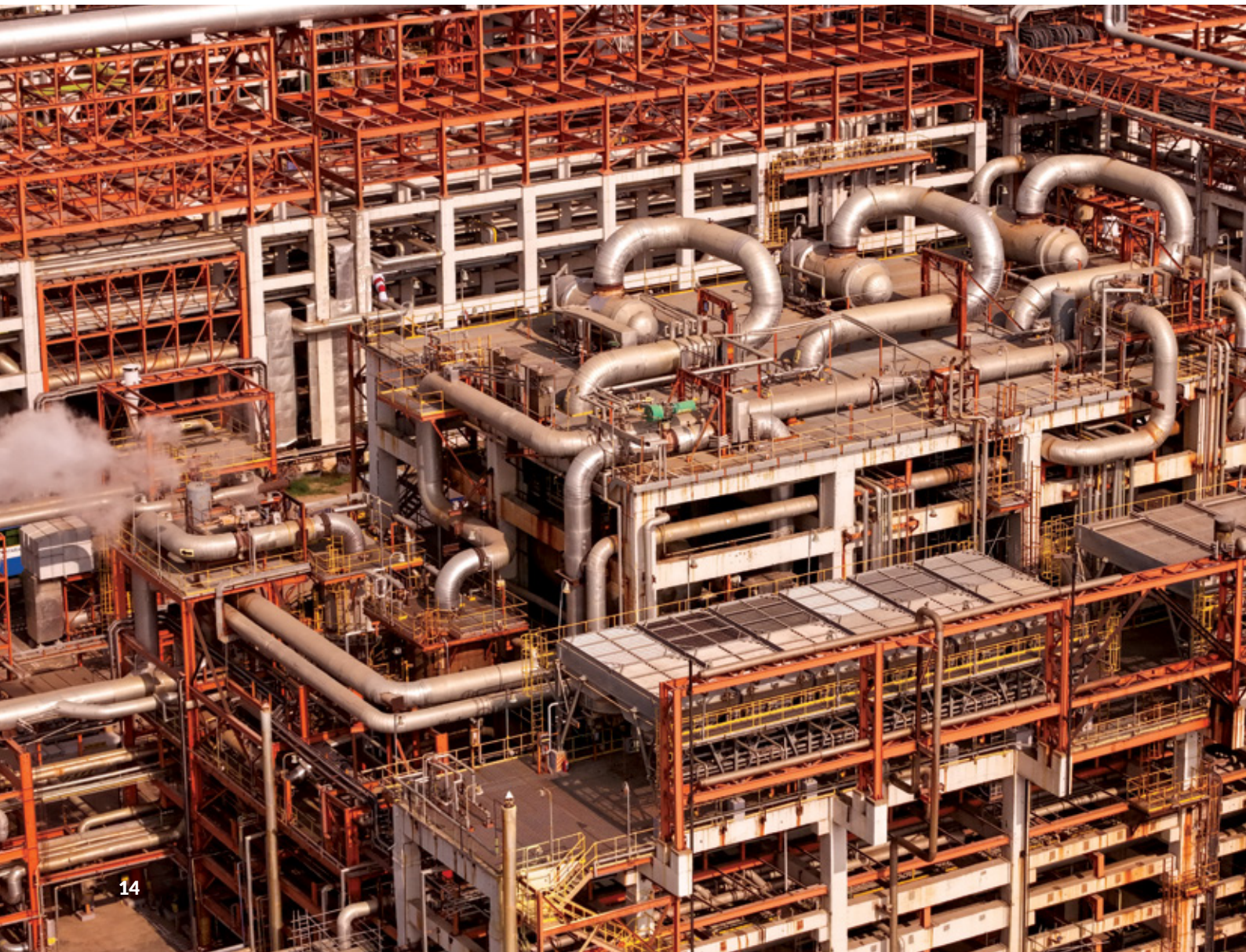
to bypass critical shipping routes and supply losses expected to persist until maritime trade normalises. Damage to oil infrastructure may have lasting implications for medium-term growth in the region, despite underlying financial resilience. While the International Energy Agency in March 2026 has agreed to release 400 million barrels of strategic reserves in the near term to stabilise markets, this is expected to provide only temporary relief in the absence of a swift resolution to the conflict.

Energy-importing economies across Asia and Europe continue to face disproportionate pressures from elevated input costs as supplies remain constrained. Limited fiscal headroom and logistical bottlenecks across key commodities - including oil, natural gas, and fertilisers - are expected to sustain upward pressure on inflation. A prolonged conflict heightens the risk of a broader economic slowdown, as demand destruction from high energy prices coincides with tighter financial conditions, rising yields, and widening credit spreads. Accordingly, global growth forecasts beyond 2026 are likely to face downward revisions should geopolitical uncertainties persist.

Domestic Market

As per the data published by Ministry of Finance, Government of India, vide press note dated February 1, 2026, the Indian economy maintained strong growth momentum throughout FY 2025-26 with estimated GDP growth projected at 7.4%, up from 7.1% in FY 2024-25, reflecting a sustained broad-based expansion. The acceleration was driven primarily by a rebound in private consumption, supported by increasing rural demand, strong growth in the construction and services sectors, and sustained industrial activity led by manufacturing and infrastructure-related investments during FY 2025-26.

As per the ready reckoner for FY 2025-26 issued by the Petroleum Planning and Analysis Cell of Ministry of Petroleum and Natural Gas, consumption of petroleum products increased by 1.7% from 239.2 MMT in FY 2024-25 to 243.2 MMT in FY 2025-26. Transportation fuels such as Ethanol Blended Motor Spirit (EBMS) and High-Speed Diesel (HSD) recorded combined year on year growth of 4.5%





in FY 2025-26, compared to 3.6% in the previous year.

Overall HSD consumption grew by 3.6% during FY 2025-26, significantly higher than the 2.0% growth recorded in FY 2024-25. This was supported by a strong infrastructure led demand environment, underpinned by Central Government capital expenditure budgeted at approximately ₹11.2 trillion (over 3% of GDP). Increased infrastructure execution drove higher diesel usage across construction equipment, mining activities, road building and power backup applications. This was further reinforced by higher movement of petroleum products, containers, and coal, translating directly into increased diesel demand in trucking and multimodal logistics. Stable agricultural activity, where diesel remains the primary fuel for tractors, irrigation pumps, and harvesters, also supported structural demand. Collectively, infrastructure execution, rising freight volumes, and steady agricultural and industrial activity translated into stronger diesel offtake momentum during the year.



HSD retail channel volumes, which had remained subdued over the previous two years (-1.1% in FY 2023-24 and 1.2% in FY 2024-25), regained momentum in FY 2025-26, registering 3.1% year on year growth. This aligned with estimated growth of 3-5% in commercial vehicle sales. The Institutional Business segment - covering customers such as Railways, industrial users, and infrastructure companies procuring HSD directly from oil marketing companies at consumer pumps - also recorded robust performance, maintaining growth of over 7.2% during FY 2025-26. Overall consumption of HSD grew by 3.6% from 91.4 MMT in FY 2024-25 to 94.7 MMT in FY 2025-26.

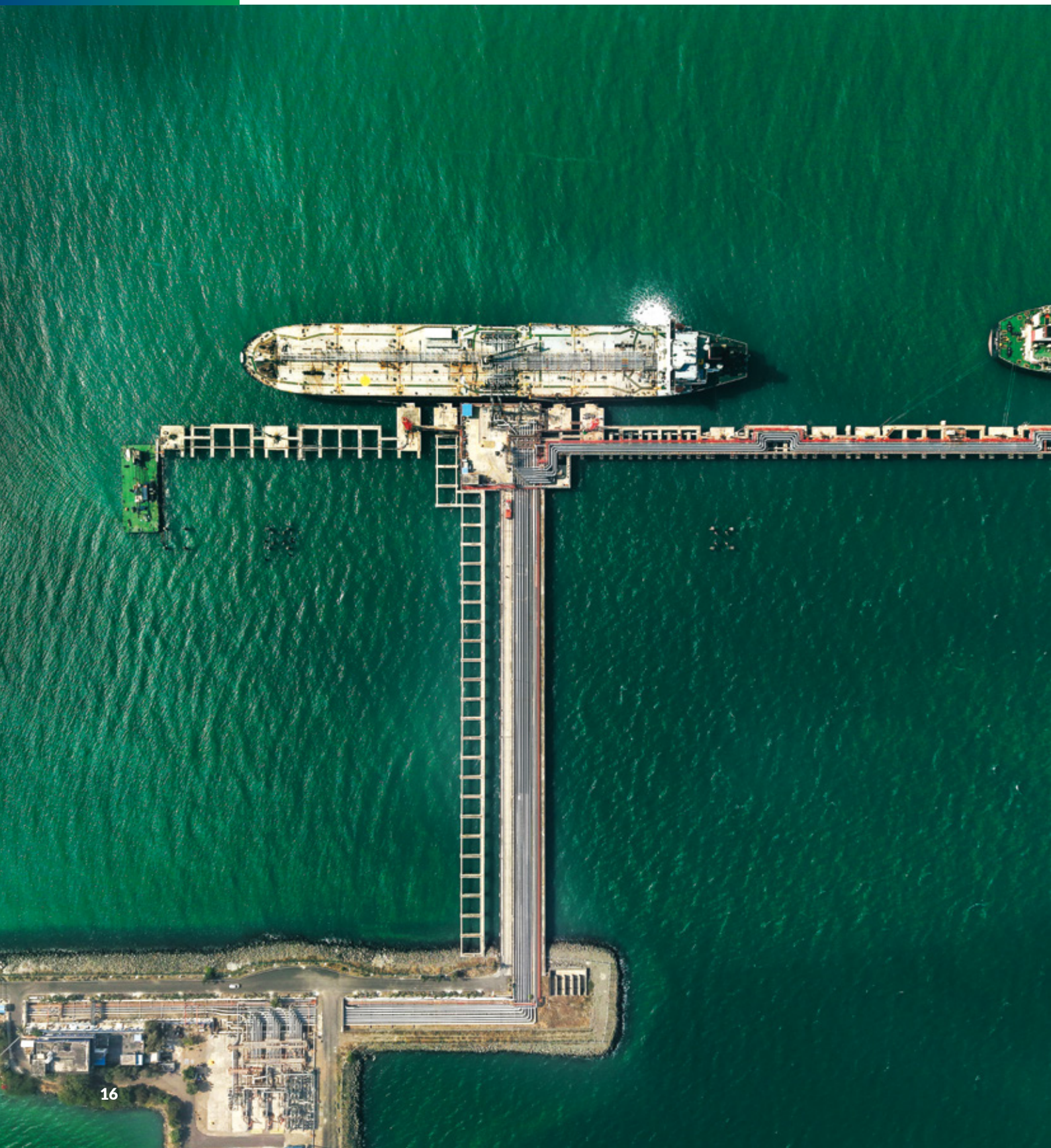
EBMS consumption grew by approximately 6.5%, increasing from 40 MMT in FY 2024-25 to 42.6 MMT in FY 2025-26. Demand was driven primarily by passenger vehicles and two wheelers, which together account for over 80% of EBMS consumption. With more than 70% of new passenger vehicle sales being EBMS-based, supported by sustained economic activity and expanding urban logistics, EBMS has become the fastest-growing transportation fuel in India's oil basket.

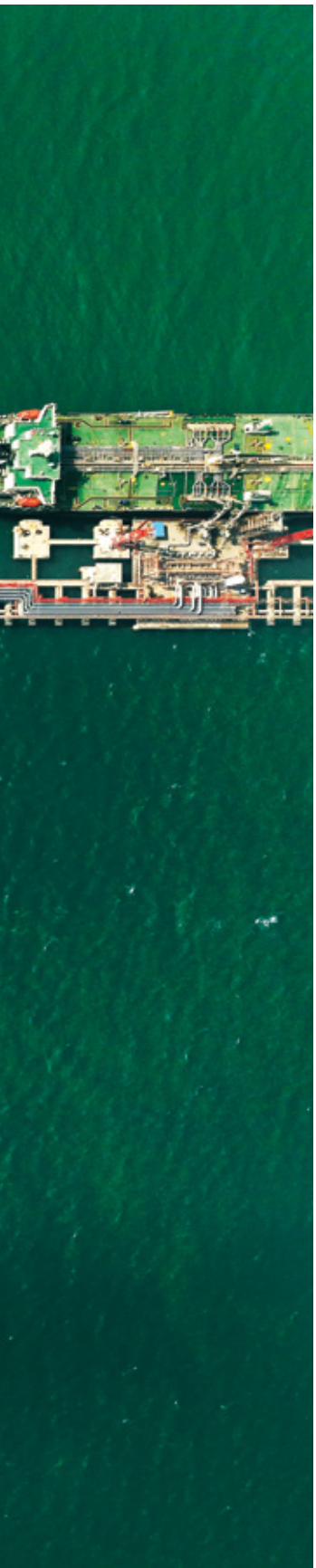
The Government of India continues to focus on increasing ethanol blending in MS. In line with the same, the industry has shifted to a 20% ethanol blending mandate to enhance self-reliance in petroleum products during the latter part of FY 2025-26.

In FY 2025-26, the Polypropylene (PP) industry grew to 8.1 MMT, registering growth of 6.6% over FY 2024-25.

Towards the end of FY 2025-26, from March 2026 the conflict in West Asia has impacted the domestic market as LPG, LNG and crude are no longer economically available resulting in unfavourable economics in the domestic market. These developments also resulted in Government of India imposing windfall tax on product exports and reduction in the refinery transfer price between Oil marketing companies.

OPERATIONAL PERFORMANCE





Impact of International Sanctions

During the financial year, your Company was subjected to sanctions by the European Union and the United Kingdom. These measures were introduced under respective regulatory frameworks.

The Company maintains that these actions are unilateral, without jurisdictional nexus, and not reflective of operational reality. The Government of India has also reiterated that India does not subscribe to any unilateral sanction measures. It considers the provision of energy security a responsibility of paramount importance to meet the basic needs of its citizens and stressed that there should be no double standards, especially when it comes to energy trade.

Despite full compliance with applicable Indian laws the sanctions have had operational implications on the Company's business including disruption in access to technology support, specialised services, and critical spare parts from certain overseas suppliers, particularly those based in Europe and the United Kingdom, constraints in marine logistics, challenges in banking and insurance support etc.

The Company has undertaken necessary mitigation measures, including exploring alternate sourcing strategies and strengthening domestic capabilities, to ensure continuity of safe and reliable operations. However, given the refinery's reliance on specialised technologies and global supply chains, certain constraints persist.

The Board continues to closely monitor developments and engage with relevant stakeholders including the Government of India as well as the regulatory authorities in the European Union and the United Kingdom to mitigate risks, safeguard operations, and ensure sustained contribution to India's energy security.

International Supply & Trade and Economic Planning & Scheduling

FY 2025-26 was among the most volatile periods for global energy markets, marked by heightened geopolitical tensions, persistent disruptions to established maritime trade routes, and evolving supply-side dynamics.

Against this backdrop, Nayara Energy navigated a complex operating environment requiring careful management of compliance, logistics, and market access, while continuing to play a dependable role in safeguarding India's energy security through stable supplies to the domestic market. Despite heightened uncertainty, the Company ensured availability of crude, enabling the refinery to operate at consistently high utilisation levels throughout the year. Even amid tightening logistics, elevated freight costs, and supply chain constraints, Nayara Energy sustained stable refinery operations, uninterrupted crude inflows, and timely evacuation of products.

Notwithstanding these challenges, the Company generated incremental value through disciplined negotiations, strategic placement of product barrels, and efficient cargo parcel optimisation.

Nayara Energy maintained a strong focus on domestic priorities throughout year. Despite encountering challenges in placing cargoes in the export market during second half of year, the Company ensured timely product evacuation to sustain stable refinery operations and support margin generation.

With a sustained focus on domestic energy security, Nayara Energy remained committed to the mission of being "In India, for India" while effectively leveraging international markets to enhance value. Despite a challenging and evolving global environment, the Company remains confident and optimistic. Supported by a highly complex refinery, diversified trading capabilities, and strong risk governance and adaptability, Nayara Energy is well positioned to navigate volatility and deliver sustainable value in the years ahead.

OPERATIONAL PERFORMANCE

Refinery

The Refinery continued on its path of operational excellence, demonstrating strong technical capabilities to maintain high levels of asset reliability and ensure the safety of people. Despite multiple external challenges, the Refinery achieved an overall capacity utilisation of 94.2%, processing 135.1 million barrels of crude oil during the year. Several reliability challenges were effectively managed through alternative sourcing of critical spares, chemicals, and services, as well as through the indigenisation of technologies.

During FY 2025-26, the Refinery maintained high availability of process and auxiliary units without any major safety incidents. As part of the refinery improvement program, revamp of Crude Distillation Unit 1 (CDU 1) was successfully commissioned in April 2025, involving installation of additional heat exchangers to improve energy efficiency. In parallel, several small-scale projects were implemented to continuously improve refinery performance and reduce energy consumption.

The Refinery successfully extended its run length through targeted technical interventions addressing reliability and catalyst performance. Consequently, the planned turnaround was deferred by five months and was undertaken after the end of the financial year in April 2026.

During FY 2025-26, the Company maximised the production of domestic-grade petroleum products, particularly Motor Spirit (MS) and HSD, in line with evolving energy demand. The domestic share of petroleum product supply increased from 67% to 76% in FY 2025-26. The Refinery recorded its highest-ever production for several products, including MS, EBMS, Mineral Turpentine Oil (MTO), and BS VI HSD, while continuing to optimally produce Polypropylene (PP) from the recently commissioned PP Unit.

The Company remains focused on sustained improvement and continuous benchmarking against peers. As part of this effort, Nayara Energy participates in the bi-annual Solomon benchmarking study for fuel refineries and achieved exemplary performance, with 25 performance parameters ranking in the first and second quartiles for calendar year 2024, the results of which were published during FY 2025-26.

Following the completion of turnaround activities, the Company's primary focus is to ensure uninterrupted supply of petroleum products to meet the country's growing energy needs.

Marketing

Nayara Energy's domestic marketing business delivered strong and resilient performance during FY 2025-26, driven by disciplined execution, customer-centric initiatives, and expanding market presence. Across retail, supply, institutional, and petrochemical segments, the Company strengthened volumes, enhanced realisations, and reinforced its position in a dynamic operating environment.



Retail

During FY 2025-26, the retail business delivered robust volume growth, reinforcing Nayara Energy's position as India's largest private fuel retailer. Despite dynamic market conditions, disciplined channel management, strategic network expansion, and a continued focus on customer-centric initiatives enabled the Company to achieve its highest-ever sales volume of 8.96 million KL, registering approximately 8.4% growth over the previous year and outperforming industry growth by 1.8% in EBMS and 5.4% in HSD.

The Company adopted a quality-led network expansion strategy, with a focus on higher throughput per outlet (TPO) locations. Growth at existing retail outlets remained positive, underpinning resilience and stability across the network. Aggregate Market Effectiveness (ME) reached all-time high levels, reaffirming the competitive strength of the retail proposition.

Flagship consumer schemes were executed through fully automated platforms, ensuring seamless and transparent digital transfer of benefits to customers. During FY 2025-26, the Fleet Plus Program - one of the major HSD volume drivers - was further strengthened through complete digitisation and integration with retail automation systems. This enabled the Company to attract large fleet customers and drive higher HSD volumes, even in an environment of subdued industry growth.

The Company continued to focus on delivering a consistent and superior customer experience across the retail network through stringent monitoring and control mechanisms, alongside the implementation of Emergency Response and Disaster Management Plan (ERDMP) provisions. Capability-building initiatives were significantly enhanced through structured and targeted training programs for franchisees and frontline staff, strengthening resilience, service execution, and safety standards.

Nayara Energy remained committed to creating a positive social impact at the grassroot- level, supporting employment and livelihoods for over 55,000 retail outlet staff and local communities. As India's largest private fuel retailer, the Company remains dedicated to delivering safe, reliable, and efficient mobility solutions nationwide and to serving as a trusted partner in meeting the nation's evolving energy needs through operational excellence and sustainable growth.



OPERATIONAL PERFORMANCE

Supply & Distribution

FY 2025-26 was a pivotal year for the Company's supply and distribution infrastructure and channels. Amid a challenging external environment, the Company demonstrated resilience, delivering consistent results across key focus areas.

Domestic sales volumes of MS, HSD, and LPG supplied to oil marketing companies reached 4.8 MMTPA during the year. Infrastructure augmentation initiatives focused on strengthening nationwide supply chains, including the addition of 32 TKL of coastal tankage capacity to enhance supply flexibility and operational responsiveness.

In August 2025, a local pipeline arrangement was activated from the MRPL refinery to Nayara Energy's hired tankage at Mangalore, strengthening supply continuity. In parallel, supplies commenced from five new locations for retail dispatches, further reinforcing supply security. A white oil road transportation tender was successfully concluded, enhancing long-term supply security and cost stability. Rail logistics achieved a significant milestone, with 1,032 rakes loaded during FY 2025-26 across own and hospitality locations, reflecting improved planning and asset utilisation.

Institutional Business

The Institutional Business delivered resilient performance in FY 2025–26, driven by focused execution, portfolio optimisation, and geographic expansion. Market share of the On-Purpose portfolio rose to 10.1%, with Bulk HSD volumes up ~7.6% YoY. Light Diesel Oil (LDO) and Mineral Turpentine Oil (MTO) market shares increased to approx. 15% and approx. 22%, respectively, reflecting strong customer confidence and disciplined pricing. Efficient commercialisation of swing and evacuation products (Petcoke, Sulphur, Fly ash) ensured inventory liquidity and value realisation. Ethanol blending of 15–20% was consistently achieved across all terminals, aligning with government mandates and sustainability objectives. By the end of FY 2025-26, the Company had attained 20% blending requirement, supported by cost-optimised and diversified ethanol sourcing.



Polypropylene

During FY 2025-26, Nayara Energy made significant progress in strengthening its presence across major Polypropylene (PP) consumption hubs, with a continued focus on higher realisations and customer diversification.

The entire PP sales volume of 317 KT during the year was channelised to the domestic market, reinforcing the Company's commitment to supporting India's growing petrochemical demand. Continuing its growth trajectory, the Company expanded its customer base to over 1,600 customers across India.

Production was focused on high-demand PP grades such as Raffia, Injection Moulding, Tubular Quenched Polypropylene (TQPP) and Biaxially Oriented Polypropylene (BOPP), enabling strong alignment with downstream customer requirements. Through customer applications across a wide range of sectors, including household goods, furniture, food and bakery packaging, garments, cement, automotive components, appliances, and infrastructure, Nayara Energy's PP products continued to touch millions of lives every day.

With a strong domestic footprint, diversified grade portfolio, and a growing customer base, the Polypropylene business remains well positioned to support sustained growth while enhancing value realisation in the years ahead.

Asset Development

The Asset Development function plays a critical role in identifying, planning, and executing strategic projects that unlock value from both new and existing assets, enhance refinery performance, and improve reliability. Building on the Company's demonstrated large-scale project execution capabilities - including the successful commissioning and Performance Guarantee Test Run (PGTR) of the 450 KTPA Polypropylene Project (Phase I) at Vadinar in 2024 - multiple initiatives are being progressed through a structured, stage-gated development framework. This framework is underpinned by strong governance over engineering readiness, execution planning, risk management, and rigorous testing of project margin resilience.

During FY 2025-26, the Company advanced two key objectives, as outlined below:

A) Refinery Sustainability & Performance Enhancement

VGO MHC Revamp Project aims to enhance operational flexibility by enabling the production of 100% diesel with Sulphur content below 10 ppm, without the need for intermittent Mild Hydrocracking (MHC) shutdowns, while also extending catalyst run length. Engineering, Procurement, and Construction (EPC) contracts, along with Project Management Consultancy (PMC) responsibilities, have been awarded. The project is progressing as planned and remains on track for completion during the refinery turnaround scheduled in FY 2026-27.

Coke Drum Replacement Project for the Delayed Coker Unit (DCU), aimed at enhancing asset reliability and operational safety, made substantial progress during FY 2025-26. Due to prevailing geopolitical environment completion of this project got delayed and now extends beyond the planned FY 2026-27 turnaround and is expected to be undertaken at the next feasible opportunity.

During FY 2025-26, the Company's subsidiary, Coviva Energy Terminals Limited made significant progress in implementing a new Single Buoy Mooring (SBM 2) project, being developed. SBM 2 is a critical initiative to enhance crude oil handling capacity, improve operational flexibility, and strengthen system redundancy.

B) Phase II Mega Petrochemical Project

This project is being conceptualised at reducing exposure to market cyclicality through diversification and scaling up the Company's presence in the petrochemical segment by expanding polyolefin capacity from 0.5 MMTPA to 2.5 MMTPA. The project will also enable significant refinery-petrochemical integration benefits, including the utilisation of approximately 1.73 MMTPA of refinery feedstocks and the deployment of optimised common utilities.

Basic Engineering has been completed, and tenders have been floated to invite bids for the Front-End Engineering Design (FEED) phase. Project execution strategies have been formulated to minimise construction timelines without compromising on safety and quality standards, which remain our foremost priorities.

These initiatives are vital steps in ensuring that Nayara Energy continues to meet growing energy and petrochemical demand with efficiency, consistency, and operational excellence. Through this expansion, the Company is reinforcing its commitment to serving customers across markets with the fuel and petrochemical products they require, swiftly, reliably, and economically.



FINANCIAL PERFORMANCE



During FY 2025-26 there was significant volatility in crude benchmarks rising from US$ 72.49/bbl in March 2025 to $128.52/bbl in March 2026 and foreign exchange, with the Indian Rupee depreciating by 10.6% from ₹ 85.58 to ₹ 94.65 per US dollar during the period. Gasoil and Gasoline cracks increased by 82% and 35% respectively on an average. This was further accompanied by an increase in premium, freight & insurance costs along with reintroduction of Special Additional Excise Duty and implementation of the new labour code.

Operational agility, robust fuel cracks, and proactive financial & operational risk management enabled strong performance despite volatility. Further, disciplined controls and proactive management prevented structural stress on liquidity, profitability, and compliance. The key financial metrics on standalone basis are outlined below:

Financial highlights

₹1,22,667 Mn
PBT
+45% YoY

₹91,010 Mn
PAT
+50% YoY

₹1,60,136 Mn
EBIDTA
+30% YoY

21.6%
PBT
+3.4pp YoY

16.65%
ROE
+3.7pp YoY

9.28x
DSCR
5.13x PY

The Net operating cash more than doubled in comparison to the previous year. As a result of robust cash management, the Company was able to maintain its liquidity strength and support necessary capital expenditure of ₹ 27,486 Million and debt servicing of ₹ 40,058 Million.

Despite geopolitical challenges the Company ensured adequate insurance coverage commensurate with the nature, scale and risk of the Company's operations and safeguarding its assets, liabilities and operational exposures.

To conserve financial resources, the Board of Directors has not recommended any dividend for the financial year ending March 31, 2026. Further, no amounts are proposed to be transferred to the General Reserve.

Standalone and Consolidated Financial Statements

The audited standalone financial statements of the Company, prepared in accordance with the Indian Accounting Standards (Ind AS), for the financial year ended March 31, 2026, form 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 part of this Annual Report.

Buyback of Shares

As reported in the Board's Report for FY 2024-25, and in compliance with Section 68 and other applicable provisions of the Companies Act, 2013, the Company successfully completed a buyback offer for the purchase of equity shares made to the minority public shareholders at a price of ₹731 per equity share.

Out of the shares tendered by minority public shareholders during the offer period from April 11, 2025, to May 7, 2025, the Company bought back 21,70,347 equity shares, representing approximately 8.38% of the total buyback size, for an aggregate consideration of ₹1,586 million. The equity shares so bought back were duly extinguished.

Consequent to the completion of the buyback, the paid-up equity share capital of the Company stands reduced to 1,48,83,90,808 equity shares of ₹10 each, aggregating to ₹14,883 million.

Redemption of Non-Convertible Debentures

During FY 2025–26, the Company successfully redeemed outstanding 7,338,221 Non-Convertible Debentures (NCDs) of ₹350 each. These NCDs had been issued on December 15, 2020 to the resident public shareholders of erstwhile Vadinar Oil Terminal Limited (VOTL) as consideration pursuant to Scheme of Amalgamation of VOTL with the Company.

Consequent to the aforesaid redemption, the Company does not have any outstanding securities other than equity shares.

Holding and Subsidiary Companies

The Company does not have any holding company. As on March 31, 2026, the Company has four wholly owned subsidiaries.

During FY 2025-26 ended March 31, 2026, the Company incorporated a wholly owned subsidiary in Qatar, namely Nayara Energy Overseas Holdings LLC. Subsequently, Nayara Energy Overseas Holdings LLC incorporated its wholly owned subsidiary, Nayara Energy Overseas Trading LLC. Both these companies are yet to commence operations. A summary of activities undertaken by existing subsidiaries is given below:

Nayara Energy Singapore Pte Ltd

Nayara Energy Singapore Pte. Ltd. (NESPL), a wholly owned subsidiary of the Company, is engaged in the trading of crude oil and petroleum products, along with financing activities. NESPL plays a strategic role in optimising the placement of refinery barrels to generate incremental margins for the Group.

During FY 2025-26, NESPL established itself as a key participant in the Asia-Pacific (APAC) and Middle East and Asia (MEA) markets by executing several delivered-basis trades and expanding into new markets and geographies. Backed by strong financial support and credit lines, NESPL successfully implemented flexible and innovative trade structures, leading to diversification of the Nayara Energy Group's customer and supplier portfolio.

Coviva Energy Terminals Limited

As stated above, Coviva Energy Terminals Limited is implementing a second Single Buoy Mooring in Deendayal Port Authority waters for captive use by Nayara Energy. Prevailing geopolitical environment pose challenges for the subsidiary in completing the marine facilities and associated infrastructure by originally planned schedule of August 2026. All possible measures to seek an extension of this timeline from concerned authorities are being taken.

Since more than 50% of the share capital in Nayara Energy is held by foreign entities, the downstream investment by the Company in Coviva Energy Terminals Limited is classified as indirect foreign investment under the Foreign Direct Investment (FDI) Policy. The Company has obtained a certificate from its Statutory Auditors, M/s S. R. Batliboi & Co. LLP, certifying compliance with the applicable provisions of the FDI Policy.

A report on the performance and financial position of each of the subsidiaries, as required under Form AOC-1, forms part of this Annual Report and is therefore not repeated here for the sake of brevity. The Company does not have any associates.

The financial statements of the subsidiaries for the financial year ended March 31, 2026, together with other related information, will be made available to any member of the Company or its subsidiaries seeking such information at any point in time and are also available for inspection at the Company's Registered Office.

SAFETY AND OCCUPATIONAL HEALTH



Committed to Safe Operations

During FY 2025-26, Nayara Energy Limited further strengthened its operational excellence by sustaining safe and stable operations, supported by robust safety systems and disciplined execution. A strong emphasis on proactive hazard identification, effective implementation of engineering and administrative controls, transparent reporting, and systematic sharing of learnings continued to reinforce a positive safety culture across the organisation. Leadership engagement through structured safety dialogues, site safety rounds, and participation in safety campaigns further strengthened safety ownership at all levels.

Capability building remained a cornerstone of the Company's safety framework. Customised training programs and focused awareness initiatives enhanced workforce readiness, while extensive fire and rescue training and mock emergency drills bolstered preparedness for both routine and high-risk operations. Contractor safety governance was further reinforced through trade skill validation, competency assessments, and structured engagement mechanisms, ensuring consistent safety performance across the value chain. Continual improvement was driven through statutory and third-party audits, validating compliance with regulatory requirements and the adequacy of critical safety and fire protection systems.

To enhance road safety standards, defensive driving training programs were conducted, and Driver Management Centres (DMCs) were launched. Nayara Energy is the first in the industry to introduce DMCs, with a focus on improving safe driving behaviour, a critical element of supply operations.

These initiatives reflect the Company's safety culture, enabling it to anticipate, absorb, and recover from operational risks while maintaining safe, reliable, and sustainable operations. This is evidenced by strong safety performance during the year, with a Total Recordable Injury Rate (TRIR) of 0.051, continuing a consistent declining trend over the past three years.

Process Safety Management (PSM)

During FY 2025-26, the refinery and depots maintained strong process safety performance, recording zero Tier 1 and Tier 2 Process Safety Events, reflecting the effectiveness of preventive controls, operational discipline, and the Company's commitment to safeguarding people, assets, and the environment.

The Refinery further strengthened its Process Safety Management framework by expanding coverage to all 20 Risk-Based Process Safety (RBPS) elements, including the integration of the remaining five elements. This was supported by structured maturity assessments, element-wise internal audits, role-based competency development initiatives, and extensive awareness programs.

Occupational Health

Employee health and well-being remain fundamental pillars of Nayara Energy's Health, Safety, and Environment (HSE) framework. At the operational level, occupational health risks are systematically identified and managed through annual qualitative and quantitative exposure assessments, supported by a robust health surveillance program aligned with statutory requirements and industry best practices. Targeted health awareness programs, preventive care initiatives, and wellness campaigns are regularly conducted to enhance workforce resilience, promote a culture of well-being, and contribute to long-term value creation for the organisation.

ENVIRONMENT AND SUSTAINABILITY





As India strengthens its climate ambition through its updated Nationally Determined Contribution for the 2031-2035 period, Nayara Energy is positioning itself to operate effectively in an evolving energy landscape. The national focus on reducing emissions intensity, accelerating renewable deployment, and restoring ecosystems underscores the need for energy companies to balance growth, energy security, and sustainability.

Nayara Energy follows a structured and phased ESG approach, anchored in regulatory compliance and progressively strengthening its decarbonisation and sustainability practices. In the near term, the Company is focusing on increasing the utilisation of renewable energy across the refinery operations, ensuring operational discipline and improving energy efficiency. In the longer term, the Company is preparing for deeper energy transition pathways. In parallel, systems for tracking and verifying emissions are being strengthened, and readiness is being built for India's emerging carbon market. This approach ensures continued compliance and competitiveness without compromising refinery reliability or financial discipline.

Environmental and social resilience continue to be strengthened across Nayara Energy's operations and neighbouring communities through robust environmental management practices. The Company is advancing biodiversity conservation and nature-based solutions, including large-scale mangrove afforestation and wetland restoration initiatives in the Gulf of Kutch region, reinforcing its commitment to sustainable ecosystems and climate resilience. Focus areas include water stewardship, zero routine flaring, and emissions management to support operational continuity in an increasingly resource-constrained environment.

In parallel, through long-term community programs in health, nutrition, livelihoods, education, and water security, Nayara Energy is strengthening social systems that enhance resilience against economic and environmental shocks.

Strong Board oversight, effective risk management, and a commitment to ethical conduct ensure that ESG considerations are embedded at the highest levels of governance. Guided by the United Nations Sustainable Development Goals, the Company's approach integrates environmental stewardship, people-centric growth, and responsible governance, while continuing to support India's energy security needs. Nayara Energy's ESG journey remains ongoing, adaptive, and future-focused, enabling the Company not only to withstand change but also to lead responsibly through it.

PEOPLE



Powering Performance with Purpose

At Nayara Energy, our people are central to our success, driving sustainable performance, building resilience, and long-term value creation. In a year shaped by evolving business dynamics and global uncertainties, we remained steadfast in strengthening an inclusive, agile, and high-performing Organisation. Our people strategy is anchored around three core pillars: Capability Building for the Future, Performance and Accountability, and Employee Experience and Wellbeing.

As on March 31, 2026, the Company had 3,319 employees, of whom 3,161 were male, 158 were female and no transgender employees. The Company also employed 3 differently-abled persons.

Talent Acquisition and Employer Brand

During FY 2025-26, we continued to strengthen our talent acquisition strategy to attract high-quality talent aligned with the Company's priorities. Leveraging digital sourcing platforms and structured assessment frameworks enabled us to enhance both the quality and speed of hiring.

With a continued focus on building a future-ready talent pipeline, Nayara Energy engaged with over 20 leading academic institutions as part of its campus hiring initiatives in FY 2025-26. We onboarded Management Trainees, Chartered Accountant Trainees, Graduate Engineer Trainees, and Diploma Engineer Trainees at the junior management cadre. A total of 69 new candidates were successfully inducted, accounting for 34% of total entry-level hiring during the year.

We also launched the Igniting Minds Induction Program, a standardised onboarding framework designed to accelerate early integration and role readiness across locations. The program combines self-paced e-learning with a structured two-day in-person induction to support capability building and cultural alignment.

Talent and capability development

FY 2025–26 focused on strengthening enterprise-wide talent and capability development. Structured talent reviews and succession planning identified high potential leaders to support future growth. Capability building remained a priority, with 8,167 learning days completed across leadership, functional, and professional skills. Leadership programs were delivered in partnership with IIM Ahmedabad and SP Jain, alongside expanded functional and cross-functional learning initiatives. In line with the digital agenda, Digital Transformation Champions completed the Digital Transformation Journey to drive enterprise-wide digital value creation.

Diversity, Equity & Inclusion

Our commitment to building an inclusive and equitable workplace continued to strengthen during the year. Focused awareness campaigns and unconscious bias workshops were conducted for people managers to deepen understanding and encourage inclusive behaviours across teams. The 'Design for Inclusion' leadership alignment initiative enabled leaders to move beyond awareness towards building deeper conviction, fostering meaningful and sustained inclusion across the organisation.

In line with our commitment to providing a safe, inclusive, and respectful workplace, the Company remained fully compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee (IC) was in place during the year to address complaints, supported by regular awareness sessions and mandatory training programs. There were no pending complaints at the beginning of the financial year, and no complaints were received or remained pending during FY 2025-26.

The Company has also complied with the provisions of the Maternity Benefit Act, 1961, ensuring statutory maternity benefits for all eligible women employees, reinforcing its commitment to employee well-being, inclusivity, and legal compliance.

Culture of Recognition and Employee Experience

Recognition and inclusion remain central to our employee experience agenda. During FY 2025-26, over 1,358 GEM Awards were conferred, reinforcing a culture that values performance, contribution, and shared success.

Building a differentiated and inclusive employee experience remained a key priority during the year, with a strong focus on progressive, people-centric policies that support employees across life stages. During FY 2025–26, we introduced several initiatives aimed at enhancing employee well-being and financial security, including a Mobile Handset Lease Policy, a comprehensive Retirement Policy, and the extension of OPD benefits to all employees.

Holistic Wellness

The launch of the EON Wellness Program strengthened the Company's holistic approach to employee well-being across physical, mental, emotional, social, and financial dimensions. With counselling utilisation at 8% and platform usage exceeding 25%, the program enhanced access to well-being interventions and supported employee resilience, engagement, and sustainable performance. Extending coverage to employees' families, the initiative reinforces Nayara Energy's commitment to building a healthier and more resilient workforce.

Road Ahead

As Nayara Energy continues its growth journey, our people priorities will remain firmly focused on:

- Building future-ready capabilities at scale
- Strengthening leadership and succession depth
- Embedding a high-performance culture
- Enhancing employee experience and engagement

We are confident that our people will continue to be key enablers of our strategic ambitions, driving resilience, innovation, and long-term value creation.

CORPORATE SOCIAL RESPONSIBILITY



The Board of Directors, on the recommendation of the CSR and Sustainability Committee, constituted under Section 135(1) of the Companies Act, 2013 ("Act"), 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

An annual report on CSR, containing the details of the CSR policy and other particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed to this report as Annexure A.

In FY 2025-26, the Company was required to spend ₹2,359.60 million on CSR activities but incurred an expenditure of ₹592.93 million, leaving an unspent amount of ₹1,766.67 million. The implementation delays arose from changes in State Government priorities, partner modifications, project scope revisions, and feasibility issues at initially identified locations, necessitating mid-course corrections and the deferral of certain projects. This reflects the impact of evolving policy directions and

on-ground practical challenges on CSR execution during the year.

The CSR program continued to focus on four core thematic areas—Health and Sanitation, Education and Skill Development, Sustainable Livelihoods, and Rural Development - with strong alignment to national priorities and measurable community outcomes. Combating malnutrition remained a flagship priority. The program achieved a 71% reduction in Moderately Underweight (MUW) children and an 89% reduction in Severely Underweight (SUW) children in intervention areas. Additionally, 51 Anganwadi Centres in villages surrounding the refinery were transformed into SMART Anganwadis in alignment with Saksham guidelines, improving service delivery and early childhood care.

Nayara Energy's commitment to India's TB-free mission was expanded beyond Jamnagar to Wardha and Pali depots. Across these locations, 1,968 TB patients were brought under treatment, and 5,143 nutrition kits were distributed to support recovery. Preventive healthcare initiatives included eye check-up camps across 24 depot locations, screening 3,685 tanker truck drivers, with 2,459 corrective spectacles provided. To enhance social protection, Group Personal Accident (GPA) insurance coverage was extended to 11,000 tanker truck crew members and 52,500 retail outlet staff across ~7000 outlets Pan-India, significantly strengthening safety nets for frontline personnel.

Under Project Swachh Halar, 21 villages around the refinery were covered through door-to-door waste collection. A total of 13.2 MT of plastic waste was diverted for co-processing. At the Material Recovery Facility, Khambhalia, 32.7 MT of dry waste from over 4,700 households was processed, with 35.7 MT sent for recycling, reinforcing circular economy practices. Environmental interventions were further expanded through the MISHTI project, with 200 hectares of raised-bed mangrove plantation along the Jamnagar and Devbhumi Dwarka coast. Nayara Energy also supported the restoration of 604 hectares of wetland at Khijadiya Bird Sanctuary, benefiting over 300 bird species, and planted 1,000 saplings in Khambhalia municipality.

FY 2025-26 marked the launch of Project Gramshiksha, covering 30 villages and 43 government schools and benefiting 6,000 students around the refinery. Education support was extended to 358 students from economically weaker backgrounds. In partnership with JMC and NPSS, two model English-medium government primary schools were supported in Jamnagar, enabling the deployment of 14 teachers and the enrolment of 176 students.

Under PM POSHAN, nutritious mid-day meals were provided to 45,000 students in Mumbai and Tirupati. Further, 244 school dropouts, primarily women, resumed education through NIOS, with 227 students successfully completing Class 10 and 12 examinations. In Pali, 11 schools and 9 Anganwadis were strengthened through STEM labs, solar power, and learning infrastructure.

Vocational and employability skills training reached 1,713 youth, with courses aligned to industry demand. Over 600 trainees secured employment, while ₹1,064 lakh worth of social security entitlements were facilitated for 19,000 vulnerable citizens across Devbhumi Dwarka and Jamnagar.

The flagship Project Gram Samruddhi was expanded to Wardha and Pali depots. Around the refinery, 47 water harvesting structures added 1.47 MCM, creating a cumulative 22.81 MCM of water storage capacity. A total of 152 farmers adopted micro-irrigation across 246 hectares, and over 500 farmers were trained in sustainable agriculture. In Pali and Wardha, water and climate-resilient farming interventions improved productivity by 15% while reducing chemical fertiliser use by 10%. Women's entrepreneurship was strengthened through programs benefiting 1,400 women across 25 villages. Additionally, 75 SHGs were strengthened.

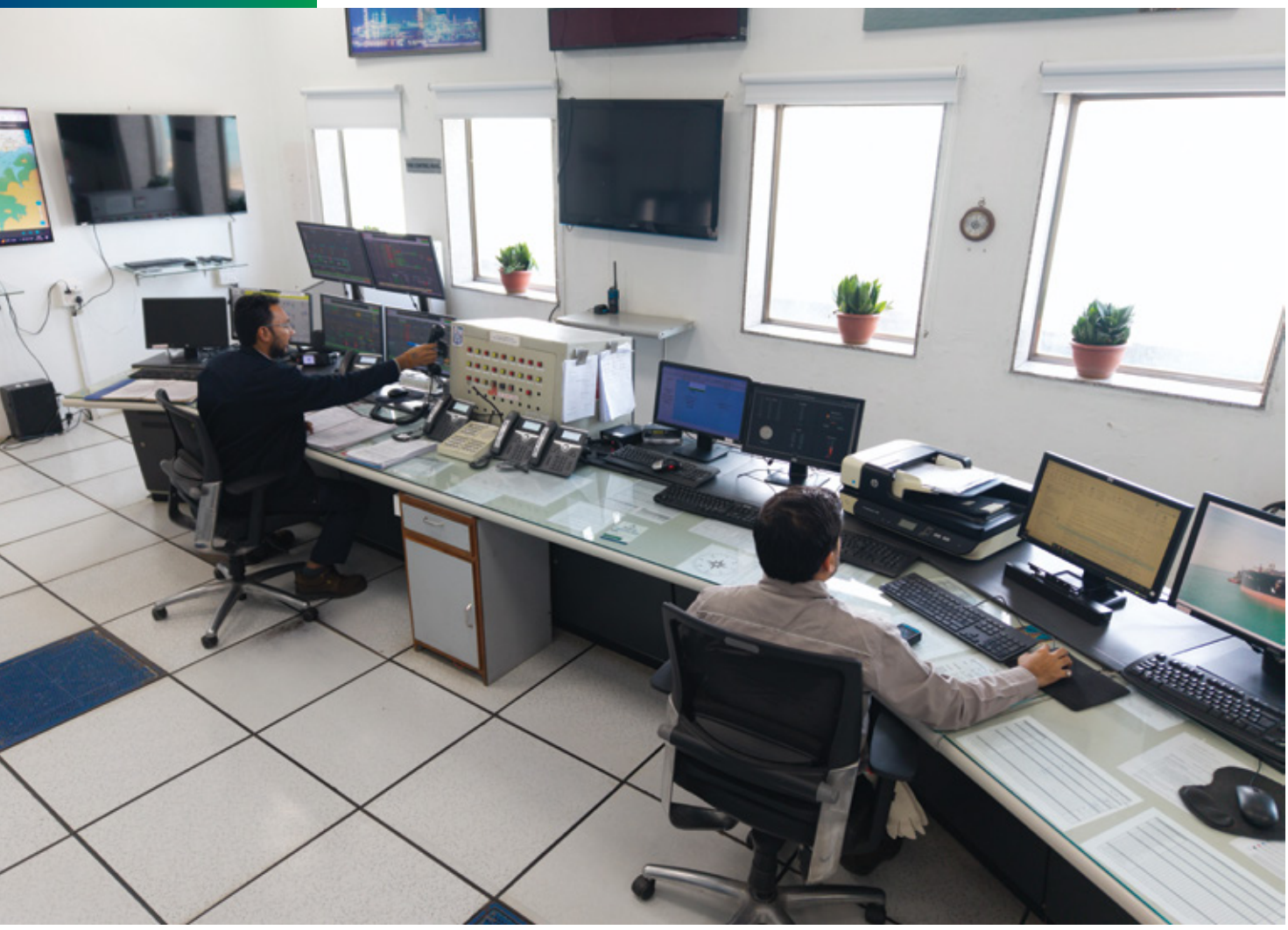
Rural infrastructure improvements included school renovations, solar installations, mid-day meal kitchens, and the construction of 5.2 km of all-weather roads in Mithoi village, significantly enhancing connectivity.

We have partnered with the All India Institute of Medical Sciences (AIIMS) to establish a dedicated Burns and Plastic Surgery Unit, complemented by a state-of-the-art Surgical Intensive Care facility. This initiative is expected to benefit approximately 1.56 crore people across 11 districts of Saurashtra

In addition, to foster innovation and entrepreneurship, we are collaborating with IIM Mumbai to set up an Entrepreneurship Incubator and a Centre of Excellence (CoE) in AI for Green Technology. Over the next two years, it is envisaged that 50 sustainability-focused startups will be incubated, while the CoE will drive cutting-edge research in green technologies. Furthermore, to promote inclusivity and ensure equitable access to education, a scholarship program has been instituted at IIM Mumbai to support MBA students from economically disadvantaged backgrounds.

Nayara Energy's CSR efforts received strong national recognition in FY 2025-26. The Company won the Mahatma Award 2025 for Community Initiatives, the CII National Award for Excellence in Water Management for Project Gram Samruddhi, and recognition as a Nikshay Mitra under the Pradhan Mantri TB Mukt Bharat Abhiyaan, reinforcing its leadership in impactful and inclusive CSR.

INFORMATION TECHNOLOGY



During FY 2025-26, Nayara Energy operated in a volatile environment shaped by geopolitical developments and elevated external risks. Despite this, the Company ensured uninterrupted business continuity through focused execution and strong alignment between technology initiatives and business priorities. Core operations were protected by strengthening infrastructure resilience, improving system stability, and reinforcing governance frameworks, resulting in a more robust and dependable digital foundation.

Temporary disruptions from external service providers were effectively managed with minimal business impact, further strengthening operational preparedness and resilience.

The Company advanced infrastructure and application modernisation to support scalability, efficiency, and future readiness. Key initiatives included data centre rebuilding, network modernisation, ERP re-platforming, enhanced disaster recovery capabilities, and expansion of digital operations across refinery units. Digital solutions were deployed to improve fleet customer engagement, workforce management, ESG reporting, and HSEF governance. Cybersecurity posture was strengthened through enhanced threat detection and application security controls. In parallel, IT operations transitioned to a managed services model while internal capabilities were repositioned toward higher-value digital leadership, further supported by the enterprise-wide rollout of Microsoft Copilot. Overall, FY 2025–26 established a stronger, more resilient digital operating baseline to support Nayara Energy's next phase of growth.

GOVERNANCE

Corporate governance forms a vital part of the Company's business framework, ensuring compliance, transparency, and integrity across all areas of operations while reinforcing accountability, ethical conduct, and disciplined decision-making aligned with stakeholder expectations and long-term sustainable value creation.

Directors

Following changes took place in the Board positions in FY 2025-26:

Mr. Timur Khaydapov, nominee of Rosneft Singapore Pte Ltd ("Rosneft Singapore"), joined the Board as a Director with effect from July 12, 2025, in place of Mr. Alexey Lizunov. Mr. Vladislav Bromberg, nominee of Kesani Enterprises Company Limited ("Kesani Enterprises"), was appointed as Director with effect from July 12, 2025, in place of Mr. Anton Kabachinskiy. Pursuant to resignation letters received by the Company, Ms. Avril Conroy, Mr. Jörg Tumat, and Ms. Victoria Cunningham ceased to be Directors with effect from July 20, 2025. Further, pursuant to the nomination received from Kesani Enterprises, Ms. Yulia Zhdanova was appointed as Director with effect from August 11, 2025. Further, pursuant to nominations received from Rosneft Singapore, Mr. Alexander Sokolov and Mr. Alexander Zubchenko were appointed as Directors with effect from August 26, 2025. Further, pursuant to the nomination received from Rosneft Singapore, Mr. Sergei Stepanenko was appointed as Director in place of Mr. Timur Khaydapov with effect from November 13, 2025.

The Board of Directors places on record its sincere appreciation for the valuable services rendered by Mr. Alexey Lizunov, Mr. Anton Kabachinskiy, Ms. Avril Conroy, Mr. Jörg Tumat, Ms. Victoria Cunningham, and Mr. Timur Khaydapov during their association with the Company.

The Company has received declarations of independence, as stipulated under Section 149(6) of the Companies Act, 2013, from the independent directors, Ms. Naina Lal Kidwai and Mr. Deepak Kapoor.

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 2025-26, applicable accounting standards were followed without any material departures.
- The Directors selected accounting policies, 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 2025-26 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 to prevent and detect fraud and other irregularities.
- The Directors prepared the accounts for the year ended March 31, 2026, 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 the appointment, remuneration, training, and evaluation of Directors and employees. The policy, inter alia, includes the criteria and procedures for the selection, identification, and appointment of Directors, criteria for the appointment of Senior Management Executives, remuneration of Executive and Non-Executive Directors, and the training and performance evaluation of the Board, among others, and other matters in accordance with 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

A formal performance evaluation of the Board, its Committees, the Chairman, and Individual Directors for FY 2025-26 was carried out. The Independent Directors evaluated the 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

The following executives served as Key Managerial Personnel under the Act during FY 2025-26:

- Mr. Prasad K. Panicker - Executive Chairman
- Mr. Teymur Abasguliyev - Chief Executive Officer effective September 1, 2025

GOVERNANCE

- Mr. Sergey Denisov - Chief Executive Officer effective July 23, 2025, up to August 31, 2025
- Mr. Alessandro des Dorides - Chief Executive Officer up to July 19, 2025
- Mr. Deepesh Baxi - Chief Financial Officer
- Mr. Mayank Bhargava - Company Secretary

The Board of Directors places on record its sincere appreciation for the valuable services rendered by Mr. Alessandro des Dorides and Mr. Sergey Denisov during their tenure as Chief Executive Officer(s) of the Company.

Audit Committee

As of March 31, 2026, the Audit Committee comprised of Mr. Deepak Kapoor (Independent Director) as its Chairman along with Ms. Naina Lal Kidwai (Independent Director) and Mr. Vladislav Bromberg as its members. During FY 2025-26, all the recommendations of the Audit Committee were accepted by the Board.

Risk Management

Despite significant headwinds in 2025 arising from geopolitical disruptions, Nayara Energy demonstrated strong operational resilience by swiftly adapting its business and operating model. Challenges affecting logistics, supply chains, and digital services were mitigated through alternative sourcing strategies, rapid operational pivots, and a sharper focus on the domestic Indian market and new global trade routes. Leveraging its expanding retail network of over 6,500 fuel stations and increased supplies to state retailers, the Company sustained healthy refinery throughput. Continuous engagement with regulators further supported a stable operating environment, reinforcing Nayara's role in India's energy security.

Digital disruptions during the year were effectively addressed through rapid indigenisation of IT infrastructure, migration of critical systems to domestic platforms, and localised data centres. In parallel, Nayara advanced procurement realignment toward sovereign supply chains to support critical refinery maintenance planned for April 2026, ensuring asset integrity and operational excellence. Leadership continuity was maintained through a succession-ready executive pipeline, enabling stability and strategic focus during volatility. Collectively, these disruptions accelerated Nayara's shift from traditional risk management to a resilient business continuity framework, strengthening its ability to withstand systemic shocks and protect long-term enterprise value.

Internal Financial Controls

Nayara Energy has established a robust system of Internal Financial Controls designed to provide reasonable assurance regarding the orderly and efficient conduct of business, including the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Company has implemented appropriate systems and frameworks comprising clearly defined delegation of authority, IT systems aligned with business requirements, risk-based internal audits, an integrated risk management framework, a comprehensive Code of Ethics, and an effective whistleblower mechanism.

The Company's Internal Financial Control framework is aligned with the COSO Internal Control - Integrated Framework and the COSO and IIA Three Lines Model. The framework includes clearly defined risk and control matrices covering entity-level controls, process-level and operational controls, and IT general controls. This is further supported by a structured process for periodic self-certification of the design and effectiveness of operational and financial controls by Business Heads and Finance Heads in their respective areas.

During FY 2025-26, testing of Internal Financial Controls was carried out by management through an external consultant, and no material weaknesses in the design or operating effectiveness of controls were observed. The Company nevertheless recognises that any internal control system has inherent limitations. Accordingly, regular audits, reviews, and monitoring mechanisms are in place to ensure the continuous strengthening and effectiveness of the control environment.

Vigil Mechanism

Nayara Energy has an effective Vigil Mechanism in place in accordance with the provisions of the Companies Act, 2013 and applicable corporate governance requirements. The mechanism promotes ethical behaviour, accountability, and transparency, and provides a secure and confidential platform for employees, Directors, and other stakeholders to report genuine concerns relating to unethical conduct, suspected fraud, security-related issues, or violations of the Company's Code of Ethics and Code of Conduct. In addition, the Company's supply chain is certified under the ISO 28000 Security Management System, reinforcing structured risk identification, prevention, and mitigation practices across operations.

The Vigil Mechanism ensures anonymity and provides necessary safeguards for individuals who raise concerns in good faith, thereby encouraging responsible and timely reporting. Oversight of the mechanism rests with the Audit Committee, supported by clearly defined investigation and redressal processes, ensuring that reported matters are addressed promptly, objectively, and in accordance with established governance standards.

During FY 2025-26, the Company conducted awareness initiatives and focused training programs on ethics, compliance, and cybersecurity to enhance employee awareness and encourage proactive reporting. The Company remains committed to continuously strengthening its vigilance and security framework, sustaining a strong culture of compliance, and upholding high standards of integrity, governance, and stakeholder trust.

AUDITORS AND AUDIT

Statutory Auditor

The report given by S. R. Batliboi & Co. LLP, Statutory Auditors, on the Company's standalone and consolidated financial statements for FY 2025-26 forms part of this Annual Report. There were no qualifications, reservations, adverse remarks, or disclaimers given by the Auditors in their reports. The notes to the 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 has maintained cost records as specified by the Central Government. The Cost Audit Report for the financial year ended March 31, 2026 will be filed with the Ministry of Corporate Affairs within the prescribed time period.

Secretarial Auditor

The Secretarial Audit Report, issued by M/s. Bhandari & Associates, Practicing Company Secretaries, for the year ended March 31, 2026, 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 Standards

The Company fully complied with the provisions of Secretarial Standard 1 (SS-1) on Board and Committee Meetings and Secretarial Standard 2 (SS-2) on General Meetings of Shareholders, issued by the Institute of Company Secretaries of India and approved by the Central Government, pursuant to Section 118 of the Act.

Number of meetings of the Board

During FY 2025-26, the Board of Directors met seven times on June 5, 2025, July 22, 2025, July 23, 2025, August 11, 2025, August 26, 2025, November 13, 2025, and February 10, 2026. All these meetings were well attended by the Directors.

Particulars of Contracts or Arrangements with Related Parties

All contracts, arrangements, and transactions entered into by the Company during FY 2025-26 were at arm's length and in the ordinary course of business. All related party transactions were in compliance with the applicable provisions of the Act. Given that the Company does not have related party transactions to report pursuant to Section 134(3)(h) and Section 188 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2015 in Form AOC-2, the same is not provided.

Related party disclosures, as required by Ind AS 24, have been made in Note No. 42 of the standalone financial statements and Note No. 43 of the consolidated financial statements of the Company.

Particulars of Loans given, Investments made, Guarantees given and Securities 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

DISCLOSURES

the petroleum sector and operates 'infrastructure facilities' as defined under Schedule VI of the Act, it is not required to comply with the provisions relating to the making of investments, loans, giving guarantees, or providing security as prescribed under 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 - C to this Report.

Annual Return

The Annual Return for the financial year ended March 31, 2025, filed with the Registrar of Companies, after the conclusion of the 35th Annual General Meeting, held on September 25, 2025, is placed on the Company's website and can be accessed at https://www.nayaraenergy.com/investors/information

Further, the draft Annual Return of the Company as on March 31, 2026, is available on the Company's website and can be accessed at https://www.nayaraenergy.com/investors/information

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

Your Directors state that for the year ended March 31, 2026, no disclosure was required in respect of the following items and accordingly confirmed as under:

- There are no material changes or commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of the report.
- There was no change in the nature of Company's business.
- The Executive Director did not receive any remuneration from the subsidiary companies.
- The Company revised neither the financial statements nor the report of the 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.
- No instance of fraud was reported by Statutory Auditors to either the Audit Committee or the Board of Directors.
- The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof - Not Applicable.
- The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year - Not Applicable.

ACKNOWLEDGEMENT

The Board recognises the efforts put in by Company executives in delivering performance and maintaining resilience during these difficult times. Their talent, passion, and agility have enabled the Company to sustain its performance year on year.

The Board expresses its sincere appreciation and gratitude to the Company's financial institutions, banks, customers, suppliers, and investors for their continued support. The Board also values the ongoing cooperation extended to the Company by the Government of India, the Government of Gujarat, other State Governments, and various government agencies and departments.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 26, 2026

Prasad K. Panicker
Executive Chairman
(DIN - 06476857)

Annexure - A

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company

CSR Vision

The Company's vision is to be among the most respected organisations 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 our stakeholders and 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 endeavour 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.

2. Composition of CSR Committee:

As on March 31, 2026, the CSR and Sustainability Committee comprised of Ms. Naina Lal Kidwai as Chairperson, and Mr. Alexander Sokolov, Mr. P. N. Vijay, Mr. Sergei Stepanenko and Ms. Yulia Zhdanova as its members. The details of changes and attendance of the Committee members at the meetings held during FY 2025-26 are as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year*	Number of meetings of CSR Committee attended during the year
1.	Ms. Naina Lal Kidwai	Independent Director & Chairperson of the Committee	4	4
2.	Mr. P. N. Vijay	Non-Executive Director, Member of the Committee	4	4
3.	Mr. Alexander Sokolov	Non-Executive Director, Member of the Committee	2	2
4.	Ms. Yulia Zhdanova	Non-Executive Director, Member of the Committee	2	2
5.	Mr. Sergei Stepanenko	Non-Executive Director, Member of the Committee	1	1
6.	Mr. Alexey Lizunov	Non-Executive Director, Member of the Committee	1	1
7.	Mr. Anton Kabachinskiy	Non-Executive Director, Member of the Committee	1	1
8.	Ms. Avril Conroy	Non-Executive Director, Member of the Committee	1	1
9.	Mr. Timur Khaydapov	Non-Executive Director, Member of the Committee	2	2
10.	Mr. Vladislav Bromberg	Non-Executive Director, Member of the Committee	1	1

*Meetings held during their respective terms in office as members of the Committee

Notes:

a) Mr. Alexey Lizunov and Mr. Anton Kabachinskiy ceased to be members w.e.f. July 12, 2025.

b) Mr. Timur Khaydapov was appointed as a member w.e.f. July 12, 2025 and ceased to be the member w.e.f. November 13, 2025.

c) Mr. Vladislav Bromberg was appointed as a member w.e.f. July 12, 2025.

d) Ms. Avril Conroy ceased to be a member w.e.f. July 20, 2025.

e) Mr. Alexander Sokolov and Ms. Yulia Zhdanova were appointed as members w.e.f. August 26, 2025.

f) Mr. Sergei Stepanenko was appointed as a member w.e.f. November 13, 2025.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

The composition of CSR and Sustainability Committee is available at the web-link: https://www.nayaraenergy.com/sustainability/csr-policy

The CSR Policy is available at the web-link: https://www.nayaraenergy.com/sustainability/csr-policy

The CSR projects approved by the Board are available at the web-link: https://www.nayaraenergy.com/storage/csr-annual-action-plan/CSR_Projects_approved_by_Board_for_FY_2025_26.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not applicable in terms of the provisions of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. (a) Average net profit of the company as per section 135(5) - **₹ 117,980 million**

(b) Two percent of average net profit of the company as per section 135(5) - **₹ 2,359.60 million**

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years - **NA**

(d) Amount required to be set off for the financial year, if any - **NA**

(e) Total CSR obligation for the financial year (b+c-d) - **₹ 2,359.60 million**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 545.08 million**

(b) Amount spent in Administrative Overheads: **₹ 47.85 million**

(c) Amount spent on Impact Assessment, if applicable: **NIL**

(d) Total amount spent for the Financial Year (a+b+c): **₹ 592.93 million**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year.	Amount Unspent: ₹ 176,66,66,409				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
₹ 59,29,33,591	₹ 176,66,66,409	April 30, 2026	NA	NIL	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amont (in ₹)
i.	Two percent of average net profit of the company as per section 135(5)	2,359,600,000
ii.	Total amount spent for the Financial Year	59,29,33,591
iii.	Excess amount spent for the financial year [(ii)-(i)]	NA
iv.	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NA
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)*	Amount spent in the Financial Year (in ₹).	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)	Defi-ciency, if any
					Name of the Fund	Amount (in ₹).	Date of transfer.		
1	2024-25	1,45,73,41,107.20	1,45,73,41,107.20	74,81,09,459.62	NA	Nil	NA	70,92,31,647.58	NA
2	2023-24	13,58,41,029.55	7,25,68,418.35	2,53,99,396.43	NA	Nil	NA	4,71,69,021.92	NA
3	2022-23	5,84,25,591.60	1,19,88,042.03	1,19,88,042.03	NA	Nil	NA	0.00	NA

*The balance amount in unspent CSR account under Section 135(6) represents the amount of unspent CSR amount of the respective financial year at the beginning of the FY 2025-26.

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:

Yes X
No ✓

If yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR registration No., if applicable	Name	Registered Address
Nil							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

During FY 2025-26, the implementation delays arose from changes in State Government priorities, partner modifications, project scope revisions, and feasibility issues at initially identified locations, necessitating midcourse corrections and deferral of certain projects, reflecting the impact of evolving policy directions and onground practical challenges on CSR execution during the year.

For and on behalf of the CSR and Sustainability Committee

Teymur Abasguliyev
Chief Executive Officer
Mumbai, Maharashtra

Naina Lal Kidwai
(DIN:00017806)
Chairperson, CSR and Sustainability Committee
Mumbai, Maharashtra

Date: May 26, 2026

Annexure - B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Nayara Energy Limited

CIN: U11100GJ1989PLC032116

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 and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2026 according to the provisions of:

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. The Company did not raise funds through External Commercial Borrowings during the financial year under review.

v. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI Listing Regulations']#;

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

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015#;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;

f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025#;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;

i. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018#;

The Act, Regulations or Guidelines, as the case may be, were not applicable to the Company for the period under review.

The list of Acts and Laws specifically applicable to the Company are given below:

vi. The Petroleum Act, 1934 and rules made thereunder;

vii. The Explosives Act, 1884 and rules made thereunder;

viii. The Petroleum and Natural Gas Regulatory Board Act, 2006.

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India.

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

We report that, with regard to the laws specifically applicable to the Company as mentioned above, we have relied on the written representation made by the management in this regard.

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. Further, 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 and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter 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.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period, the Company has undertaken the following events/actions –

1. The Company has completed buyback of 21,70,347 fully paid-up equity shares of face value of ₹ 10/- each at a price of ₹ 731/- per equity share aggregating to ₹ 158,65,23,657/- from the equity shareholders of the Company who tendered their shares for buyback on May 29, 2025.
2. The Company has redeemed 8% Secured, Rated, Unlisted, Redeemable Non-Convertible Debentures aggregating to ₹ 256,83,77,350/- having ISIN INE011A07107 on December 15, 2025.

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Manisha Maheshwari
Partner
FCS No.: 13272; C P No.: 11031
Mumbai | May 26, 2026
ICSI UDIN: F013272H000480244

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

CIN: U11100GJ1989PLC032116

Our Secretarial Audit Report for the financial year ended **March 31, 2026** 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 processes 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 processes 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. Wherever 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 procedures 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 Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Manisha Maheshwari
Partner
FCS No.: 13272; C P No.: 11031
Mumbai | May 26, 2026
ICSI UDIN: F013272H000480244

Annexure - C

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

1. Conservation of Energy

Energy conservation and efficient operation, with a strong focus on energy optimisation to minimise operating expenses, has always been a key priority for enhancing refinery profitability. The Refinery consistently places energy conservation at the highest priority and continuously implements energy minimisation schemes and furnace efficiency improvement initiatives.

Our Company is certified to ISO 50001:2018 for its Energy Management System. The recertification audit for the Refinery Integrated Management System for ISO 50001:2018 has been successfully completed, and the certificate remains valid until September 2028.

In line with this commitment, the month of December 2025 was observed as Energy Conservation Month. Various energy-saving campaigns were conducted to enhance awareness and promote best practices in energy conservation.

The Energy Conservation Team continuously monitors refinery-wide energy performance, with a focus on identifying improvement opportunities and converting them into actionable energy-saving schemes. These initiatives have contributed to a significant reduction in total energy consumption of approximately 5 Gcal/hr during the current year.

A. The steps taken or impact on Conservation of Energy

Key initiatives implemented to minimise energy costs during this period include:

- Commissioning of preheat exchangers in the Crude Distillation Unit (CDU), which increased heater inlet temperature by 8°C, leading to a corresponding reduction in fuel consumption.
- Replacement of Diesel Hydrodesulphurisation (DHDS) reactor effluent airfin cooler fan blades with highefficiency FRP blades, resulting in energy savings of approximately 1 Gcal/hr.
- Delayed Coker Unit (DCU) Heater2 APH modification with an improved design to enhance heat recovery and reduce flue gas stack temperature, achieving an energy saving of approximately 0.84 Gcal/hr.

Operational Optimisation Initiatives:

In addition to project-based initiatives, day-to-day real-time operational optimisations also contribute significantly to improved energy efficiency. During the year, compressed air and flare system acoustic surveys conducted to identify and eliminate system inefficiencies and leakage-related losses.

B. Steps taken for utilising Alternate Sources of Energy

During the financial year 2025-26, the Company purchased and consumed 62059 MWh of green power to reduce Green House Gas emissions from Refinery.

C. The Capital Investment on energy conservation equipment

- Commissioning of preheat exchangers in the CDU unit, which increased heater inlet temperature by 8°C, leading to a corresponding reduction in fuel consumption. Capex incurred: ₹ 1,113 Mn
- Replacement of DHDS reactor effluent airfin cooler fan blades with high-efficiency FRP blades, resulting in energy savings of approximately 1 Gcal/hr. Capex incurred: ₹ 4.48 Mn
- DCU Heater2 APH modification with an improved design to enhance heat recovery and reduce flue gas stack temperature, achieving an energy saving of approximately 0.84 Gcal/hr. Capex incurred: ₹ 66.11 Mn

2. Technology Absorption

A. The efforts made towards technology absorption

No imported technology was absorbed during the FY 2025-26.

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

1. Pilot project on Advanced Digital Confined Space Monitoring Solution for Tank Maintenance and Inspection activities introduced at the PIT area, utilising CCTV technology.
2. Trial of the indigenous FCCU co-promoter developed by HPCL R&D has been successfully completed as an initiative to explore new vendors considering the prevailing geopolitical situation.
3. New LPG sweetening catalyst Thoxcat by CSIR IIP Dehradun was tested in laboratory and introduced as a trial in place Merichem's ARI100-EXL catalyst in November 2025. Catalyst is performing satisfactorily.

On the R&D front, besides routine analysis like TBP assays of Crude and compatibility of various crude blends, Nayara R&D Team at Refinery is working on various research areas.

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

1. Invented cost-effective antioxidant additive for Gasoline and applied for Indian patent. The patent title is "Cost Effective Antioxidant for Ultra Low Sulphur Gasoline Fuel". The new gasoline antioxidant is accepted for implementation and material has been procured for field trials.
2. Invented cost-effective technology for carbon capture and utilisation. Same applied for Indian patent. The patent title is “A Cost Effective Process for Carbon Capturing and Utilisation Within Petroleum Refinery and Benefits Thereof.”
3. Invented an efficient and cost-effective technology for separation of hydrocarbons from refinery sour water and applied for Indian patent. The patent title is “An Efficient and Cost-Effective Process to Separate and Recover the Hydrocarbons from Emulsified Sour Water”.
4. Development of Lubricity Improver for Diesel fuel:
    - Low-cost ester-based and acid-based lubricity improvers were developed up to TRL-7 (Technology readiness Level 7 out of 9 levels). The field trials were conducted and accepted for further development.
    - Added another novel Diesel fuel lubricity improver molecule to the portfolio and began patent documentation.
5. Commercialisation of patented slop oil technology: Implementation under progress.
6. Developed a conductivity improver for diesel fuel and a corrosion inhibitor for gasoline. Patent documentation is under preparation, and further development is in progress.

The benefits expected from the above R&D activities are as follows:

1. New antioxidant invented for Gasoline is very low-cost product hence it will reduce the cost of production. The patent will provide opportunity for royalty as well as improve the brand value of the organisation.
2. Cost effective process invented for carbon capture and utilisation will provide alternate low-cost solution to the refining fraternity and the patent will provide opportunity for royalty as well as improve the brand value of the organisation.
3. Efficient and cost-effective process invented to separate and recover hydrocarbons from sour water is very important to reduce the hydrocarbon carryover with sour water. The new process will reduce the fouling of equipment of sour water treatment unit and will improve the performance.
4. Lubricity Improver for Diesel fuel: Nayara Energy consumes quite good amount of lubricity improver for diesel production hence development of lubricity improver will be highly useful to reduce the cost of additives.
5. The commercialisation of patented slop oil technology will resolve the refinery problems associated with reprocessing of slop oil generated from desalter brine water as well as it will improve the GRM. The external commercialisation of technology will help to earn more profits from the technology.
6. The conductivity improver used in diesel and the corrosion inhibitor used in gasoline production are relatively expensive additives. The development of novel chemical molecules would enable the formulation of low-cost alternatives, thereby reducing overall fuel manufacturing costs. Additionally, the resulting patent would create opportunities for royalty income and enhance the organisation’s brand value.

C. 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:

The Propylene Recovery Unit (PRU), licensed by M/s UOP, recovers propylene from cracked Liquefied Petroleum Gas (LPG). The recovered propylene serves as the primary feedstock for the Polypropylene (PP) Unit, licensed by M/s GRACE. In the PP Unit, propylene is converted into various grades of polypropylene through a catalytic polymerisation process.

(b) The year of import:

- PRU: FY 2023-24
- PPU: FY 2024-25

(c) Whether the technology has been fully absorbed:

Technologies for PRU and PPU were fully absorbed during FY 2023–24 and FY 2024–25, respectively, following the successful completion of Performance Guarantee Test Runs.

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

Nil

D. Expenditure on R&D

- Recurring: ₹ 38.96 million
- Capital: ₹ 9.63 million
- Total R&D expenditure as a percentage of total turnover–Negligible

3. Foreign Exchange Earning and Outgo

During FY 2025-26, the Company earned foreign exchange of ₹ 256,395 million while foreign exchange outgo was ₹ 832,792 million.

For and on behalf of the Board of Directors

Prasad K. Panicker
Executive Chairman
DIN - 06476857

Place: Mumbai
Date: May 26, 2026

Independent Auditor's Report

To the Members of
Nayara Energy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Nayara Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2026, 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 financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2026, its profit 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 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 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 standalone 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 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 financial statements and our auditor's report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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 the Management for the standalone 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 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 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 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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial statements, including the disclosures, and whether the standalone 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, 2020 ("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 to the extent applicable, that:

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

   (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;

   (d) In our opinion, the aforesaid standalone 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 with reference to these standalone 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, 2026 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 financial statements – Refer Note 36 to the standalone 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 22 to the standalone financial statements;

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

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software refer Note 48 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

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

_____
per Naman Agarwal
Partner
Place of Signature: Mumbai Membership Number: 502405
Date: May 26, 2026 UDIN: 26502405VUPJVJ7232

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")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Certain items of Property Plant and Equipment were physically verified by the management during the year in accordance with a planned programme whereby all PP&E are physically verified in a phased manner over a three year period. The planned programme 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) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2026.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) All inventories (except for inventories in transit) has been physically verified by the management during the year except for inventories lying with few third parties as of March 31, 2026, which are confirmed by such third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate were not noticed for each class of inventory on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statement, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of accounts of the Company.

(iii) (a) During the year the Company has provided loans to companies, firms, Limited Liability Partnerships or any other parties as follows:

Particulars	Loans (in INR million)
Aggregate amount granted / provided during the year	
- Subsidiary	1,595
- Others	336
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary	2,900
- Others	788

During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

(b) During the year the terms and conditions of the grant of all loans to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) In respect of an interest free loan granted to a wholly owned subsidiary, the schedule of repayment of principal has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal in respect of such loans. In respect of loans granted to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated, the repayment or receipts are regular.

(d) There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) As disclosed in note 42 and 43 to the financial statements, the Company has granted loans re-payable on demand to its wholly owned subsidiary, i.e. related party as defined in clause (76) of section 2 of the Companies Act, 2013.

Particulars	All Parties (In INR Million)	Related Parties (In INR Million)
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	2,900	2,900
Percentage of loans/ advances in nature of loans to the total loans	79%	100%

(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 Companies Act 2013 are applicable and hence not commented upon. 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 neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account 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 Companies Act, 2013, 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 is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable

Name of the Statute	Nature of the Dues	Amount including interest (INR million)	Period to which the amount relates	Due Date	Date of Payment
Customs Act, 1962	Custom duty	41	FY 24-25	June 15, 2025	April 23, 2026
Customs Act, 1962	Custom duty	4	FY 24-25	June 19, 2025	
Customs Act, 1962	Custom duty	15	FY 24-25	June 18, 2025	
Customs Act, 1962	Custom duty	12	FY 20-21	February 23, 2021	Unpaid

(b) The dues of goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount Payable (In INR Million)	Period to which the amount relates	Forum where the dispute is pending
Value Added Tax Act of various states		246	2004-05	Supreme Court
		210	2006-07 to 2011-12, 2013-14, 2016-17 to 2020-21	High Court
		2	2007-08	Tribunal
		300	2011-12 & 2012-23	Commissioner (Appeals)
	Value Added Tax & interest	51,599	2008-09 to 2015-16, 2020-21	Joint Commissioner (Appeals)
		81	2015-16, 2019-20 & 2020-21	Additional Commissioner (Appeals)
		574	2020-21 & 2021-22	Joint Commissioner
		10	2016-17 & 2017-18	Assistant Commissioner
		1,303	2021-22 to 2023-24	Assessing Authority

Name of the Statute	Nature of dues	Amount Payable (In INR Million)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956		171	2010-11 & 2011-12	High Court
		61	2013-14, 2017-18	Tribunal
	Central Sales Tax Act, 1956	15,379	2008-09 to 2016-17, 2018-19 to 2021-22	Joint Commissioner (Appeals)
		28	2018-19	Additional Commissioner (Appeals)
		388	2019-20, 2021-22 to 2023-24	Assessing Authority
Customs Act, 1962		1,270	2006-07, 2013-14	Supreme Court
	Customs, duty, Penalty, Fine & interest	161	2012-13 & 2013-14	Tribunal
		1,138	2008-2011, 2018-19	Commissioner (Appeals)
		5	2006-07	Commissioner of Customs
		1,195	2007-08 to 2008-09	Assistant Commissioner of Customs
Central Excise Act, 1944	Excise duty, Penalty, Fine & interest	4,548	2006-07 to 2017-18	High Court
		115	2009-10, 2010-11 & 2011-12	Tribunal
		2	2006-07 to 2009-10 & 2012-13	Commissioner
Integrated Goods and Services Tax Act, 2017 and Central Goods and Services Tax Act, 2017		280	2017-18 to 2021-22	Tribunal
		349	2017-18 to 2021-22 & 2023-24	Commissioner (Appeals)
	Goods and Service Tax	1,264	2017-18 to 2022-23	Deputy / Joint Commissioner (Appeals)
		3,213	2017-18 to 2020-21	Additional Commissioner
		14	2020-21 & 2023-24	Assistant Commissioner
		0	2017-18 & 2018-19	Superintendent
Service Tax Rules, 1994	Service Tax Penalty & interest	1	2007-08	Tribunal
		1	2008-09	Commissioner (Appeals)
Madhya Pradesh Entry Tax Act, 1976	Entry Tax Matter Penalty & interest	0	2007-08 & 2008-09	High Court
Income Tax Act, 1961	Income-tax and interest	2,031	2010-11, 2013-14, 2014-15, 2019-20	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income-tax and interest	385	2003-04	Bombay High Court

*Net of INR 4,029 million paid under protest / adjusted against refunds withheld.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b), and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 34 (b) to the standalone financial statements.

(b) All amounts that are unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the Act. This matter has been disclosed in note 34(b) to the standalone financial statements.

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

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per Naman Agarwal
Partner
Place of Signature: Mumbai Membership Number: 502405
Date: May 26, 2026 UDIN: 26502405VUPJVJ7232

ANNEXURE 2 To The Independent Auditor's Report Of Even Date On The Standalone Financial Statements Of Nayara Energy Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Nayara Energy Limited ("the Company") as of March 31, 2026 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these standalone Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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 With Reference to standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

_____

per Naman Agarwal
Partner
Place of Signature: Mumbai Membership Number: 502405
Date: May 26, 2026 UDIN: 26502405VUPJVJ7232

Standalone Balance Sheet

as at March 31, 2026

(₹ in million)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	6	433,724	448,502
(b) Capital work-in-progress	6	48,694	17,817
(c) Goodwill	6	108,184	108,184
(d) Other Intangible assets	6	443	348
(e) Intangible assets under development	6	-	143
(f) Right-of-use assets	6	14,761	12,538
(g) Financial assets			
(i) Investments	7	2,927	27
(ii) Loans	8	546	1,788
(iii) Other financial assets	9	681	604
(h) Non-current tax assets (net)		5,596	2,140
(i) Other non-current assets	10	5,478	10,543
Total non-current assets		**621,034**	**602,634**
2) Current assets			
(a) Inventories	11	153,317	101,147
(b) Financial assets			
(i) Investments	12	-	9,579
(ii) Trade receivables	13	195,930	47,590
(iii) Cash and cash equivalents	14	1,871	15,856
(iv) Bank balances other than (iii) above	15	55,218	42,637
(v) Loans	16	242	355
(vi) Other financial assets	17	43,014	27,158
(c) Other current assets	18	3,310	3,124
Total current assets		**452,902**	**247,446**
TOTAL ASSETS		**1,073,936**	**850,080**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	19	15,050	15,072
(b) Other equity	20	577,493	485,690
Total Equity		**592,543**	**500,762**
LIABILITIES			
1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	-	80,717
(ia) Lease liabilities	38	15,992	14,476
(ii) Other financial liabilities	22	1,033	850
(b) Deferred tax liabilities (net)	23	77,551	77,205
Total non-current liabilities		**94,576**	**173,248**
2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	103,892	45,304
(ia) Lease liabilities	38	1,667	1,337
(ii) Trade payables	25		
- Total Outstanding dues of micro and small enterprises		500	378
- Total Outstanding dues of creditors other than micro and small enterprises		229,750	67,170
(iii) Other financial liabilities	26	23,007	39,514
(b) Other current liabilities	27	24,773	19,797
(c) Provisions	28	2,404	1,212
(d) Current tax liabilities (net)		824	1,358
Total current liabilities		**386,817**	**176,070**
TOTAL EQUITY AND LIABILITIES		**1,073,936**	**850,080**

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Teymur Abasguliyev
Chief Executive Officer

Mumbai

Deepesh Baxi
Chief Financial Officer

Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in million)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	29	1,439,706	1,494,735
Other income	30	11,634	11,071
Total Income		**1,451,340**	**1,505,806**
Expenses			
Cost of raw materials consumed		853,098	980,599
Excise duty		231,631	205,973
Purchases of stock-in-trade		155,362	128,174
Changes in inventory of finished goods, work-in-progress and stock-in-trade	31	(30,229)	(2,565)
Employee benefits expense	32	12,562	10,144
Finance costs	33	16,210	16,908
Depreciation and amortisation expense	6	21,259	21,213
Other expenses	34	68,780	61,045
Total expenses		**1,328,673**	**1,421,491**
Profit before tax		**122,667**	**84,315**
Tax expense:	23		
(a) Current tax		31,459	20,815
(b) Deferred tax		198	2,887
Total tax expenses		**31,657**	**23,702**
Profit for the year		**91,010**	**60,613**
Other comprehensive income			
Items that will not be reclassified to profit and loss		**73**	**(70)**
Remeasurement income / (loss) on defined benefit plans		98	(94)
Income tax effect		(25)	24
		73	(70)
Items that will be reclassified to profit and loss		**2,311**	**4,549**
Effective portion of cash flow hedges (net)		3,088	6,068
Income tax effect		(777)	(1,527)
		2,311	4,541
Foreign currency monetary item translation difference account		-	11
Income tax effect		-	(3)
		-	8
Other comprehensive income for the year, net of tax		**2,384**	**4,479**
Total comprehensive income for the year (comprising profit for the year and other comprehensive income for the year)		**93,394**	**65,092**
Earnings per share (Face value ₹ 10 per share)			
Basic and Diluted (in ₹)	35	**61.13**	**40.66**

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

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Executive Chairman
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Mumbai

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Chief Executive Officer

Mumbai

Deepesh Baxi
Chief Financial Officer

Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

a. Equity Share Capital

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	15,072	15,072
Changes in equity share capital during the year	(22)	-
Closing balance	15,050	15,072

(refer note 19)

b. Other Equity

Statement of Changes in equity for the year April 01, 2025 to March 31, 2026

(₹ in million)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income (OCI)		Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Capital Redemption reserve	Retained earnings	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2025	**609**	**78,014**	**257**	**596**	**-**	**409,512**	**(3,298)**	**-**	**485,690**
Profit for the year	-	-	-	-	-	91,010	-	-	91,010
Buyback of equity shares	-	(1,565)	-	-	-	-	-	-	(1,565)
On redemption of non convertible debentures	-	-	(257)	257	-	-	-	-	-
Amount transferred to capital redemption reserve upon buyback	-	-	-	(22)	22	-	-	-	-
Transaction cost relating to buyback (net of tax)	-	(26)	-	-	-	-	-	-	(26)
Other Comprehensive Income for the year	-	-	-	-		73	2,311	-	2,384
Balance as at March 31, 2026	**609**	**76,423**	**-**	**831**	**22**	**500,595**	**(987)**	**-**	**577,493**

Statement of Changes in equity for the year April 01, 2024 to March 31, 2025

(₹ in million)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income (OCI)		Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Capital Redemption reserve	Retained earnings	Effective portion of Cash Flow Hedges*	Foreign currency monetary item translation difference account	
Balance as at April 01, 2024	**609**	**78,014**	**-**	**596**	**-**	**349,226**	**(7,839)**	**(8)**	**420,598**
Profit for the year	-	-	-	-	-	60,613	-	-	60,613
Debenture redemption reserve	-	-	257	-	-	(257)	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	(70)	4,541	8	4,479
Balance as at March 31, 2025	**609**	**78,014**	**257**	**596**	**-**	**409,512**	**(3,298)**	**-**	**485,690**

* net loss for the year of ₹ 5,361 million (Previous year ₹ 7,883 million) (net of tax) is recycled from cash flow hedge reserve to statement of profit and loss account.

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Teymur Abasguliyev
Chief Executive Officer

Mumbai

Deepesh Baxi
Chief Financial Officer

Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Standalone Statement Of Cash Flows

for the year ended March 31, 2026

(₹ in million)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A	**Cash flow from operating activities**		
	Profit before tax	**122,667**	**84,315**
	Adjustments for:		
	Interest income	(7,233)	(6,569)
	Depreciation and amortisation expense	21,259	21,213
	Loss on disposal / discard of property, plant and equipment (net)	38	751
	Gain on investment / financial assets measured at FVTPL	(444)	(726)
	Gain on remeasurement of leases	(160)	(144)
	Export obligation deferred loss / (income)	21	(137)
	Unrealised foreign exchange differences (net)	1,385	302
	Derivative loss and hedge reserve adjustments (net)	244	915
	Expected credit (reversal of loss) / loss (net)	(135)	(1,338)
	Allowance for doubtful debts / doubtful debt written off	23	12
	Provision / liabilities written back	(36)	(12)
	Finance costs	16,210	16,908
	Operating profit before working capital changes	**153,839**	**115,490**
	Adjustments for working capital changes:		
	(Increase) / decrease in inventories	(52,170)	2,785
	(Increase) / decrease in trade and other receivables	(141,353)	26,082
	Increase / (decrease) in trade and other payables	142,369	(97,651)
	Cash generated from operating activities	**102,685**	**46,706**
	Income tax payment (net of refund) (including interest)	(36,078)	(22,103)
	Net cash generated from operating activities	**66,607**	**24,603**
B	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including capital work in progress, intangible assets and intangible assets under development)	(27,486)	(22,807)
	Proceeds from sale of property, plant and equipment	-	43
	Proceeds from sale / (payments for purchase) of short term investments / mutual fund (net)	10,023	(5,100)
	Deemed investment in subsidiary	(1,595)	-
	Placement of bank deposits	(38,545)	(21,048)
	Encashment of bank deposits	54,696	34,334
	Placement of short term bank deposits (net)	(44,782)	(5,693)
	Placement of inter corporate deposits	-	(188)
	Interest received	7,314	5,772
	Net cash (used in) investing activities	**(40,375)**	**(14,687)**
C	**Cash flow from financing activities**		
	Proceeds from borrowings	2,500	26,738
	Repayment of borrowings	(25,223)	(19,140)
	Buy-back of equity shares	(1,613)	-
	Payment of principal portion of lease liabilities	(2,305)	(1,384)
	Payment of interest on lease liabilities	(1,557)	(1,463)
	Finance cost paid	(11,860)	(16,154)
	Net cash (used in) financing activities	**(40,058)**	**(11,403)**
	Net (decrease) in cash and cash equivalents	(13,826)	(1,487)
	Cash and cash equivalents at the beginning of the year	15,697	17,184

Standalone Statement Of Cash Flows

for the year ended March 31, 2026

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash and cash equivalents at the end of the year	**1,871**	**15,697**
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 14)	1,871	15,856
Add: Earmarked bank balances (refer note 15)	-	337
Less: Bank overdraft (refer note 24)	-	(496)
Total	**1,871**	**15,697**

Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities #

(₹ in million)

Particulars	As at April 01, 2025	Cash changes (net)	Non cash changes (net)	As at March 31, 2026
Borrowings (long term and short term borrowing)	**125,525**	**(22,723)**	**1,090**	103,892

Particulars	As at April 01, 2024	Cash changes (net)	Non cash changes (net)	As at March 31, 2025
Borrowings (long term and short term borrowing)*	117,100	7,598	827	125,525

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

for lease, refer note 38

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) Refer note 40(B)(iv) for undrawn committed facilities as at reporting date.

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
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Chief Executive Officer
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Deepesh Baxi
Chief Financial Officer
Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Notes to standalone financial statements

for the year ended March 31, 2026

1. Corporate information

Nayara Energy Limited (the Company) (CIN: U11100GJ1989PLC032116) 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 around 7,000 operational retail outlets and around 1,800 retail outlets at various stages of completion.

The standalone financial statements of Nayara Energy Limited for the year ended March 31, 2026 were approved in accordance with a resolution of the Directors of the Company on May 26, 2026.

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) (hereinafter referred to as "the Act" read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) 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 note 3 (K)}, which are measured at fair values. The financial statements provide comparative information in respect of the previous year. The accounting policies are applied consistently to all the periods presented in the standalone financial statements. The financial statements are presented in Indian Rupees (₹) 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 material accounting policies

A. Fair value measurement

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

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 at a fair value on a recurring basis, the Company determines whether transfers have occurred between 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 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 40)

Notes to standalone financial statements

for the year ended March 31, 2026

- Quantitative disclosures of fair value measurement hierarchy (refer note 40)
- Financial instruments (including those carried at amortised cost) (refer note 40)

B. Property, Plant and Equipment

Property, plant and equipment (PPE) is stated at cost of acquisition less accumulated depreciation and accumulated impairment loss, 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 qualifying assets 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.

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. It includes all directly attributable costs incurred for construction or procurement of goods incurred during the construction phase of project under development.

Depreciation

Depreciation on PPE is provided, on pro-rata basis from the date asset is available for use, using 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 turnaround cycle. The estimated useful life of items of property, plant and equipment is mentioned below:

Particulars	Estimated useful life (in years)	Useful life as per schedule II (in years)
Temporary Building	3	3
Building #	15-60	5-60
Plant and machinery *#	25-50	10-40
Catalysts (included within plant and machinery)	2-5	2-5
Furniture and fixtures	1-10	1-10
Office equipment	1-6	1-6
Vehicles	1-10	1-10

* Additionally, there are certain key components identified within plant and machinery having a useful life up to 25 years and are depreciated over such assessed useful life.

Asset built on land taken on lease is depreciated over the above useful life or the lease period, whichever is lower

In case of an asset for which impairment loss, if any, is recognised, depreciation or amortisation is provided on the residual carrying value of the asset over its remaining useful life.

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

Derecognition

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.

C. Other 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, if any.

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.

Notes to standalone financial statements

for the year ended March 31, 2026

Derecognition

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.

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.

E. Leases

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 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 liabilities, 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, accumulated 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 (refer 'B' above) or the lease period (refer note 38). Right to use of trademark assets are amortised over the usage period.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company applies the short-term lease recognition exemption to its short-term leases of plant and machinery and building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a renewal or purchase option). It also applies the lease of low-value assets recognition exemption to leases

Notes to standalone financial statements

for the year ended March 31, 2026

of plant and machinery and vehicles that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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'.

F. Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of inventories comprises 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 is determined on a first-in-first-out basis and the cost of coal inventory is determined on a specific identification method. The cost of finished goods is determined on a monthly weighted average basis and the cost of all other inventories is determined on a 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.

G. Revenue from contract with customer

(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. The recovery of excise duty flows to Company on its own account, revenue includes excise duty. Revenue does not include other taxes like goods and service tax, value added tax and central sales tax etc. which are collected on behalf of government.

(ii) Variable consideration

Variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved. Variable consideration arises primarily from volume rebates and sales to certain traders where the final transaction price is based on their ultimate realisations. The Company estimates variable consideration using the expected value method. Retrospective volume rebates are provided to certain customers once purchases exceed contractually specified thresholds and are offset against amounts payable by the customer. The expected ultimate sales realization of the traders is estimated based on prevailing market conditions. The Company regularly reviews the estimates of variable consideration and records necessary adjustments at each reporting date.

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract.

(iv) Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due and the amount is billable. (refer note 13). No element of financing is deemed present as the sales are made with credit terms largely ranging between 0 days to 30 days depending on the specific terms agreed with customers.

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. When the grant related to an assets, it is recognised as income in equal amount over the expected useful life of the related assets.

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. These expenses are confined to contribution only.

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 and the return on plan

Notes to standalone financial statements

for the year ended March 31, 2026

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:

a. The date of the plan amendment or curtailment, and

b. The date that the Company recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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

b. Net interest expense or income

Other long-term employee benefits

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

J. Foreign currencies

i) Monetary Items

Transactions in foreign currencies are initially recorded by the Company at its 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 exchange rate prevailing on the reporting date. Foreign exchange difference arising on settlement or translation of monetary items are recognised in the statement of profit and loss except for monetary items that are designated and effective as hedge instrument.

Exchange differences arising on settlement/ restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable property, plant and equipment 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 property, plant and equipment, 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) Non-monetary Items

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 and deposits issued on the date on which they originate. All other financial instruments (including 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 (except trade receivables at amortised cost) is initially measured at fair value plus / minus, for an item not at fair value through profit or loss (FVTPL),

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for the year ended March 31, 2026

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:

- Equity instruments at fair value through profit or loss (FVTPL)
- 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)

Equity instruments at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised as other income in the statement of profit and loss when the right of payment has been established.

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 and are subject to impairment as per the accounting policy applicable to 'Impairment of financial assets. 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, advances, 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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 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.

Notes to standalone financial statements

for the year ended March 31, 2026

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 profit or loss if such gain or loss would have otherwise been recognised in profit or 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 lifetime Expected Credit Loss is used. 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.

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 Financial Instruments Presentation.

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, net off 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.

The financial liabilities used to minimise accounting mismatch are classified and measured as at FVTPL in accordance with Ind AS 109 Financial Instruments. 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.

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.

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

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for the year ended March 31, 2026

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.

L. Derivative financial instruments and hedge accounting

(i) Initial recognition and subsequent measurement of Derivative

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. For risk management objectives refer note 40(B).

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.

(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 carried 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 carried 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 carried 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 carried in Cash Flow Hedge Reserves, is recognised immediately in the statement of profit and loss.

M. Borrowing Costs

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

Borrowing cost also includes exchange differences on foreign currency borrowings.

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.

Current income tax relating to items recognised outside statement of profit and loss is recognised

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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 balance sheet approach 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:

- In respect of taxable temporary differences associated with investments in subsidiaries, 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 and does not give rise to equal taxable and deductible temporary differences.

- In respect of deductible temporary differences associated with investments in subsidiaries, 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.

O. Provisions and Contingent liabilities

A provision is recognised when there is a present obligation (legal or constructive) 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 arises from past event 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 Cash Equivalent

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.

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for the year ended March 31, 2026

Q. Current and Non-Current Classification

The Company segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

The Company has identified period up to twelve months as its operating cycle.

R. Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company by the weighted average number of equity shares outstanding during the period.

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.

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 standalone 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 36.

ii) Impairment of non-financial assets

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 46 in Standalone financial statements.

5. Changes in accounting policies and Standards issued but not yet effective

A. Standards issued but not yet effective

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after April 01, 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after April 01, 2026 retrospectively in accordance with Ind AS 8.

B. New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2025.

1. Amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 01, 2025. The Company has reviewed the new pronouncements and based on its evaluation, the

Notes to standalone financial statements

for the year ended March 31, 2026

Company has determined that it does not have any significant impact in its financial statements.

2. Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants. In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

   - What is meant by a right to defer settlement
   - That a right to defer must exist at the end of the reporting period
   - That classification is unaffected by the likelihood that an entity will exercise its deferral right
   - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

   In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

   If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

   The amendments are effective for annual reporting periods beginning on or after April 01, 2025 retrospectively in accordance with Ind AS 8.

3. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 01, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

4. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The amendments also require companies to provide new disclosures to compensate for potential loss of information resulting from the relief. Such disclosures are to be provided for annual reporting periods beginning on or after April 01, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

   These amendments had no material impact on the financial statements of the Company.

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6 Property, plant and equipment, Capital Work-In-Progress, Goodwill, Other Intangible assets, Intangible assets under development 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, 2025	Additions	Deductions	As at March 31, 2026	As at April 01, 2025	During the year	Deductions	As at March 31, 2026	As at March 31, 2026
A) Property, plant and equipment									
Land (Freehold)	54,303	-	-	54,303	-	-	-	-	54,303
Buildings	23,610	454	-	24,064	8,541	1,048	-	9,589	14,475
Plant and machinery	519,888	2,984	35	522,837	141,656	17,629	9	159,276	363,561
Furniture and fixtures	380	29	-	409	249	23	-	272	137
Office equipments	3,321	797	159	3,959	2,712	290	150	2,852	1,107
Vehicles	264	9	1	272	106	26	1	131	141
Total Property, plant and equipment	**601,766**	**4,273**	**195**	**605,844**	**153,264**	**19,016**	**160**	**172,120**	**433,724**
B) Capital work-in-progress									
Capital work-in-progress (refer note 1 below)	**17,817**	**35,150**	**4,273**	**48,694**	**-**	**-**		**-**	**48,694**
C) Goodwill									
Goodwill (refer note 46)	**108,184**	**-**	**-**	**108,184**	**-**	**-**	**-**	**-**	**108,184**
D) Other intangible assets									
Softwares & licenses	**1,877**	**255**	**140**	**1,992**	**1,529**	**160**	**140**	**1,549**	**443**
E) Intangible assets under development									
Softwares	**143**	**112**	**255**	**-**	**-**	**-**	**-**	**-**	**-**
F) Right-of-Use assets (refer note 38)									
Land	11,857	1,253	209	12,901	2,463	575	44	2,994	9,907
Building	2,334	5	18	2,321	1,326	346	12	1,660	661
Plant & machinery	3,436	2,559	224	5,771	2,101	963	160	2,904	2,867
Vehicles (including vessels)	878	-	-	878	238	161	-	399	479
Trademark	18,282	-	-	18,282	18,121	3	-	18,124	158
Softwares	-	724	-	724	-	35	-	35	689
Total Right-of-use assets	**36,787**	**4,541**	**451**	**40,877**	**24,249**	**2,083**	**216**	**26,116**	**14,761**
Total (A+B+C+D+E+F)	**766,574**	**-**	**5,314**	**805,591**	**179,042**	**21,259**	**516**	**199,785**	**605,806**

Notes to standalone financial statements

for the year ended March 31, 2026

6 Capital Work-In-Progress

Capital Work-In-Progress Ageing schedule as at March 31, 2026

(₹ in million)

Particulars	Amount in Capital Work-In-Progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	30,201	5,642	567	908	37,318
Projects temporarily suspended	5,667	2,795	548	2,366	11,376
Total	**35,868**	**8,437**	**1,115**	**3,274**	**48,694**

Capital Work-In-Progress schedule over due as at March 31, 2026

(₹ in million)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress*	1,676	-	-	-	1,676
Projects temporarily suspended*	-	-	3,704	7,672	11,376
Total	**1,676**	**-**	**3,704**	**7,672**	**13,052**

There have been no cost overrun for the outstanding Capital Work-In-Progress.
*Mainly pertaining to refinery related projects

6 Property, plant and equipment, Capital Work-In-Progress, Goodwill, Other Intangible assets, Intangible assets under development 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, 2024	Additions	Deductions	As at March 31,2025	As at April 01, 2024	During the year	Deductions	As at March 31,2025	As at March 31,2025
A) Property, plant and equipment									
Land (Freehold)	53,102	1,201	-	54,303	-	-	-	-	54,303
Buildings	20,866	2,744	-	23,610	7,553	988	-	8,541	15,069
Plant and machinery	467,338	54,050	1,500	519,888	125,099	17,912	1,355	141,656	378,232
Furniture and fixtures	354	26	-	380	228	21	-	249	131
Office equipments	3,098	223	0	3,321	2,381	331	0	2,712	609
Vehicles	180	93	9	264	92	22	8	106	158
Total Property, plant and equipment	**544,938**	**58,337**	**1,509**	**601,766**	**135,353**	**19,274**	**1,363**	**153,264**	**448,502**
B) Capital work-in-progress									
Capital work-in-progress (refer note 1 below)	**54,210**	**22,130**	**58,523**	**17,817**	**-**	**-**	**-**	**-**	**17,817**
C) Goodwill									
Goodwill (refer note 46)	**108,184**	**-**	**-**	**108,184**	**-**	**-**	**-**	**-**	**108,184**
D) Other intangible assets									
Softwares & licenses	**1,686**	**191**	**-**	**1,877**	**1,415**	**114**	**-**	**1,529**	**348**

Notes to standalone financial statements

for the year ended March 31, 2026

(₹ in million)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)
	As at April 01, 2024	Additions	Deductions	As at March 31,2025	As at April 01, 2024	During the year	Deductions	As at March 31,2025	As at March 31,2025
E) Intangible assets under development									
Intangible assets under development	**-**	**143**	**-**	**143**	**-**	**-**	**-**	**-**	**143**
F) Right-of-Use assets (refer note 38)									
Land	11,460	917	520	11,857	2,089	534	160	2,463	9,394
Building	2,104	354	124	2,334	1,104	346	124	1,326	1,008
Plant & machinery	4,768	49	1,381	3,436	2,773	709	1,381	2,101	1,335
Vehicles (including vessels)	1,218	640	980	878	1,046	176	984	238	640
Trademark	18,282	-	-	18,282	18,061	60	-	18,121	161
Total Right-of-use assets	**37,832**	**1,960**	**3,005**	**36,787**	**25,073**	**1,825**	**2,649**	**24,249**	**12,538**
Total (A+B+C+D+E+F)	**746,850**	**-**	**63,037**	**766,574**	**161,841**	**21,213**	**4,012**	**179,042**	**587,532**

6 Capital Work-In-Progress and Intangible assets under development

Capital Work-In-Progress Ageing schedule as at March 31, 2025

(₹ in million)

Particulars	Amount in Capital Work-In-Progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	11,198	1,833	1,659	3,127	17,817
Total	**11,198**	**1,833**	**1,659**	**3,127**	**17,817**

Capital Work-In-Progress schedule over due as at March 31, 2025

(₹ in million)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress*	1,914	3,623	-	-	5,537
Total	**1,914**	**3,623**	**-**	**-**	**5,537**

There have been no cost overrun for the outstanding Capital Work-In-Progress.
*Mainly pertaining to refinery related projects

Intangible assets under development as at March 31, 2025

(₹ in million)

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	143	-	-	-	143
Total	**143**	**-**	**-**	**-**	**143**

Notes to standalone financial statements

for the year ended March 31, 2026

6 Property, plant and equipment, Capital Work-In-Progress, Goodwill, Other Intangible assets, Intangible assets under development and Right-of-use assets

Notes:

1 The Company incurred total cost of ₹ 958 million as Expenditure During Construction [including salary of ₹ 693 million and other expense of ₹ 265 million] (Previous year ₹ 1,078 million as Expenditure During Construction [including salary of ₹ 729 million and other expense of ₹ 349 million]) for asset development projects and Nil (Previous year ₹ 926 million) as borrowing cost which is included/capitalised from Capital work-in-progress.

2 For details of assets pledge as security, refer note 21 and 24.

7 Investments (Non Current) (Unquoted)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
(1) Investment in equity shares of wholly owned subsidiaries - At cost		
360,000 (Previous year 360,000) equity shares of USD 1 each of Nayara Energy Singapore Pte. Ltd.	**27**	**27**
50,000 (Previous year 50,000) 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 * @	-	-
(3) Deemed investment in CETL #	**2,900**	**-**
Total	**2,927**	**27**

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Investment at cost	2,927	27
Investment at fair value through profit and loss account	-	-
Total	**2,927**	**27**

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Aggregate amount of unquoted investments	2,927	27
Total	**2,927**	**27**

* Investments are fair valued at Zero.
@ companies are under liquidation.
# The Company has given an inter corporate deposit to CETL, the fair value of which on the date of disbursement was not material. Accordingly, the entire amount of inter corporate deposit has been treated as a deemed investment in CETL. The Company has not reclassified its previous year numbers as the same was not material. (refer note 42).

Notes to standalone financial statements

for the year ended March 31, 2026

8 Loans (Non Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Inter corporate deposits to a related party (refer note 7 and 42)	-	1,305
Loan to retail outlet franchisee #	546	483
Total	**546**	**1,788**

Carry an interest rate of 7.5% -13% p.a. and are repayable in equal instalments over a period of 3 years to 5 years

For details of assets pledged as security against borrowings, refer note 21 and 24.

9 Other Financial Assets (Non Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars		As at March 31, 2026	As at March 31, 2025
Security deposits	(A)	468	429
Contractual receivables			
- Considered good		40	17
- Significant increase in credit risk		697	1,428
-Less: Expected credit loss {refer note 40(B)(v)}		(697)	(1,428)
	(B)	**40**	**17**
Margin Deposits with remaining maturity of more than twelve months #	(C)	172	157
Interest accrued on bank deposits	(D)	1	1
Total ((A)+(B)+(C)+(D))		**681**	**604**

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 21 and 24.

10 Other non-current assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	80	118
Capital advances	611	6,209
Claims receivables		
- Considered good	4,787	4,216
- Considered doubtful	51	51
Less: allowance for doubtful receivables	(51)	(51)
Total	**5,478**	**10,543**

For details of assets pledged as security against borrowings, refer note 21 and 24.

Notes to standalone financial statements

for the year ended March 31, 2026

11 Inventories

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	52,160	30,823
Work-in-progress	60,274	29,194
Finished goods {including in transit ₹ 5,311 million (Previous year ₹ 7,828 million)}	27,492	28,300
Stock-in-trade {including in transit ₹ 168 million (Previous year ₹ 220 million)}	178	221
Stores and spare parts {including in transit Nil (Previous year ₹ 7 million)}*	9,675	9,035
Other consumables	3,538	3,574
Total	**153,317**	**101,147**

* Store and spare parts net off by ₹ 814 million (Previous year : ₹ 327 million) provisions towards non moving inventories.

Refer note 3(F) for basis of valuation.

For details of inventories pledged as security against borrowings, refer note 21 and 24.

12 Investments (Current)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments in mutual funds - At FVTPL*	-	9,579
Total	**-**	**9,579**

*Aggregate amount of unquoted investments.

For details of assets pledged as security against borrowings, refer note 21 and 24.

For the Company's exposure to credit risks, refer note 40(B)(v)

13 Trade receivables

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured, considered good	458	6,748
Unsecured, considered good {refer note 40(A) 6}	195,472	40,842
Trade receivables - credit impaired	991	452
	196,921	48,042
- Less: Expected credit loss {refer note 40(B)(v)}	(991)	(452)
Total	**195,930**	**47,590**

For the Company's exposure to credit and currency risks, and loss allowances and terms & conditions related to trade receivables, refer note 40(B).

For amounts due from related parties, refer note 42.

For details of assets pledged as security against borrowings, refer note 21 and 24.

The Company has discounted bill receivables amounting to Nil (Previous year : ₹ 5,901 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.

Notes to standalone financial statements

for the year ended March 31, 2026

13A Ageing of Trade Receivables

As at March 31, 2026

(₹ in million)

Particulars	Not due Amount	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed trade receivables – considered good	42,846	136,945	16,139	-	-	-	195,930
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	82	509	78	305	17	991
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**42,846**	**137,027**	**16,648**	**78**	**305**	**17**	**196,921**

As at March 31, 2025

(₹ in million)

Particulars	Not due Amount	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed trade receivables – considered good	44,281	3,309	-	-	-	-	47,590
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	0	35	59	330	10	18	452
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**44,281**	**3,344**	**59**	**330**	**10**	**18**	**48,042**

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Notes to standalone financial statements

for the year ended March 31, 2026

14 Cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks in:		
-Current accounts #	1,629	6,090
-Deposits with original maturities less than 3 months*	242	9,766
Cash on hand	0	0
Total	**1,871**	**15,856**

includes unutilised amount of term loans Nil (Previous year ₹ 300 million) raised for ongoing capital projects.

*Short-term deposits are made with banks for varying periods of up to three months depending on the immediate cash requirements of the Company and to earn interest at the respective short-term deposit rates.

For details of assets pledged as security against borrowings, refer note 21 and 24.

15 Bank balances other than cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked bank balances #	1,816	337
Margin deposit with original maturities more than 3 months but less than 12 months*	34,182	26,790
Bank deposit with original maturities more than 3 months but less than 12 months	19,220	15,510
Total	**55,218**	**42,637**

Earmarked bank balances includes :

(a) ₹ 33 million (Previous year ₹ 33 million) payable as purchase consideration to NRI shareholders of Vadinar Oil Terminal Limited (VOTL) (formerly a subsidiary of the Company) pursuant to its merger.

(b) ₹ 1,022 million (Previous year ₹ 204 million) payable as interest and principal of debentures

(c) ₹ 756 million (Previous year : ₹ 100 million) represents unspent CSR amount.

(d) ₹ 5 million (Previous year : Nil) represents payable towards Buyback program

* 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 and for guarantees issued to government and other authorities.

For details of assets pledged as security against borrowings, refer note 21 and 24.

16 Loans (Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Loan to retail outlet franchisee #	242	355
Total	**242**	**355**

Carry an interest rate of 7.5% -13% p.a. and are repayable in equal instalments over a period of 3 years to 5 years

For details of assets pledged as security against borrowings, refer note 21 and 24.

Notes to standalone financial statements
for the year ended March 31, 2026

17 Other Financial Assets (Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars		As at March 31, 2026	As at March 31, 2025
Security deposits	(A)	50	48
Export incentive receivables			
- Considered good		261	646
- significant increase in credit risk		73	73
- Less: Expected credit loss {refer note 40(B)(v)}		(73)	(73)
Contractual receivables			
- Considered good		1,419	2,010
- significant increase in credit risk		397	339
- Less: Expected credit loss {refer note 40(B)(v)}		(397)	(339)
	(B)	**1,680**	**2,656**
Interest accrued on bank deposits	(C)	2,734	2,224
Margin Deposits with remaining maturity less than 12 months*	(D)	7,530	7,196
Bank Deposits with remaining maturity less than 12 months	(E)	31,000	13,820
Derivative assets {refer note 40(A)}	(F)	20	1,214
Total ((A)+(B)+(C)+(D)+(E)+(F))		**43,014**	**27,158**

For details of assets pledged as security against borrowings, refer note 21 and 24.

* 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 and for guarantees issued to government and other authorities.

18 Other Current assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances to goods suppliers / service providers	1,118	873
Prepaid expenses	1,786	2,165
Balances with government authorities	406	86
Total	**3,310**	**3,124**

For details of assets pledged as security against borrowings, refer note 21 and 24.

19 Equity Share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	₹ in million	Number of shares	₹ in million
Authorised				
Equity shares of ₹ 10 each	17,000,680,000	170,007	17,000,680,000	170,007
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	1,550,316,808	15,503	1,552,487,155	15,525
Paid up				
Equity shares of ₹ 10 each fully paid up	1,488,390,808	14,884	1,490,561,155	14,906
Add : Forfeited shares - Equity shares of ₹ 10 each	61,926,000	166	61,926,000	166
		15,050		**15,072**

Notes to standalone financial statements

for the year ended March 31, 2026

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	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	-	-	-	-
Less : Buyback of shares	2,170,347	22	-	-
Equity Shares outstanding at the end of the year	1,488,390,808	14,884	1,490,561,155	14,906

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

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% of shares	Number of shares	% of shares
3,109,359 (3,109,359 as at March 31, 2025) GDS held by Kesani Enterprise Company Limited *	475,731,927	31.96%	475,731,927	31.92%
Equity shares held by Kesani Enterprise Company Limited *	256,594,520	17.24%	256,594,520	17.21%
Equity shares held by Rosneft Singapore Pte. Limited	732,326,446	49.20%	732,326,446	49.13%

* Holding has been pledged.

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

d) Buyback of shares

At its meeting held on March 03, 2025, the Board of Directors approved a buyback offer to minority public shareholders of up to 25,908,262 fully paid equity shares (representing approximately 1.74% of the total equity share capital), at a price of ₹ 731 per equity share, for an aggregate amount not exceeding ₹ 18,939 million, excluding transaction costs.

The buyback offer opened on April 11, 2025 and closed on May 07, 2025. On May 29, 2025 the Company bought back and extinguished 2,170,347 equity shares at ₹ 1,587 million.

Notes to standalone financial statements

for the year ended March 31, 2026

20 Other equity

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	609	609
Securities premium	76,423	78,014
Capital redemption reserve	22	-
Debenture redemption reserve	-	257
General reserve	831	596
Retained earnings	500,595	409,512
Cash flow hedge reserve	(987)	(3,298)
Total	**577,493**	**485,690**

Note : Refer statement of changes in equity for addition and deduction for each of the reserves.

Nature and purpose of reserves

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

Securities premium: The amount in the account represents the additional amount paid by shareholders 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.

Capital Redemption Reserve : Capital Redemption Reserve represents an amount transferred from general reserve account equal to the nominal value of equity shares bought back by the Company, in accordance with the provisions of the Companies Act, 2013. The reserve is available only for issue of fully paid bonus shares in accordance with the Act.

Debenture redemption reserve: The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 10% of the value of debentures issued. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption, the same amount can be transferred to either retained earnings or general reserve.

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.

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.

Notes to standalone financial statements

for the year ended March 31, 2026

21 Borrowings - Non Current

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured Borrowings - At amortised cost		
Debentures		
Non convertible debentures	-	2,568
Term loans*		
From banks	75,797	81,056
From financial institutions	5,214	5,319
Current maturities of long term debt included under short term borrowings (refer note 24 and 45)	(81,011)	(8,226)
Total	**-**	**80,717**

* refer note 40(B)(ii)for borrowings outstanding in foreign currencies.

Interest accrued of ₹ 7 million (Previous year ₹ 72 million) forming part of the carrying value of the non-current borrowings are disclosed in note 26

Security, repayment and other terms for term loans from banks and debentures (refer note 45)

(₹ in million)

	Particulars	As at March 31, 2026	As at March 31, 2025
i)	Rupee and USD loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the property, plant and equipment (movable and immovable), both present and future of the Company except land parcels and property, plant and equipment (movable and immovable) earmarked for port, power plant & Polypropylene 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 all rights, titles, insurance and interest in all project documents to which the Company is a party, first charge on DSRA/margin as and when created. The said Loans carry interest of respective lenders rate of 3M T-Bills; 6M MCLR; ON/ 6M SOFR; Repo Rate + spread ranging from 50 bps to 325 bps and is repayable in unequal instalments ending to September 2038.	27,249	28,664
ii)	8% Non convertible debentures are secured by second ranking pari passu charge on movable property, plant and equipment pertaining to the Port Facilities of the Company carry fixed interest of 8% p.a. was paid in a single bullet payment in December 2025.	-	2,568
iii)	Rupee loan from financial institution / banks are secured by first charge ranking pari passu over all movable and immovable assets of the Company relating to Port, both present and future, insurance contracts, title and interests under project documents. The said loans carry an interest rate of internal benchmark of lender + spread of 55 bps and repayable in unequal quarterly instalments ending on December 2044.	5,214	5,318
iv)	Rupee loan availed from various banks are secured by first charge, ranking pari-passu with other term lenders on the property, plant and equipment (movable and immovable) , both present and future of the Refinery except land parcels and property, plant and equipment (movable and immovable) earmarked for port, power, township & Polypropylene Project. Second charge, pari- passu with other term lenders on the current assets of the Company. The said loans carry interest rate at bank's 6M MCLR/3M T. Bills + spread ranging from 0.70% to 2.30% is repayable in structured quarterly instalments ending to December 2032.	16,393	19,293
v)	First charge, ranking pari passu on all present and future immovable & movable assets related to Polypropylene Project, DSRA & security interest on the rights, title and interest under Project documents & insurance policies. The said loans from banks carry fixed interest rate/ 6M MCLR + spread of 25 bps and repayable in structured quarterly instalments ending to December 2036.	32,155	33,100
	Total	**81,011**	**88,943**

Notes to standalone financial statements
for the year ended March 31, 2026

22 Other financial liabilities (Non-Current)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	920	849
Derivative liabilities {refer note 40(A)}	113	1
Total	**1,033**	**850**

23 Deferred tax liabilities (net) and Tax expense

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities (Net)	77,551	77,205
Total	**77,551**	**77,205**

(A) Income tax expense / (benefit)

(₹ in million)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	(A)	31,459	20,815
Deferred tax	(B)	198	2,887
Total tax charged in statement of profit and loss	**(A)+(B)**	**31,657**	**23,702**
Current tax	(A)	655	2,069
Deferred tax	(B)	147	(563)
Total tax charged in other comprehensive income	**(A)+(B)**	**802**	**1,506**

(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, 2026	For the year ended March 31, 2025
Profit before tax	**122,667**	**84,315**
Statutory tax rate	25.17%	25.17%
Expected income tax expense at statutory rate	**30,875**	**21,222**
Items giving rise to difference in tax		
Expenses disallowed*	697	849
Effect of change in tax law on long term capital assets	-	1,806
Reversal of deferred tax assets on deductions allowed relating to settlement under VSV, 2020	208	-
Utilisation of previously unrecognised tax asset	(117)	(178)
Others	(6)	3
Total Income tax expense	**31,657**	**23,702**
Effective tax rate	**25.81%**	**28.11%**

* related to CSR, interest on Income tax and assets written off

Notes to standalone financial statements

for the year ended March 31, 2026

(C) Composition of deferred tax liabilities (net) :

(₹ in million)

Deferred tax balance in relation to	As at April 01, 2025	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2026
Property, plant and equipment, intangibles, right of use assets and goodwill	82,614	736	-	83,350
Effect of mark to market accounting	(366)	181	148	(37)
Lease liabilities	(3,980)	(465)	-	(4,445)
Expected credit loss	(571)	33	-	(538)
Others (includes provisions etc.)	(492)	(287)	-	(779)
Total	**77,205**	**198**	**148**	**77,551**

(₹ in million)

Deferred tax balance in relation to	As at April 01, 2024	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2025
Property, plant and equipment, intangibles, right of use assets and goodwill	79,763	2,851	-	82,614
Effect of mark to market accounting	126	73	(565)	(366)
Lease liabilities	(3,960)	(20)	-	(3,980)
Expected credit loss	(606)	35	-	(571)
Others (includes provisions etc.)	(443)	(52)	3	(492)
Total	**74,880**	**2,887**	**(562)**	**77,205**

(D) Deferred tax assets have not been recognized in respect of following items, in absence of reasonable certainty towards their utilization.

(₹ in million)

Nature of loss	Gross Amount		Last day till which loss can be set off
	As at March 31, 2026	As at March 31, 2025	
Long term capital loss	-	176	March 31, 2026
Long term capital loss	3,668	3,668	March 31, 2029
Short term capital loss	-	20,882	March 31, 2026

(E) The Income tax department has classified certain expenses amounting to ₹ 24,311 million (as at March 31, 2025: ₹ 11,161 million) as capital expenditure and allowed depreciation as against revenue expenditure claimed by the Company, resulting in the expense being a timing difference for income-tax purposes. Management is confident that the said expenditure will be accepted as revenue in nature by the Appellate Authorities. If the income tax department's position is upheld, it would lead to a cash outflow and corresponding decrease in deferred tax liability by ₹ 6,119 million (as at March 31, 2025: ₹ 2,809 million).

(F) During earlier years, the Company had opted for settlement of eligible Income-tax disputes through Vivad Se Vishwas Scheme, 2020 introduced by the Government of India. Based on tax advice obtained, the Company is entitled to claim consequential relief amounting to ₹ 769 million (Previous year: ₹ 1,546 million) arising out of matters settled under the said scheme, in its future tax assessments and continues to recognize deferred tax assets of ₹ 194 million on the same (as at March 31, 2025: ₹ 389 million).

Notes to standalone financial statements
for the year ended March 31, 2026

24 Short term borrowings

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Bank overdraft	19,381	496
Working capital demand loans from banks (including packing credits)	3,500	18,357
Buyers' credits and bills discounting @*	-	15,658
Current maturities of long term debt (refer note 21and note 45)	81,011	8,226
Unsecured		
Buyer's credit	-	2,567
Total	**103,892**	**45,304**

Interest accrued of ₹ 4 million (Previous year ₹ 66 million) forming part of the carrying value of the short term borrowings are disclosed in note 26

Security, repayment and other terms for short term borrowings

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Bank overdraft / cash credit from bank are secured by fixed deposits maintained with banks and carries interest rate of 6.87% to 10.40% and are repayable within 1 year.	19,381	496
b) Working Capital Demand loan and packing credits from bank are secured by first charge on all current assets both present and future including all receivables ranking pari passu basis among lenders, second charge on property, plant and equipment both present and future (except land parcels and property, plant and equipment of power, port and township divisions) on pari passu with other lenders. Some of these loans carries interest rate of MCLR plus spread of 140 bps with 20-30 days tenor and other loans carries interest rate on Secured Overnight Financing Rate (SOFR) plus additional spread ranging from 75 bps to 100 bps payable within 30 to 180 days.	3,500	18,357
c) Buyers' credits 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 both present and future (except land parcel and property, plant and equipment of power, port and township divisions) 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 was at previous year 5.48% - 5.57% p.a and were repayable within 29 to 62 days of being drawn.	-	12,580
d) Current maturities of long term debt (refer note 21)	81,011	8,226
e) Unsecured buyer's credit carrying interest rate 7.63% p.a. and were repayable within 10 -35 days of being drawn.	-	2,567
*The Company has discounted trade receivable on full recourse basis. Accordingly, the money 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 13	-	3,078
Total	**103,892**	**45,304**

@ refer note 40(B)(ii) for borrowings outstanding in foreign currencies

Notes to standalone financial statements

for the year ended March 31, 2026

25 Trade Payables

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of Micro and small enterprises (MSME)	500	378
Total outstanding dues of creditors other than Micro and small enterprises (refer note 42 and 40(A) 6)	229,750	67,170
Total	**230,250**	**67,548**

Generally, trade payables are non-interest bearing and are normally settled within 0-90 days.

25A Trade Payable Ageing

As at March 31, 2026

(₹ in million)

Particulars	Unbilled amount	Not due Amount	Outstanding for following periods from due date of payment *				Total
			Less than 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed dues - MSME	-	500	-	-	-	-	500
(ii) Undisputed dues - Others	4,990	35,667	187,888	167	86	888	229,686
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	64	64
Total	**4,990**	**36,167**	**187,888**	**167**	**86**	**952**	**230,250**

As at March 31, 2025

(₹ in million)

Particulars	Unbilled amount	Not due Amount	Outstanding for following periods from due date of payment *				Total
			Less than 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed dues - MSME	-	378	-	-	-	-	378
(ii) Undisputed dues - Others	4,658	61,204	334	22	140	748	67,106
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	64	64
Total	**4,658**	**61,582**	**334**	**22**	**140**	**812**	**67,548**

* Undisputed payables outstanding for more than 1 year mainly pertains to vendors for whom payment channels were not available.

26 Other financial liabilities (Current)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued	4,865	2,479
Capital creditors	10,333	8,154
Security deposits	764	879
Unclaimed debenture interest and principal (secured)#	1,018	200
Advances received from customers	-	21,226
Derivative liabilities {refer note 40(A)}	-	1,645
Accrued compensation to employees	2,841	2,813
Contractual liabilities	3,186	2,118
Total	**23,007**	**39,514**

₹ 0.07 million (Previous year ₹ 0.8 million) has been transferred to Investor Education and Protection Fund on or before due date.

Notes to standalone financial statements
for the year ended March 31, 2026

27 Other Current liabilities

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues	17,369	15,817
Advances received from customers	4,579	2,161
Export Obligation*	90	112
Other liabilities (non contractual)**	2,735	1,707
Total	**24,773**	**19,797**

* In respect of unfulfilled export obligation of ₹ 67,662 million (Previous year ₹ 147,113 million).

** includes CSR obligation of ₹ 2,426 million (Previous year ₹ 1,457 million).

28 Provisions (Current)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Compensated absences (refer note 41)	1,651	905
Gratuity (refer note 41)	753	307
Total	**2,404**	**1,212**

29 Revenue from operations

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from sale of products #		
Sale of manufactured products	1,271,004	1,355,174
Sale of traded goods	167,316	137,469
Other operating revenues *	1,386	2,092
Total	**1,439,706**	**1,494,735**

Comprises of revenue from contracts with customers of ₹ 1,445,241 million (Previous year : ₹ 1,505,731 million) recognised at a point in time and ₹ 6,921 million pertaining to hedging loss (Previous year : ₹ 13,088 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 ₹ 376 million (Previous year ₹ 668 million) and export obligation fulfilment income of ₹ 38 million (Previous year ₹ 243 million), which are in the nature of government grant .

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, 2026	For the year ended March 31, 2025
Export sales	235,274	372,506
Domestic Oil marketing companies	373,421	367,500
Retail outlets	668,997	626,223
Institutional business and petrochemicals	167,549	139,502
Total revenue from contracts with customers	**1,445,241**	**1,505,731**

Notes to standalone financial statements

for the year ended March 31, 2026

(₹ in million)

Contract balances	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Trade receivables * (refer note 13)	195,930	47,590	73,197
Contract liabilities (Advances received from customers) (refer note 22, note 26 and note 27)	4,579	23,387	84,656

* Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days. As on March 31, 2026, ₹ 991 million (Previous year ₹ 452 million) has been recognised towards expected credit losses on trade receivables.

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

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised out of contract liabilities outstanding at the beginning of the year	23,736	64,612

Changes in contract liabilities are mainly due to revenue recognised against the same, refund of advances, fresh advances received 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, 2026	For the year ended March 31, 2025
Revenue as per contracted price	1,458,389	1,515,033
Adjustments		
Discount and incentives	(13,148)	(9,302)
Revenue from contract with customers	**1,445,241**	**1,505,731**

Performance obligation

The performance obligation is satisfied upon delivery of the goods and services made as per the terms agreed with customers and receivables are 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, 2026	For the year ended March 31, 2025
Interest income		
- Bank deposits (carried at amortised cost)	6,900	6,459
- Other financial assets (carried at amortised cost)	333	99
- Interest on income tax refund	-	11
	7,233	**6,569**
Other gains (net)		
- Net gain on derivative instruments- carried at FVTPL	2,339	763
- Net gain on investments carried at FVTPL	444	726
- Gain on reversal of Expected credit loss (net) {refer note 40(B)(v)}	135	1,338
Provision / liabilities written back	36	12
Other non-operating income	1,447	1,663
Total	**11,634**	**11,071**

Notes to standalone financial statements
for the year ended March 31, 2026

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in million)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Opening inventories:			
- Finished goods		28,300	30,153
- Work-in-progress		29,194	24,945
- Stock-in-trade		221	52
	(A)	57,715	55,150
Closing inventories:			
- Finished goods		27,492	28,300
- Work-in-progress		60,274	29,194
- Stock-in-trade		178	221
	(B)	87,944	57,715
Net (increase) in inventories	**Total ((A)-(B))**	**(30,229)**	**(2,565)**

32 Employee benefits expense*

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages (refer note 41)	10,531	8,766
Contribution to provident and other funds (refer note 41)	1,334	711
Staff welfare expenses	697	667
Total	**12,562**	**10,144**

* Net of ₹ 693 million (Previous year ₹ 729 million) asset development projects related expense capitalised (refer note 6).

33 Finance costs*

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense	13,052	14,192
Interest on lease liabilities (refer note 38)	1,560	1,465
Exchange differences on foreign currency borrowings	1,054	584
Other finance charges	544	667
Total	**16,210**	**16,908**

* Net of Nil (Previous year ₹ 926 million) asset development projects related expense capitalised (refer note 6).

Notes to standalone financial statements

for the year ended March 31, 2026

34 Other expenses*

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of chemical, catalyst, stores and spare parts	4,938	4,394
Product handling charges	919	2,003
Consumption of power, fuel and electricity [excludes fuel consumed out of own production ₹ 25,410 million (Previous year ₹ 32,571 million)]	15,477	15,563
Freight and forwarding charges	23,386	17,463
Rent, rates and taxes	5,713	5,151
Insurance	1,651	1,868
Legal and professional fees {refer note (a) below}	1,124	1,583
Repairs and maintenance	3,611	3,797
Debit balance / doubtful debts / doubtful receivables written off (net of provision)	23	12
Director's commission and remuneration (refer note 42)	233	214
Loss on disposal / discard of property, plant and equipment (net)	38	751
Corporate and social responsibility expense {refer note (b) below}	2,403	1,892
Exchange differences (net)	2,897	2,035
Miscellaneous expenses	6,367	4,319
Total	**68,780**	**61,045**

* Net of ₹ 265 million (Previous year ₹ 349 million) asset development projects related expense capitalised (refer note 6).

Notes:

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

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Statutory audit fee	31	27
Fee for review of interim financial information	14	12
Fee for tax audit and transfer pricing and other certifications	2	2
Fee for the audit of special purpose financial statement	-	1
Fee for other services	1	2
Out of pocket expenses	2	3
Total	**50**	**47**

(b) Details of expenditure on Corporate Social Responsibility included in Sundry expenses & Other current assets

i) The Company has spent an amount of ₹ 636 million (Previous year ₹ 435 million) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013.

Particulars		March 31, 2026	March 31, 2025
Gross amount required to be spent by the Company during the year (2% of average net profit as per section 135(5))	a	2,360	1,803
Set off available from previous years	b	-	-
Total CSR obligation for the year	c = (a-b)	**2,360**	**1,803**
Amount approved by the Board to be spent during the year	d	2,360	1,803
Amount spent during the year against current year budget	e	593	346
Amount spent during the year against previous years budget	f	43	89
Total amount spent during the year	g = (e+f)	**636**	**435**
Balance amount unspent against approved budget for the year *	h = (d-e)	1,767	1,457

Notes to standalone financial statements
for the year ended March 31, 2026

ii) Detail of unspent amount (Ongoing and other than ongoing projects)

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance of Unspent (against previous years budget)	1,542	174
Less: Amount spent during the year against previous years' budget	842	89
Add: Amount unspent against approved budget for the year *	1,767	1,457
Closing balance of Unspent	**2,467**	**1,542**

* In compliances with statutory provisions, the current year unspent amount ₹ 1,767 million pertaining to ongoing projects which are in various stages of completion, has been transferred to UCSRA (Unspent CSR Account) on April 30, 2026 and would be spent in succeeding years as per the provisions of the Companies Act, 2013.

iii) Movement in CSR provision

(₹ in million)

Particulars	For the year ended	Opening provision	Invoice booked during the year	New Provision (net) made	Closing provision
Movement in provision (with respect to a liability incurred by entering into a contractual obligation)	March 31, 2026	61	61	103	103
	March 31, 2025	16	16	61	61

iv) CSR spent / unspent amount during the year

(₹ in million)

Particulars	Year ended March 31, 2026			Year ended March 31, 2025		
	In - cash	Yet to be paid in - cash (including provision)	Total	In - cash	Yet to be paid in - cash (including provision)	Total
(A) Amount spent on:						
(i) Construction / acquisition of assets	-	-	-	-	-	-
(ii) On purposes other than (i) above (for CSR projects)*	518	118	636	361	74	435
(B) Provision towards unspent amount	-	-	1,767	-	-	1,457
Total CSR Expenses (A + B)	**518**	**118**	**2,403**	**361**	**74**	**1,892**

* CSR expenditure has been incurred for promoting education, including special education and employment enhancing vocational skills.

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, 2026	Year ended March 31, 2025
Profit attributable to ordinary equity share holders for basic and diluted earnings (₹ in million)	(A)	91,010	60,613
Weighted average number of ordinary shares for basic and diluted EPS	(B)	1,488,735,685	1,490,561,155
Nominal value of ordinary shares (₹)		10/-	10/-
Basic and diluted earnings per share (₹)	**(A/B)**	**61.13**	**40.66**

Notes to standalone financial statements

for the year ended March 31, 2026

36 Contingent liabilities

(₹ in million)

Particulars		As at March 31, 2026	As at March 31, 2025
(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.	-	645
(ii)	Claims raised by third parties	3,536	8,356
(B)	**Claims for which the Company is contingently liable**		
(i)	In respect of income tax demands on various issues	2,406	2,197
(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 from Oil Marketing Companies of ₹ 51,623 million (as at March 31, 2025: ₹ 48,944 million)}.	67,474	64,024
(iii)	Other demands of Sales tax /VAT	4,685	3,642
(iv)	In respect of custom duty / excise duty / goods and service tax/ service tax mainly relating to classification of products sold, allowability of cenvat credit and input tax credit.	15,779	13,634
(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.	2,363	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.

(Note: Including interest and penalty wherever applicable)

37 Capital and other commitments

(₹ in million)

Particulars		As at March 31, 2026	As at March 31, 2025
(A)	**Capital commitments :**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	19,014	37,780
(B)	**Other commitments**		
	In accordance with the regulatory guidelines issued by the Ministry of Petroleum & Natural Gas, the Company is required to establish retail outlets in remote service areas (RSA) in proportion to its overall network. The Company has complied with the requirement of commissioning 370 RSA outlets by April 30, 2025, having set up 373 outlets as at that date. Further, pursuant to ongoing regulatory discussions, the Company has submitted a revised marketing plan for the period May 2025 to May 2028 covering 700 retail outlets, including 35 RSA outlets, under which 252 outlets (including 8 RSA outlets) have been commissioned up to March 31, 2026. The Company has furnished bank guarantees aggregating to ₹3,180 million as at the reporting date (March 31, 2025: ₹1,350 million) in connection with this obligation.		

Notes to standalone financial statements

for the year ended March 31, 2026

38 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 1 and 10 years, leases of land generally have lease terms between 5 and 30 years, while building and vehicles generally have lease terms between 1 and 10 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 lease contracts include extension, termination options and variable lease payments.

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

Set out below are the details of right-of-use assets, lease liabilities and amounts recognised in the statement of profit and loss.

(₹ in million)

Particulars	As at March 31, 2026			
	Right - of - use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01,2025	12,538	15,813	-	-
Additions	4,541	4,541	-	-
Deletion/discarded/Retirement	(235)	(393)	(158)	-
Depreciation / amortisation expense	(2,083)	-	2,083	-
Interest accruals		1,560	1,560	-
Payments	-	(3,862)	-	-
As at March 31, 2026	**14,761**	**17,659**	**3,485**	**-**
Current lease liabilities	-	1,667	-	-
Non-current lease liabilities	-	15,992	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(2,305)
- Towards Interest	-	-	-	(1,557)
Total	**-**	**-**	**-**	**(3,862)**
Other Leases (included in other expenses)				
Short term leases	-	-	4,803	-
Low value leases	-	-	207	-
Variable leases	-	-	9,209	-
Total	**-**	**-**	**14,219**	**-**
As at March 31, 2026	**14,761**	**17,659**	**17,704**	**(3,862)**

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(₹ in million)

Particulars	As at March 31, 2025			
	Right - of - use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01,2024	12,759	15,733	-	-
Additions	1,960	1,960	-	-
Deletion/discarded/Retirement	(356)	(498)	(142)	-
Depreciation / amortisation expense	(1,825)	-	1,825	-
Interest accruals		1,465	1,465	-
Payments	-	(2,847)	-	-
As at March 31, 2025	**12,538**	**15,813**	**3,148**	**-**
Current lease liabilities	-	1,337	-	-
Non-current lease liabilities	-	14,476	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(1,384)
- Towards Interest	-	-	-	(1,463)
Total	**-**	**-**	**-**	**(2,847)**
Other Leases (included in other expenses)				
Short term leases	-	-	2,883	-
Low value leases	-	-	228	-
Variable leases	-	-	8,587	-
Total	**-**	**-**	**11,698**	**-**
As at March 31, 2025	**12,538**	**15,813**	**14,846**	**(2,847)**

For maturity analysis of lease liabilities, refer note 40(B)(iv)

39 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.

The Company monitors its capital using gearing ratio, which is net debt divided to equity and net debt. Bank loans are availed by the Company are subject to certain financial and other covenants as per the terms of the and the loan agreements and the Company is compliant with these covenants on the reporting date except to the extent stated in note 45. As per the existing repayment schedule, there is no outstanding default on the repayment of loans (including interest thereon) as at March 31, 2026.

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 summarized as follows:

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Long term borrowings (refer note 21)	-	80,717
Short term borrowings (refer note 24)	103,892	45,304
Upfront fees	598	680
Total debt	**104,490**	**126,701**
Less : Cash and cash equivalents (refer note 14)	(1,871)	(15,856)
Less : Bank balances (excluding earmarked bank balances) (refer note 15)	(53,402)	(42,300)
Less : Bank and margin deposits classified under other financial assets (current) (refer note 17)	(38,530)	(21,016)

Notes to standalone financial statements
for the year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Less : Bank and margin deposits classified under other financial assets (non-current) (refer note 9)	(172)	(157)
Less : Investments (current) (refer note 12)	-	(9,579)
Total cash and bank balances	**(93,975)**	**(88,908)**
Net debt (a)	**10,515**	**37,793**
Equity share capital (refer note 19)	15,050	15,072
Other equity (refer note 20)	577,493	485,690
Total equity (b)	**592,543**	**500,762**
Equity and net debt (c) = (a + b)	**603,058**	**538,555**
Gearing ratio (d) = (a / c)	**1.74%**	**7.02%**

40 Financial Instruments

(A) Categories of financial instruments and level-wise disclosure of fair value for financial instruments requiring fair value measurement

Given below is the category wise carrying amount of Company's financial instruments (except for investments in subsidiaries which is carried at historical cost):

As at March 31, 2026:

(₹ in million)

Particulars	Note	Fair value measurement Hierarchy level	Fair value through profit or loss	Fair value through OCI - designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets							
Loan*			-	-	788	788	788
Trade receivables*	6		-	-	195,930	195,930	195,930
Cash and cash equivalent*			-	-	1,871	1,871	1,871
Bank balances other than cash and cash equivalent*			-	-	55,218	55,218	55,218
Derivatives contracts - assets		Level II					
-Currency swap	2		-	20	-	20	20
Other financial assets*			-	-	43,675	43,675	43,675
Total			**-**	**20**	**297,482**	**297,502**	**297,502**
Financial Liabilities							
Long-term borrowings#	3		-	4,543	76,468	81,011	81,011
Short-term borrowings*			-	-	22,881	22,881	22,881
Trade payables*	4, 6	Level II	-	-	230,250	230,250	230,250
Derivatives contracts - liabilities		Level II					
-Currency swap	2		21	92	-	113	113
Other financial liabilities*@		Level II	-	-	23,927	23,927	23,927
Total			**21**	**4,635**	**353,526**	**358,182**	**358,182**

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As at March 31, 2025

(₹ in million)

Particulars	Note	Fair value measurement Hierarchy level	Fair value through profit or loss	Fair value through OCI - designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets							
Current investment	1	Level II	9,579	-	-	9,579	9,579
Loan*			-	-	2,143	2,143	2,143
Trade receivables*			-	-	47,590	47,590	47,590
Cash and cash equivalent*			-	-	15,856	15,856	15,856
Bank balances other than cash and cash equivalent*			-	-	42,637	42,637	42,637
Derivatives Contracts - Assets		Level II					
-Foreign currency forward exchange	2		154	-	-	154	154
-Commodity Derivative	2		-	998	-	998	998
-Currency swap	2		15	36	-	51	51
-Option	2		11	-	-	11	11
Other financial assets*			-	-	26,548	26,548	26,548
Total			**9,759**	**1,034**	**134,774**	**145,567**	**145,567**
Financial Liabilities							
Long-term borrowings#	3	Level II	-	4,587	84,356	88,943	90,006
Short-term borrowings*		Level II	-	15,147	21,931	37,078	37,078
Trade payables*	4	Level II	-	49,063	18,485	67,548	67,548
Derivatives Contracts - Liabilities		Level II					
-Foreign currency forward exchange	2		13	-	-	13	13
-Commodity Derivative	2		-	1,632	-	1,632	1,632
Other financial liabilities*@	5	Level II	-	21,226	17,493	38,719	38,719
Total			**13**	**91,655**	**142,265**	**233,933**	**234,996**

including current maturities of long-term borrowings

* For assets and liabilities carried at amortised cost, the management has assessed that the fair value of these financial assets and liabilities approximate their carrying amounts determined as per amortised cost due to the short term maturities of these instruments.

@Physical commodity contracts, 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:

1. Net asset value declared by mutual fund.
2. 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.
3. 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.
4. Trade payable includes payables designated as cash flow hedge against the highly probable future forecast sales, at the spot rate as on the date of designation and are revalued at exchange rate prevailing as at reporting date.

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5. Other financial liabilities included advance received from export customers. These 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.

6. Trade receivables and trade payables include ₹ 148,562 million (previous year : Nil), which the Company intends to set off subject to relevant approvals.

(B) Financial risk management objectives

The Company's activities expose it to market risk, credit risk, interest rate risk and liquidity risk. Within the boundaries of approved Risk Management Policy framework, the Company uses derivative instruments to manage the volatility of financial markets and minimise the adverse impact on its financial performance.

i) Commodity price risk

The Company's revenues, costs, and inventories are exposed to fluctuations in international crude oil and refined product prices. To manage this price risk, the Company uses commodity derivative instruments such as futures, swaps, and options to hedge forecasted crude oil purchases and product sales.

A dedicated risk management desk oversees these hedging activities, monitoring open positions daily to ensure compliance with the Company's approved risk management policies and to reduce the impact of market volatility on profitability.

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Designated as cash flow hedges				
Petroleum products				
Buy Positions				
Less than 1 year	-	8,400	-	724
Sell Positions				
Less than 1 year	-	(5,720)	-	(1,358)
Total	**-**	**2,680**	**-**	**(634)**

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 Nil as at March 31, 2026 (debit balance of ₹ 634 million as at March 31, 2025) on commodity derivative (gross of tax) contracts have been recognised in other comprehensive income.

There are no hedge ineffectiveness on commodity derivative contracts during the reporting periods.

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Petroleum products				
Buy Positions				
Less than 1 year	-	727	-	-
Sell Positions				
Less than 1 year	-	(1,282)	-	-
Total	**-**	**(555)**	**-**	**-**

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ii) Foreign currency risk management:

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

a) Given below are the details of the carrying amounts of the Company's monetary assets/liabilities denominated in different foreign currencies (FC), details of hedge, unhedged currency risk position and sensitivity to a 5% increase in foreign currency rates.

As at March 31, 2026

Currency	Gross exposure	Forward and option contracts @	Cash flow hedge #	Unhedged exposure	Unhedged exposure	Sensitivity to 5% change **	
						Impact on Profit (net of taxes)	Impact on Equity (net of taxes)
	FC in million	FC in million	FC in million	FC in million	₹ in million	₹ in million	₹ in million
Assets							
USD	1,710	-	-	1,710	161,880	6,057	-
EURO	1	-	-	1	122	5	-
Other Currencies	-	-	-	-	-	-	-
Total					**162,002**	**6,062**	**-**
Liabilities*							
USD	2,402	-	(48)	2,354	222,832	(8,337)	(170)
EURO	10	-	-	10	1,105	(41)	-
Other Currencies	4	-	-	4	24	(1)	-
Total					**223,961**	**(8,379)**	**(170)**

As at March 31, 2025

Currency	Gross exposure	Forward and option contracts @	Cash flow hedge #	Unhedged exposure	Unhedged exposure	Sensitivity to 5% change **	
						Impact on Profit (net of taxes)	Impact on Equity (net of taxes)
	FC in million	FC in million	FC in million	FC in million	₹ in million	₹ in million	₹ in million
Assets							
USD	314	(176)	-	138	11,835	443	-
EURO	0	-	-	0	35	1	-
Other Currencies	1	-	-	1	2	0	-
Total					**11,872**	**444**	**-**
Liabilities*							
USD	1,415	(32)	(1,020)	363	31,104	(1,164)	(3,267)
EURO	10	-	-	10	933	(35)	-
Other Currencies	2	-	-	2	3	(0)	-
Total					**32,040**	**(1,198)**	**(3,267)**

Notes:

* includes borrowings in foreign currency USD 103 million (₹ 9,715 million) {(Previous year USD 501 million (₹ 42,879 million)}.

@ 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.

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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. There are no significant hedge ineffectiveness on the these designated liabilities during the reporting periods.

** A positive number above indicates an increase in profit or equity and negative number would be an inverse impact on profit or equity.

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Forward Contracts:				
Buy US$				
Less than 3 months	-	32	-	(13)
Sell US$				
Less than 3 months	-	144	-	154
Options:				
Buy Put / Sell Call US$				
Less than 3 months	-	32	-	11

c) 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

USD / INR currency swaps	Notional amounts (in USD million)	
	As at March 31, 2026	As at March 31, 2025
Less than 1 year	-	-
1 year to 2 years	-	-
2 years to 5 years	10	20
Total	**10**	**20**
Fair value of assets / (liabilities) (net) (₹ in million)	**(93)**	**51**

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

Credit balance in cash flow hedge reserve of ₹ 73 million as at March 31, 2026 (credit balance of ₹ 35 million as at March 31, 2025) (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 ₹ 39 million (Previous year ₹ 72 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 has exposure to interest rate risk, arising principally on changes in base lending rates and SOFR

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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, 2026	As at March 31, 2025
Fixed rate borrowings *	17,423	72,554
Floating rate borrowings	87,067	54,147
Lease liabilities (refer note 38)	17,659	15,813
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 22 and 26)	-	21,226
Total	**122,149**	**163,740**
Less: Upfront fee	(598)	(680)
Total	**121,551**	**163,060**

* Includes borrowings of ₹ 13,923 million (₹ 33,100 million as at March 31, 2025) raised for Petrochemical project, for which floating rate shall apply after perfection of security for project lenders.

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, 2026 would decrease / increase by ₹ 326 million (Previous year ₹ 282 million) (net of tax). This is mainly attributable to the Company's exposure to interest rates on its variable rate liabilities.

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.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

(₹ in million)

As at March 31, 2026 :	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings # **	12,281	54,079	54,986	121,346
Short term Borrowings #	23,629	-	-	23,629
Trade payables	230,250	-	-	230,250
Lease liabilities #	3,191	9,413	21,576	34,180
Other financial liabilities	23,007	920	-	23,927
Derivatives	-	113	-	113
Total	**292,358**	**64,525**	**76,562**	**433,445**

(₹ in million)

As at March 31, 2025 :	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings #	16,158	54,912	68,920	139,990
Short term Borrowings #	37,199	-	-	37,199
Trade payables	67,548	-	-	67,548
Lease liabilities #	2,658	8,206	20,786	31,650
Other financial liabilities including export advance #	38,374	849	-	39,223
Derivatives	1,645	1	-	1,646
Total	**163,582**	**63,968**	**89,706**	**317,256**

including future interest

** For reasons stated in note 45, these loans have been classified as current, in the financial statements.

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The Company has undrawn committed facilities as at March 31, 2026 of ₹ 142,494 million (₹ 90,953 million as at March 31, 2025) 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.

Trade receivables:
The Company manages customer credit risk centrally through defined policies and credit assessments, with approved credit limits. Credit risk is partly mitigated through letters of credit and bank guarantees. Trade receivables are spread across a large, diverse customer base with no significant concentration risk and are closely monitored for timely collection.

Sales credit terms range from 0 to 30 days. Expected credit losses are measured using a provision matrix based on historical experience and forward-looking information. The history of trade receivables shows a negligible allowance for bad and doubtful debts. Refer note 13A for ageing of trade receivable.

Trade receivables have been given as collateral towards borrowings (refer note 21 and 24). Expected credit losses are provided based on the credit risk of the counterparties (refer note 13).

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, 2026	As at March 31, 2025
Balance at the beginning of the year	2,292	3,630
Addition in Expected credit loss recognised	597	109
Reversal in Expected credit loss recognised	(732)	(1,447)
Balance at the end of the year	**2,157**	**2,292**

The Company's maximum exposure to the credit risk for the components of the balance sheet as at March 31, 2026 and March 31, 2025 is the carrying amounts mentioned in note 9, note 13, and note 17.

41 Defined benefit / contribution plans

1) Defined benefit plans :

(i) Gratuity Plan

In accordance with the Social Security Code 2020, the Company contributes to a defined benefit plan (the "Gratuity Plan") for employees are entitled to gratuity. 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 fully funded plan and the Company makes contribution to LIC of India / SBI Life Insurance in India.

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for the year ended March 31, 2026

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)	
		As at March 31, 2026	As at March 31, 2025
A	**Net assets / liability**		
i	Present value of defined benefit obligation (DBO)	2,112	1,510
ii	Fair value of plan assets	1,359	1,202
iii	Funded status - deficit (iii = ii-i)	(753)	(308)
iv	Net assets / (liability)	(753)	(308)
B	**Expenses for the year**		
i	Service Cost *	664	97
ii	Net Interest cost	25	14
	Components of defined benefit costs for Profit and loss	**689**	**111**
i	Actuarial (gains) / losses- experience	(10)	37
ii	Actuarial losses/(gains) - assumptions	(80)	58
iii	Return on plan assets greater than discount rate	(8)	(0)
	Components of defined benefit costs for Other Comprehensive Income	**(98)**	**94**
	Total expenses	**591**	**205**
C	**Change in obligation and assets**		
i	**Change in defined benefit obligation**		
a	Defined benefit obligation at beginning of the year	1,510	1,330
b	Current Service cost	118	97
c	Interest cost	106	90
d	Past service cost - plan amendments	546	-
e	Actuarial losses - experience	(10)	37
f	Actuarial losses/(gains) - financial assumptions	(80)	58
g	Benefit payments	(78)	(101)
h	Defined Benefit obligation at the end of the year	2,112	1,510
ii	**Change in fair value of assets**		
a	Fair value of plan assets at the beginning of the year	1,202	1,044
b	Interest income on plan assets	81	76
c	Employer's contribution	146	183
d	Return on plan assets greater than discount rate	8	0
e	Benefits payments	(78)	(101)
f	Fair value of plan assets at the end of the year	1,359	1,202

*Includes past service cost of ₹ 546 million (Previous year : Nil)

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)	
		As at March 31, 2026	As at March 31, 2025
D	**Actuarial assumptions**		
1	Discount rate (per annum)	7.00%	6.50%
2	Rate of salary increase	9.00%	9.00%
3	Withdrawal Rate	6.00%	6.00%
4	Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified	

Notes to standalone financial statements

for the year ended March 31, 2026

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)	
		As at March 31, 2026	As at March 31, 2025
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.**	211	124

Plan assets comprises scheme of insurance - conventional products.

Notes:

Weighted average duration of the defined benefit obligation is 9 years as at March 31, 2026 (8 years as at March 31, 2025).

These plans typically expose the Company 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.

The defined benefit obligations shall mature as follows:

(₹ in million)

Particulars	Gratuity (Funded)
	March 31, 2026
As at March 31	
2027	211
2028	217
2029	245
2030	226
2031	235
March 31, 2032 to March 31, 2036	1,270

(₹ in million)

Particulars	Gratuity (Funded)
	March 31, 2025
As at March 31	
2026	124
2027	157
2028	140
2029	174
2030	161
March 31, 2031 to March 31, 2035	917

Notes to standalone financial statements

for the year ended March 31, 2026

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.

(₹ in million)

Sr. No.	Particulars	Gratuity (Funded)	
		As at March 31, 2026	As at March 31, 2025
		Increase/(decrease) in DBO	
	Defined benefit obligation	2,112	1,510
A)	**Discount Rate**		
	Discount rate	7.00%	6.50%
	1. Effect on DBO due to 0.5% increase in Discount Rate	(75)	(58)
	2. Effect on DBO due to 0.5% decrease in Discount Rate	80	62
B)	**Salary Escalation Rate :**		
	Salary Escalation rate	9.00%	9.00%
	1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	24	28
	2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(25)	(29)
C)	**Withdrawal Rate :**		
	Attrition rate	6.00%	6.00%
	1. Effect on DBO due to 5.00% increase in Withdrawal Rate	133	10
	2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	(257)	(32)

2) Defined Contribution plans :

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Company's contribution to provident fund, superannuation fund and pension fund aggregating to ₹ 384, ₹ 30 million and ₹ 253 million (Previous year ₹ 173 million, ₹ 68 million and ₹ 189 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.

3) The four Labour Codes (Code on Wages, Industrial Relations Code, Code on Social Security, and Occupational Safety, Health and Working Conditions Code) came into force through central government notifications dated November 21, 2025.

Certain state specific laws under these codes are yet to be framed. The Company has made an assessment of the likely effects of these codes, to the extent the same have either been notified or are available in draft form, and has provided for additional employee benefit expenses of ₹ 1,301 million in these financial statements.

Notes to standalone financial statements

for the year ended March 31, 2026

42 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
	UCP Group comprises UCP PE Investments Limited and entities under common control
	Mareterra Group comprises Mareterra Group Holding S.A.R.L. and its controlled entities
Subsidiaries	
	Coviva Energy Terminals Limited
	Nayara Energy Singapore Pte. Limited
	Nayara Energy Overseas Holding LLC (w.e.f. June 26, 2025)
	Nayara Energy Overseas Trading LLC (w.e.f. February 19, 2026) (100% subsidiary of Nayara Energy Overseas Holding LLC)
Other related party	Nayara Energy Limited Employees Provident Fund (upto October 01, 2024)

A. Transaction with related parties

(₹ in million)

Nature of transactions	Enterprises having significant influence		Subsidiaries		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Sale of products*						
Nayara Energy Singapore Pte. Limited	-	-	47,089	81,984	47,089	81,984
Purchase of raw material						
Nayara Energy Singapore Pte. Limited	-	-	10,921	6,738	10,921	6,738
Interest income						
Nayara Energy Singapore Pte. Limited	-	-	140	-	140	-
Other Income						
Nayara Energy Singapore Pte. Limited	-	-	9	3	9	3
Deemed investment						
Coviva Energy Terminals Limited	-	-	1,595	-	1,595	-
Inter corporate deposits given						
Coviva Energy Terminals Limited	-	-	-	188	-	188

including taxes wherever applicable

* net off demurrage expense / income

B. Transactions with other classes of related parties

(₹ in million)

Nature of transactions	FY 2025-26	FY 2024-25
i) Key management personnel (Short term employee benefits)@	286	327
@including employer contribution to provident fund and exclusive of provisions for liability in respect of compensated absences and gratuity, since this is based on actuarial valuation done on an overall basis for all employees.		
ii) Key management personnel (Director Sitting Fees)	18	22
iii) Key management personnel (Commission and Remuneration to Directors)	233	214
iv) Contribution during the period (includes Employees' share and contribution) to the controlled trust	-	439

Notes to standalone financial statements

for the year ended March 31, 2026

C. Balances with related parties

(₹ in million)

Nature of balances	Enterprises having significant influence		Subsidiaries		Total	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Assets						
Financial assets						
Trade receivables (refer note (i) A below)						
Nayara Energy Singapore Pte. Limited	-	-	7,657	9,265	7,657	9,265
Loans						
Inter corporate deposit @						
Coviva Energy Terminals Limited	-	-	-	1,305	-	1,305
Deemed investment @						
Coviva Energy Terminals Limited	-	-	2,900	-	2,900	-
Other receivables						
Nayara Energy Singapore Pte. Limited	-	-	144	3	144	3
Liabilities						
Financial liabilities						
Trade payables (refer note (i) A below)						
Rosneft Group	976	826	-	-	976	826
Nayara Energy Singapore Pte. Limited	-	-	50	6,680	50	6,680
Total	**976**	**826**	**50**	**6,680**	**1,026**	**7,506**

@ The Company has made deemed investment and given inter-corporate deposits to its subsidiary as interest free and repayable on demand.

D. Balances with other classes of related parties

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Commission and Remuneration payables to key management personnel	174	214

Notes:

(i) Terms of receivables / payables:

A. Generally, trade receivables and trade payables are non-interest bearing and are settled within 30 days of transaction. In case any credit is offered beyond 30 days, it carries interest as per prevailing market practice as mutually agreed between the parties.

43 Loans and advances in the nature of loan

The Company has given inter corporate deposit to related party on repayable on demand terms

(₹ in million)

Type of borrower	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding	% of Total loan	Amount outstanding	% of Total loan
Subsidiary Company	-	-	1,305	100%

Notes to standalone financial statements

for the year ended March 31, 2026

44 Ratios

Ratios	March 31, 2026	March 31, 2025
a) Current Ratio (number of times)	1.19	1.47
b) Debt Equity Ratio (number of times)	0.14	0.18
c) Debt Service Coverage Ratio (number of times) *	9.28	5.13
d) Return On Equity (%) *	16.65%	12.95%
e) Inventory turnover (number of days) ^	34	25
f) Trade Receivable Turnover Ratio (number of days) @	31	15
g) Trade Payable Turnover Ratio (number of days)@	56	30
h) Net Capital Turnover Ratio (number of times)	20	19
i) Net Profit margin (in %) *	6.32%	4.06%
j) Return On Capital Employed (%)	21.60%	18.11%
k) Return On Investment (%)	4.95%	5.84%

^ Variance as compared to previous year are greater than 25% which is on account of higher average inventory in current year

* Variance as compared to previous year are greater than 25% which is on account of higher profitability in current year

@ Variance as compared to previous year are higher than 25% which is on account of lower payment and collection of trade payable and trade receivable respectively.

Formulae for computation of ratios as follows:

a) Current Ratio = Current Assets / Current Liabilities (excluding current maturities of long term borrowing)

b) Debt Equity Ratio = Long term borrowing (including current maturities) / Total Equity

c) Debt Service Coverage Ratio = (Earnings before interest, taxes, depreciation, and amortisation (EBITDA)) / (Net finance cost + Net principal repayment of long term borrowing for the year - Interest income)

d) Return On Equity = Net profit after tax / Average Shareholder's Equity

e) Inventory turnover (in days) = Cost of Goods Sold (Cost of raw materials consumed + Excise duty + purchase of stock in trade + changes in inventory) / Average of opening and closing inventory (excluding stores and consumables inventory)

f) Trade Receivable Turnover Ratio (in days) = Revenue from Operation / Average Trade Receivable

g) Trade Payable Turnover Ratio (in days) = Total Purchase/ Average Accounts Payable

h) Net Capital Turnover Ratio = Revenue from Operation / Working capital

i) Net Profit margin = Profit after Tax / Revenue from Operation

j) Return On Capital Employed = (Earnings before interest and taxes(EBIT)) / Capital employed (Tangible networth (Shareholder's fund - Other Intangible assets - Intangible assets under development - Goodwill) + Long term borrowing + Deferred tax liability)

k) Return On Investment = (Gain on investment) / (Weighted average cost of investment)

45

The European Union and the United Kingdom had imposed sanctions on the Company in July 2025 and October 2025 respectively. United States imposed additional sanctions on some large producers of Russian crude oil including Rosneft PJSC (a 49.20% shareholder in the Company) effective November 21, 2025. In April 2026, the European Union had imposed sanctions on UCP PE Investments Limited an entity holding 49% Shares of Kesani Enterprises Company Limited (a 49.20% shareholder in the Company).

While the sanctions have resulted in operational challenges, the Company has been able to continue to procure crude oil and essential services to ensure uninterrupted operations of its refinery and its business continues to generate profits and it has sound financial position to be able to meet its obligations.

Management has also evaluated the financial effects of the sanctions and noted that as per the terms of the financing arrangements the lenders have a right to accelerate the maturity of the loans and hence the long-term loans, which are contractually due post March 31, 2027 have also been classified as current liabilities. The aforementioned events have not resulted in any action from any of the lenders till date and the Company is in regular engagement with them.

The management believes that the Company continues and will continue to operate as a going concern and there is no additional material impact on these financial statements.

Notes to standalone financial statements

for the year ended March 31, 2026

46 Impairment testing of Goodwill

The Company recognised goodwill of ₹ 108,184 million arising on the merger of Vadinar Power Company Limited (VPCL), Nayara Energy Properties Limited (NEPL), and Vadinar Oil Terminal Limited (VOTL) with the Company. The Company has determined that its entire operations fall into single CGU and single operating segment, viz., refining of crude oil and marketing of petroleum and petrochemical products in domestic and overseas market (refining business). Hence, the entire goodwill is allocable to the refining business CGU, and the carrying value of the CGU as at the balance sheet date is ₹ 596,525 million [March 31, 2025: ₹ 582,262 million].

The Company performed its annual impairment as on March 31, 2026.

The recoverable amount of the CGU has been determined at ₹ 8,27,089 (US$ 8,738) million [March 31, 2025: ₹ 9,35,274 (US$ 10,701)) million] based on the value in use calculation using discounted cash flow model {refer note 4(ii)} 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 the current geopolitical situation in West Asia, effects of the sanctions on the company, forecast consensus, industry reports, economic indicators, general business conditions etc. while computing the recoverable value. The Company has performed sensitivity analysis on the assumptions based on 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 Margin
The Gross Margin 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. The gross margins comprises of refinery margins of US$ 6.6 per bbl to US$ 10.0 per bbl and retail margins of ₹5,731 / KL to ₹ 5,735 / KL, during FY 2026-27 to FY 2030-31 thereafter they increase at a nominal rate of 2% per annum post the 5-year period.

Discount rates
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 10.84% (previous year: 10.71%).

Management has assessed that any reasonable possible change in the above key assumptions will not lead to the recoverable amount being lower than the carrying amount of the CGU.

47 Segment information

Segment information has been provided under the Notes to the Consolidated financial statements.

48 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Deepesh Baxi
Chief Financial Officer

Mumbai

Teymur Abasguliyev
Chief Executive Officer

Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Independent Auditor's Report

To the Members of
Nayara Energy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated 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, 2026, 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 financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, 2026, 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 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 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 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 financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 their respective companies 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies 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 their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 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 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.

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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph 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 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 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 financial statements;

   (d) In our opinion, the aforesaid consolidated 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 as on March 31, 2026 taken on record by the Board of Directors of the Holding and its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2026 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 with reference to consolidated

financial statements of the Holding Company and its subsidiary company, 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, 2026 has been paid / provided by the Holding Company 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 financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, consolidated financial statements – Refer Note 36 to the consolidated financial statements;

ii. Provision has been made in the consolidated 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 22 to the consolidated financial state- ments in respect of such items as it relates to the Group;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and its subsidiaries;

iv. a) The respective managements of the Holding Company and its subsidiary company, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company, its subsidiary company, incorporated in India.

vi) Based on our examination which included test checks, the Company and its subsidiary company, which are companies incorporated in India whose financial statements have been audited under the Act, and as described in note 47, the Holding Company and subsidiary company have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Holding Company and subsidiary company as per the statutory requirements for record retention.

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

_____

per Naman Agarwal
Partner
Place of Signature: Mumbai Membership Number: 502405
Date: May 26, 2026 UDIN: 26502405YNMHTZ9935

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")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that -

(b) Qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sr. No.	Name	CIN	Holding company / subsidiary / associate / joint venture	Clause number of the CARO report which is qualified or is adverse
1	Coviva Energy Terminals Limited	U74140GJ2015PLC082393	Subsidiary	(ix)(d); (xvii)

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

_____
per Naman Agarwal
Partner
Membership Number: 502405
UDIN: 26502405YNMHTZ9935

Place of Signature: Mumbai
Date: May 26, 2026

Annexure 2 To The Independent Auditor's Report Of Even Date On The Consolidated Financial Statements Of Nayara Energy Limited

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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 (ICAI). 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 Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to 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 with reference to 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 With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference

to 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 Group , has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, 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 issued by the ICAI.

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

_____
per Naman Agarwal
Partner
Place of Signature: Mumbai Membership Number: 502405
Date: May 26, 2026 UDIN: 26502405YNMHTZ9935

Consolidated Balance Sheet

as at March 31, 2026

(₹ in million)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	6	433,760	448,515
(b) Capital work-in-progress	6	48,896	17,893
(c) Goodwill	6	108,184	108,184
(d) Other Intangible assets	6	443	348
(e) Intangible assets under development	6	-	143
(f) Right-of-use assets	6	15,929	13,623
(g) Financial assets			
(i) Investments	7	-	-
(ii) Loans	8	546	483
(iii) Other Financial assets	9	928	835
(h) Non-current tax assets (net)		5,598	2,140
(i) Other non-current assets	10	6,928	10,678
Total non-current assets		**621,212**	**602,842**
2) Current assets			
(a) Inventories	11	153,317	104,567
(b) Financial assets			
(i) Investments	12	-	9,579
(ii) Trade receivables	13	188,272	42,129
(iii) Cash and cash equivalents	14	9,868	21,719
(iv) Bank balances other than (iii) above	15	56,184	42,969
(v) Loans	16	242	355
(vi) Other financial assets	17	43,181	27,188
(c) Other current assets	18	3,311	3,128
Total current assets		**454,375**	**251,634**
TOTAL ASSETS		**1,075,587**	**854,476**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	19	15,050	15,072
(b) Other equity	20	576,244	485,030
Total equity		**591,294**	**500,102**
LIABILITIES			
1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	-	80,717
(ia) Lease liabilities	38	17,396	15,784
(ii) Other financial liabilities	22	1,033	850
(b) Deferred tax liabilities (net)	23	77,543	77,202
Total non-current liabilities		**95,972**	**174,553**
2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	103,892	45,304
(ia) Lease liabilities	38	1,737	1,376
(ii) Trade payables	25	231,536	71,117
(iii) Other financial liabilities	26	23,066	39,558
(b) Other current liabilities	27	24,787	19,801
(c) Provisions	28	2,459	1,254
(d) Current tax liabilities (net)		844	1,411
Total current liabilities		**388,321**	**179,821**
TOTAL EQUITY AND LIABILITIES		**1,075,587**	**854,476**

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Deepesh Baxi
Chief Financial Officer

Mumbai

Teymur Abasguliyev
Chief Executive Officer

Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in million)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	29	1,466,018	1,492,174
Other income	30	11,721	11,070
Total Income		**1,477,739**	**1,503,244**
Expenses			
Cost of raw materials consumed		853,526	980,387
Excise duty		231,631	205,973
Purchases of stock-in-trade		175,434	128,174
Changes in inventory of finished goods, work-in-progress and stock-in-trade	31	(26,809)	(5,986)
Employee benefits expense	32	12,705	10,246
Finance costs	33	16,408	17,060
Depreciation and amortisation expense	6	21,371	21,304
Other expenses	34	71,549	61,504
Total expenses		**1,355,815**	**1,418,662**
Profit before tax		**121,924**	**84,582**
Tax expense:	23		
(a) Current tax		31,489	20,871
(b) Deferred tax		163	2,916
Total tax expenses		**31,652**	**23,787**
Profit for the year		**90,272**	**60,795**
Other comprehensive income			
Items that will not be reclassified to profit and loss		**73**	**(70)**
Remeasurement income / (loss) on defined benefit plans		98	(94)
Income tax effect		(25)	24
		73	(70)
Items that will be reclassified to profit and loss		**2,460**	**4,467**
Effective portion of cash flow hedges (net)		3,207	5,948
Income tax effect		(807)	(1,497)
		2,400	**4,451**
Foreign currency monetary item translation difference account		-	11
Income tax effect		-	(3)
		-	8
Exchange differences on translating the financial statements of a foreign operation		60	8
		60	8
Other comprehensive income for the year, net of tax		**2,533**	**4,397**
Total comprehensive income for the year (comprising profit for the year and other comprehensive income for the year)		**92,805**	**65,192**
Earnings per share (Face value ₹ 10 per share)			
Basic and Diluted (in ₹)	35	**60.64**	**40.79**

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Deepesh Baxi
Chief Financial Officer

Mumbai

Teymur Abasguliyev
Chief Executive Officer

Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

a. Equity Share Capital

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	15,072	15,072
Changes in equity share capital during the year	(22)	-
Closing balance	15,050	15,072

(refer note 19)

b. Other Equity

Consolidated Statement of Changes in equity for the year April 01, 2025 to March 31, 2026

(₹ in million)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Capital Redemption 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, 2025	609	78,014	257	596	-	409,036	(94)	(3,388)	-	485,030
Profit for the year	-	-	-	-	-	90,272	-	-	-	90,272
Buyback of equity shares	-	(1,565)	-	-	-	-	-	-	-	(1,565)
On redemption of non convertible debentures	-	-	(257)	257	-	-	-	-	-	
Amount transferred to capital redemption reserve upon buyback	-	-	-	(22)	22	-	-	-	-	-
Transaction cost relating to buyback (net of tax)	-	(26)	-	-	-	-	-	-	-	(26)
Other Comprehensive Income for the year	-	-	-	-	-	73	60	2,400	-	2,533
Balance as at March 31, 2026	**609**	**76,423**	**-**	**831**	**22**	**499,381**	**(34)**	**(988)**	**-**	**576,244**

Consolidated Statement of Changes in Equity for the year April 01, 2024 to March 31, 2025

(₹ in million)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Capital Redemption 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, 2024	609	78,014	-	596	-	348,568	(102)	(7,839)	(8)	419,838
Profit for the year	-	-	-	-		60,795	-	-	-	60,795
Debenture redemption reserve	-	-	257	-		(257)	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-		(70)	8	4,451	8	4,397
Balance as at March 31, 2025	**609**	**78,014**	**257**	**596**	**-**	**409,036**	**(94)**	**(3,388)**	**-**	**485,030**

*net loss for the year of ₹ 5,372 million (Previous year ₹ 7,883 million) (net of tax) is recycled from cash flow hedge reserve to statement of profit and loss account.

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Deepesh Baxi
Chief Financial Officer

Mumbai

Teymur Abasguliyev
Chief Executive Officer

Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Consolidated Statement Of Cash Flows

for the year ended March 31, 2026

(₹ in million)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A	**Cash flow from operating activities**		
	Profit before tax	**121,924**	**84,582**
	Adjustments for:		
	Interest income	(7,334)	(6,604)
	Depreciation and amortisation expense	21,370	21,303
	Loss on disposal / discard of property, plant and equipment (net)	38	751
	Gain on investment / financial assets measured at FVTPL	(444)	(726)
	Gain on remeasurement of leases	(160)	(144)
	Export obligation deferred loss / (income)	21	(137)
	Unrealised foreign exchange differences (net)	1,385	183
	Derivative loss and hedge reserve adjustments (net)	244	915
	Expected credit (reversal of loss) / loss (net)	(135)	(1,338)
	Allowance for doubtful debts / doubtful debt written off	23	12
	Provision / liabilities written back	(36)	(12)
	Finance costs	16,407	17,060
	Operating profit before working capital changes	**153,303**	**115,845**
	Adjustments for working capital changes:		
	(Increase) in inventories	(48,751)	(634)
	(Increase) / decrease in trade and other receivables	(139,502)	31,513
	Increase / (decrease) in trade and other payables	140,298	(94,095)
	Cash generated from operating activities	**105,348**	**52,629**
	Income tax payment (net of refund) (including interest)	(36,143)	(22,151)
	Net cash generated from operating activities	**69,205**	**30,478**
B	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including capital work in progress, intangible assets and intangible assets under development)	(28,824)	(22,841)
	Proceed from sale of property, plant and equipment	-	43
	Proceeds from sale / (payments for purchase) of short term investments / mutual fund (net)	10,023	(5,100)
	Placement of bank deposits	(38,545)	(21,272)
	Encashment of bank deposits	54,721	34,579
	Placement of short term bank deposits (net)	(45,419)	(5,781)
	Interest received	7,448	5,811
	Net cash (used in) investing activities	**(40,596)**	**(14,561)**
C	**Cash flow from financing activities**		
	Proceeds from borrowings	2,500	26,738
	Repayment of borrowings	(25,223)	(19,140)
	Buy-back of equity shares	(1,613)	-
	Payment of principal portion of lease liabilities	(2,360)	(1,417)
	Payment of interest on lease liabilities	(1,677)	(1,582)
	Finance cost paid	(11,928)	(16,185)
	Net cash (used in) financing activities	**(40,301)**	**(11,586)**
	Net (decrease) in cash and cash equivalents	(11,692)	4,331
	Cash and cash equivalents at the beginning of the year	21,560	17,229
	Cash and cash equivalents at the end of the year	**9,868**	**21,560**
	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 14)	9,868	21,719
	Add: Earmarked bank balances (refer note 15)	-	337
	Less: Bank overdraft (refer note 24)	-	(496)
	Total	**9,868**	**21,560**

Consolidated Statement Of Cash Flows

for the year ended March 31, 2026

Reconciliation between the opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities #

(₹ in million)

Particulars	As at April 01, 2025	Cash changes (net)	Non cash changes (net)	As at March 31, 2026
Borrowings (long term and short term borrowing)	125,525	(22,723)	1,090	103,892

Particulars	As at April 01, 2024	Cash changes (net)	Non cash changes (net)	As at March 31,2025
Borrowings (long term and short term borrowing)*	117,100	7,598	827	125,525

*Excluding bank overdraft disclosed as part of cash and cash equivalent for the purpose of statement of cashflow .
for lease, refer note 38

Note:

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) Refer note 41(B)(iv) for undrawn committed facilities as at reporting date.

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Deepesh Baxi
Chief Financial Officer
Mumbai

Teymur Abasguliyev
Chief Executive Officer
Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

1. Corporate information

Nayara Energy Limited ("the Company" or "the parent Company") (CIN: U11100GJ1989PLC032116) 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 around 7,000 operational outlets and around 1,800 outlets at various stages of completion.

The consolidated financial statements of the Group for the year ended March 31, 2026 were approved in accordance with a resolution of the Directors of the Company on May 26, 2026. Information about the Group's structure is provided as below. Information on other related party relationships of the Group is provided in note 43.

Sr. No.	Name of Subsidiaries	Principal activities	Relation	Country of Incorporation/ Principal place of business	Proportion of ownership Interest (%)	
					As at March 31, 2026	As at March 31, 2025
1	Nayara Energy Singapore Pte. Limited (NESPL)	Engaged in trading and allied activities in the oil and commodities sector	Subsidiary	Singapore	100%	100%
2	Coviva Energy Terminals Limited (CETL)	Engaged in development of marine liquid terminal facilities	Subsidiary	India	100%*	100%*
3#	Nayara Energy Overseas Holdings LLC (NEOHL)	Owning and maintaining one or more subsidiaries, granting security and providing indemnity/ guarantee within the Holding Company Group.	Subsidiary	Qatar	100%*	100%*

The Company is sole shareholder of NEOHL and is yet to infuse the equity share capital amount of USD 2,000,000 in NEOHL

* Includes nominee shareholders holding shares on behalf of the Company.

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 from time to time) 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 note 3 (K)}, which are measured at fair values. The consolidated financial statements provide comparative information in respect of the previous year. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. The consolidated financial statements are presented in Indian Rupees (₹) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(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.

(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 property, plant and equipment, 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.

3. Summary of material accounting policies

A. Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each consolidated balance sheet date.

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 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 at a fair value on a recurring basis, the Group determines whether transfers have occurred between 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 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 41)
- Quantitative disclosures of fair value measurement hierarchy (refer note 41)
- Financial instruments (including those carried at amortised cost) (refer note 41)

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for the year ended March 31, 2026

B. Property, Plant and Equipment

Property, plant and equipment (PPE) is stated at cost of acquisition less accumulated depreciation and accumulated impairment loss, 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 qualifying assets 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.

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. It includes all directly attributable costs incurred for construction or procurement of goods incurred during the construction phase of project under development.

Depreciation

Depreciation on PPE is provided, on pro-rata basis from the date asset is available for use , using 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 turnaround cycle. The estimated useful life of items of property, plant and equipment is mentioned below:

Particulars	Estimated useful life (in years)	Useful life as per schedule II (in years)
Temporary Building	3	3
Building #	15-60	5-60
Plant and machinery * #	25-50	10-40
Catalysts (included within plant and machinery)	2-5	2-5
Furniture and fixtures	1-10	1-10
Office equipment	1-6	1-6
Vehicles	1-10	1-10

* Additionally, there are certain key components identified within plant and machinery having a useful life up to 25 years and are depreciated over such assessed useful life.

Asset built on land taken on lease is depreciated over the above useful life or the lease period, whichever is lower

In case of an asset for which impairment loss, if any, is recognised, depreciation or amortisation is provided on the residual carrying value of the asset over its remaining useful life.

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

Derecognition

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.

C. Other 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, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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.

Derecognition

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 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

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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.

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.

E. Leases

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 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 liabilities, 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, accumulated 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 (refer 'B' above) or the lease period (refer note 38). Right to use of trademark assets are amortised over the usage period.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of plant and machinery and building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a renewal or purchase option). It also applies the lease of low-value assets recognition exemption to leases of plant and machinery and vehicles that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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"

F. Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of inventories comprises 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 is determined on a first-in-first-out basis and the cost of coal inventory is determined on a specific identification method. The cost of finished goods is determined on a monthly weighted average basis

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and the cost of all other inventories is determined on a 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.

G. Revenue from contract with customer

(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. The recovery of excise duty flows to the Group on its own account, revenue includes excise duty. Revenue does not include other taxes like goods and service tax, value added tax and central sales tax etc. which are collected on behalf of government.

(ii) Variable consideration

Variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved. Variable consideration arises primarily from volume rebates and sales to certain traders where the final transaction price is based on their ultimate realisations. The Group estimates variable consideration using the expected value method. Retrospective volume rebates are provided to certain customers once purchases exceed contractually specified thresholds and are offset against amounts payable by the customer. The expected ultimate sales realization of the traders is estimated based on prevailing market conditions. The Group regularly reviews the estimates of variable consideration and records necessary adjustments at each reporting date.

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Contract liabilities are recognised as revenue when the Group performs obligations under the contract.

(iv) Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due and the amount is billable. (refer note 13). No element of financing is deemed present as the sales are made with credit terms largely ranging between 0 days to 30 days depending on the specific terms agreed with customers.

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. When the grant related to an assets, it is recognised as income in equal amount over the expected useful life of the related assets.

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. These expenses are confined to contribution only.

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 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 statement of profit and loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Company recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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

b. Net interest expense or income

Other long-term employee benefits

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Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

J. 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.

i) Monetary Items

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 exchange rate prevailing on the reporting date. Foreign exchange difference arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss except for monetary items that are designated and effective as hedge instrument.

Exchange differences arising on settlement/ restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable property, plant and equipment 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 property, plant and equipment, 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) Non-monetary Items

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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.

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 Group initially recognises loans and advances and deposits and debt securities issued on the date on which they originate. All other financial instruments (including 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

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contractual provisions of the instrument. A financial asset (except trade receivables at amortised cost) 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:

- Equity instruments at fair value through profit or loss (FVTPL)
- 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)

Equity instruments at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised as other income in the consolidated statement of profit and loss when the right of payment has been established.

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 and are subject to impairment as per the accounting policy applicable to 'Impairment of financial assets. 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, advances, 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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 Group 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 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.

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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 profit or loss if such gain or loss would have otherwise been recognised in profit or 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 lifetime Expected Credit Loss is used.
- 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 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 recognized 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 Financial Instruments Presentation.

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, net off 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.

The financial liabilities used to minimise accounting mismatch are classified and measured as at FVTPL in accordance with Ind AS 109 Financial Instruments. 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.

c) 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.

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L. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement of Derivative

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. For risk management objectives refer note 41(B).

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 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.

(i) 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.

(ii) Cash flow hedges

Changes in the fair value of derivatives/ hedging instruments that are designated and qualify as cash flow hedges are carried 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 carried 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 carried 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 carried in Cash Flow Hedge Reserves, is recognised immediately in the statement of profit and loss.

M. Borrowing Costs

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

Borrowing cost also includes exchange differences on foreign currency borrowings.

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.

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 in the tax returns with respect to situations in which applicable tax

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regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the balance sheet approach 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:

- In respect of taxable temporary differences associated with investments in subsidiaries, 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 and does not give rise to equal taxable and deductible temporary differences.
- In respect of deductible temporary differences associated with investments in subsidiaries, 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.

These 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.

O. Provisions and Contingent liabilities

A provision is recognised when there is a present obligation (legal or constructive) 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 Group or a present obligation that arises from past event 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 Group 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 Cash Equivalent

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.

Q. Current and Non-Current Classification

The Group segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current

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assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

The Group has identified period up to twelve months as its operating cycle.

R. Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent Company by the weighted average number of equity shares outstanding during the period.

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.

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 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 Group may involve internal and/ or external experts to make such assessment. Contingent liabilities are disclosed in the notes but are not recognized, refer note no 36.

ii) Impairment of non-financial assets

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 45.

5. Changes in accounting policies and Standards issued but not yet effective

A. Standards issued but not yet effective

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's postreportingdate waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after April 01, 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after April 01, 2026 retrospectively in accordance with Ind AS 8.

B. New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2025.

1. Amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 01, 2025. The Company has reviewed the new pronouncements and based on its evaluation, the Company has determined that it does not have any significant impact in its financial statements.

2. Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants. In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

    - What is meant by a right to defer settlement

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025 retrospectively in accordance with Ind AS 8.

3. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 01, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

4. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The amendments also require companies to provide new disclosures to compensate for potential loss of information resulting from the relief. Such disclosures are to be provided for annual reporting periods beginning on or after April 01, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

These amendments had no material impact on the financial statements of the Group.

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6 Property, plant and equipment, Capital Work-In-Progress, Goodwill, Other Intangible assets, Intangible assets under development 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, 2025	Additions	Deductions	As at March 31, 2026	As at April 01, 2025	During the year	Deductions	As at March 31, 2026	As at March 31, 2026
A) Property, plant and equipment									
Land (Freehold)	54,302	-	-	54,302	-	-	-	-	54,302
Buildings	23,624	471	-	24,095	8,546	1,056	-	9,602	14,493
Plant and machinery	519,890	2,984	35	522,839	141,656	17,630	9	159,277	363,562
Furniture and fixtures	380	29	-	409	249	23	-	272	137
Office equipments	3,327	819	159	3,987	2,715	297	150	2,862	1,125
Vehicles	264	9	1	272	106	26	1	131	141
Total Property, plant and equipment	**601,787**	**4,312**	**195**	**605,904**	**153,272**	**19,032**	**160**	**172,144**	**433,760**
B) Capital Work In Progress									
Capital work-in-progress (refer note 1 below)	**17,893**	**35,315**	**4,312**	**48,896**	**-**	**-**	**-**	**-**	**48,896**
C) Goodwill									
Goodwill (refer note 45)	**108,184**	**-**	**-**	**108,184**	**-**	**-**	**-**	**-**	**108,184**
D) Other intangible assets									
Softwares & licenses	**1,877**	**255**	**140**	**1,992**	**1,529**	**160**	**140**	**1,549**	**443**
E) Intangible assets under development									
Softwares	**143**	**112**	**255**	**-**	**-**	**-**	**-**	**-**	**-**
F) Right-of-Use assets (refer note 38)									
Land	13,225	1,253	209	14,269	2,793	628	44	3,377	10,892
Building	2,414	185	29	2,570	1,359	389	23	1,725	845
Plant & machinery	3,436	2,559	224	5,771	2,101	963	159	2,905	2,866
Vehicles (including vessels)	878	-	-	878	238	161	-	399	479
Trademark	18,282	-	-	18,282	18,121	3	-	18,124	158
Softwares	-	724	-	724	-	35	-	35	689
Total Right-of-use assets	**38,235**	**4,721**	**462**	**42,494**	**24,612**	**2,179**	**226**	**26,565**	**15,929**
Total (A+B+C+D+E+F)	**768,119**	**-**	**5,364**	**807,470**	**179,413**	**21,371**	**526**	**200,258**	**607,212**

6 Capital Work-In-Progress

Capital Work-In-Progress Ageing schedule as at March 31, 2026

(₹ in million)

Particulars	Amount in Capital Work-In-Progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	30,328	5,717	567	908	37,520
Projects temporarily suspended	5,667	2,795	548	2,366	11,376
Total	**35,995**	**8,512**	**1,115**	**3,274**	**48,896**

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for the year ended March 31, 2026

Capital Work-In-Progress schedule over due as at March 31, 2026

(₹ in million)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress*	1,676	-	-	-	1,676
Projects temporarily suspended*	-	-	3,704	7,672	11,376
Total	**1,676**	**-**	**3,704**	**7,672**	**13,052**

There have been no cost overrun for the outstanding Capital Work-In-Progress.
*Mainly pertaining to refinery related projects

6 Property, plant and equipment, Capital Work-In-Progress, Goodwill, Other Intangible assets, Intangible assets under development 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, 2024	Additions	Deductions	As at March 31,2025	As at April 01, 2024	During the year	Deductions	As at March 31,2025	As at March 31,2025
A) Property, plant and equipment									
Land (Freehold)	53,101	1,201	-	54,302	-	-	-	-	54,302
Buildings	20,880	2,744	-	23,624	7,553	993	-	8,546	15,078
Plant and machinery	467,339	54,051	1,500	519,890	125,098	17,912	1,354	141,656	378,234
Furniture and fixtures	354	26	-	380	228	21	-	249	131
Office equipments	3,100	227	0	3,327	2,382	333	0	2,715	612
Vehicles	180	93	9	264	92	22	8	106	158
Total Property, plant and equipment	**544,954**	**58,342**	**1,509**	**601,787**	**135,353**	**19,281**	**1,362**	**153,272**	**448,515**
B) Capital Work In Progress									
Capital work-in-progress (refer note 1 below)	**54,210**	**22,211**	**58,528**	**17,893**	**-**	**-**	**-**	**-**	**17,893**
C) Goodwill									
Goodwill (refer note 45)	**108,184**	**-**	**-**	**108,184**	**-**	**-**	**-**	**-**	**108,184**
D) Other intangible assets									
Softwares & licenses	**1,686**	**191**	**-**	**1,877**	**1,415**	**114**	**-**	**1,529**	**348**
E) Intangible assets under development									
Intangible assets under development	**-**	**143**	**-**	**143**	**-**	**-**	**-**	**-**	**143**
F) Right-of-Use assets (refer note 38)									
Land	12,828	917	520	13,225	2,365	588	160	2,793	10,432
Building	2,183	363	132	2,414	1,115	376	132	1,359	1,055
Plant & machinery	4,768	49	1,381	3,436	2,773	709	1,381	2,101	1,335
Vehicles (including vessels)	1,218	640	980	878	1,046	176	984	238	640
Trademark	18,282	-	-	18,282	18,061	60	-	18,121	161
Total Right-of-use assets	**39,279**	**1,969**	**3,013**	**38,235**	**25,360**	**1,909**	**2,657**	**24,612**	**13,623**
Total (A+B+C+D+E+F)	**748,313**	**-**	**63,050**	**768,119**	**162,128**	**21,304**	**4,019**	**179,413**	**588,706**

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for the year ended March 31, 2026

6 Capital Work-In-Progress and Intangible assets under development

Capital Work-In-Progress Ageing schedule as at March 31, 2025

(₹ in million)

Particulars	Amount in Capital Work-In-Progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	11,274	1,833	1,659	3,127	17,893
Total	**11,274**	**1,833**	**1,659**	**3,127**	**17,893**

Capital Work-In-Progress schedule over due as at March 31, 2025

(₹ in million)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress*	1,914	3,623	-	-	5,537
Total	**1,914**	**3,623**	**-**	**-**	**5,537**

There have been no cost overrun for the outstanding Capital Work-In-Progress.
*Mainly pertaining to refinery related projects

Intangible assets under development as at March 31, 2025

(₹ in million)

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	143	-	-	-	143
Total	**143**	**-**	**-**	**-**	**143**

Notes:

1 The Group incurred total cost of ₹ 958 million as Expenditure During Construction [including salary of ₹ 693 million and other expense of ₹ 265 million] (Previous year ₹ 1,078 million as Expenditure During Construction [including salary of ₹ 729 million and other expense of ₹ 349 million]) for asset development projects and Nil (Previous year ₹ 926 million) as borrowing cost which is included/capitalised from Capital work-in-progress.

2 For details of assets pledge as security, refer note 21 and 24.

7 Investments (Non Current) (Unquoted)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
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	**-**	**-**

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for the year ended March 31, 2026

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Aggregate amount of unquoted investments	-	-
Total	**-**	**-**

* Investments are fair valued at Zero.
@ companies are under liquidation.

8 Loans (Non Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Loan to retail outlet franchisee #	546	483
Total	**546**	**483**

Carry an interest rate of 7.5% -13% p.a. and are repayable in equal instalments over a period of 3 years to 5 years

For details of assets pledged as security against borrowings, refer note 21 and 24.

9 Other Financial Assets (Non Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars		As at March 31, 2026	As at March 31, 2025
Security deposits	(A)	476	436
Contractual receivables			
- Considered good		40	17
- significant increase in credit risk		697	1,428
- Less: Expected credit loss {refer note 41(B)(v)}		(697)	(1,428)
	(B)	40	17
Margin deposits with remaining maturity of more than twelve months #	(C)	396	381
Interest accrued on bank deposits	(D)	16	1
Total ((A)+(B)+(C)+(D))		**928**	**835**

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 21 and 24.

10 Other non-current assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	80	118
Balances with government authorities	262	135
Capital advances	1,799	6,209
Claims Receivables		
- Considered good	4,787	4,216
- Considered doubtful	51	51
Less: allowance for doubtful receivables	(51)	(51)
Total	**6,928**	**10,678**

For details of assets pledged as security against borrowings, refer note 21 and 24.

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for the year ended March 31, 2026

11 Inventories

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	52,160	30,823
Work-in-progress	60,274	29,191
Finished goods {including in transit ₹ 5,311 million (Previous year ₹ 11,252 million)}	27,492	31,723
Stock-in-trade {including in transit ₹ 168 million (Previous year ₹ 220 million)}	178	221
Stores and spare parts {including in transit Nil (Previous year ₹ 7 million)}*	9,675	9,035
Other consumables	3,538	3,574
Total	**153,317**	**104,567**

* Store and spare parts net off by ₹ 814 million (Previous year : ₹ 327 million) provisions towards non moving inventories.

Refer note 3(F) for basis of valuation.
For details of inventories pledged as security against borrowings, refer note 21 and 24.

12 Investments (Current)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments in mutual funds - At FVTPL*	-	9,579
Total	**-**	**9,579**

*Aggregate amount of unquoted investments.

For details of assets pledged as security against borrowings, refer note 21 and 24.

For the Group's exposure to credit risks refer note 41(B)(v)

13 Trade receivables

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured, considered good	4,208	10,498
Unsecured, considered good {refer note 41(A) 6}	184,064	31,631
Trade receivables - credit impaired	991	452
	189,263	42,581
- Less: Expected credit loss {refer note 41(B)(v)}	(991)	(452)
Total	**188,272**	**42,129**

For the Group's exposure to credit and currency risks, and loss allowances and terms & condtions related to trade receivables, refer note 41(B).

For details of assets pledged as security against borrowings, refer note 21 and 24.

The Group has discounted bill receivables amounting to Nil (Previous year : ₹ 5,901 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 the Consolidated Financial Statements

for the year ended March 31, 2026

13A Ageing of Trade receivables

As at March 31, 2026

(₹ in million)

Particulars	Not due Amount	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	42,846	136,945	8,481	-	-	-	188,272
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	82	509	78	305	17	991
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**42,846**	**137,027**	**8,990**	**78**	**305**	**17**	**189,263**

As at March 31, 2025

(₹ in million)

Particulars	Not due Amount	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	38,820	3,309	-	-	-	-	42,129
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	0	35	59	330	10	18	452
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**38,820**	**3,344**	**59**	**330**	**10**	**18**	**42,581**

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

14 Cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks in:		
-Current accounts #	1,778	9,637
-Deposits with original maturities less than 3 months*	8,090	12,082
Cash on hand	0	0
Total	**9,868**	**21,719**

includes unutilised amount of term loans Nil (Previous year ₹ 300 million) raised for ongoing capital projects.

*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.

For details of assets pledged as security against borrowings, refer note 21 and 24.

15 Bank balances other than Cash and cash equivalents

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked bank balances #	1,816	337
Margin deposit with original maturities more than 3 months but less than 12 months*	34,182	26,790
Bank deposit with original maturities more than 3 months but less than 12 months	20,186	15,842
Total	**56,184**	**42,969**

Earmarked bank balances includes :

(a) ₹ 33 million (Previous year ₹ 33 million) payable as purchase consideration to NRI shareholders of Vadinar Oil Terminal Limited (VOTL) (formerly a subsidiary of the Company) pursuant to its merger.

(b) ₹ 1,022 million (Previous year ₹ 204 million) payable as interest and principal of debentures

(c) ₹ 756 million (Previous year : ₹ 100 million) represents unspent CSR amount.

(d) ₹ 5 million (Previous year : Nil) represents payable towards Buyback program

* 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 and for guarantees issued to government and other authorities.

For details of assets pledged as security against borrowings, refer note 21 and 24.

16 Loans (Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Loan to retail outlet franchisee #	242	355
Total	**242**	**355**

Carry an interest rate of 7.5% -13% p.a. and are repayable in equal instalments over a period of 3 years to 5 years

For details of assets pledged as security against borrowings, refer note 21 and 24.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

17 Other Financial Assets (Current)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars		As at March 31, 2026	As at March 31, 2025
Security deposits	(A)	51	48
Export incentive receivables			
- Considered good		261	646
- significant increase in credit risk		73	73
- Less: Expected credit loss {refer note 41(B)(v)}		(73)	(73)
Contractual receivables			
- Considered good		1,497	2,011
- significant increase in credit risk		397	339
- Less: Expected credit loss {refer note 41(B)(v)}		**(397)**	**(339)**
	(B)	1,758	2,657
Interest accrued on bank deposits	(C)	2,822	2,230
Margin Deposits with remaining maturity less than 12 months*	(D)	7,530	7,196
Bank Deposits with remaining maturity less than 12 months	(E)	31,000	13,843
Derivative assets {refer note 41(A)}	(F)	20	1,214
Total ((A)+(B)+(C)+(D)+(E)+(F))		**43,181**	**27,188**

For details of assets pledged as security against borrowings, refer note 21 and 24.

* 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 and for guarantees issued to government and other authorities.

18 Other Current assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances to goods suppliers / service providers	1,118	873
Prepaid expenses	1,786	2,168
Balances with government authorities	407	87
Total	**3,311**	**3,128**

For details of assets pledged as security against borrowings, refer note 21 and 24.

19 Equity Share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	₹ in million	Number of shares	₹ in million
Authorised				
Equity shares of ₹ 10 each	17,000,680,000	170,007	17,000,680,000	170,007
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	1,550,316,808	15,503	1,552,487,155	15,525
Paid up				
Equity shares of ₹ 10 each fully paid up	1,488,390,808	14,884	1,490,561,155	14,906
Add : Forfeited shares - Equity shares of ₹ 10 each	61,926,000	166	61,926,000	166
		15,050		**15,072**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	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	-	-	-	-
Less : Buyback of shares	2,170,347	22		
Equity Shares outstanding at the end of the year	1,488,390,808	14,884	1,490,561,155	14,906

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

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% of shares	Number of shares	% of shares
3,109,359 (3,109,359 as at March 31, 2025) GDS held by Kesani Enterprise Company Limited *	475,731,927	31.96%	475,731,927	31.92%
Equity shares held by Kesani Enterprise Company Limited *	256,594,520	17.24%	256,594,520	17.21%
Equity shares held by Rosneft Singapore Pte. Limited	732,326,446	49.20%	732,326,446	49.13%

* Holding has been pledged.

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

d) Buyback of shares

At its meeting held on March 03, 2025, the Board of Directors approved a buyback offer to minority public shareholders of up to 25,908,262 fully paid equity shares (representing approximately 1.74% of the total equity share capital), at a price of ₹ 731 per equity share, for an aggregate amount not exceeding ₹ 18,939 million, excluding transaction costs.

The buyback offer opened on April 11, 2025 and closed on May 07, 2025. On May 29, 2025 the Company bought back and extinguished 2,170,347 equity shares at ₹ 1,587 million.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

20 Other equity

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	609	609
Securities premium	76,423	78,014
Capital redemption reserve	22	-
Debenture redemption reserve	-	257
General reserve	831	596
Retained Earnings	499,381	409,036
Cash flow hedge reserve	(988)	(3,388)
Foreign currency translation reserve	(34)	(94)
Total	**576,244**	**485,030**

Note : Refer statement of changes in equity for addition and deduction for each of the reserves.

Nature and purpose of reserves

Capital reserve: Created 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.

Capital Redemption Reserve : Capital Redemption Reserve represents an amount transferred from general reserve account equal to the nominal value of equity shares bought back by the Company, in accordance with the provisions of the Companies Act, 2013. The reserve is available only for issue of fully paid bonus shares in accordance with the Act.

Debenture redemption reserve: The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 10% of the value of debentures issued. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption, the same amount can be transferred to either retained earnings or general reserve.

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.

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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

21 Borrowings - Non Current

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured Borrowings - At amortised cost		
Debentures		
Non convertible debentures	-	2,568
Term loans*		
From banks	75,797	81,056
From financial institutions	5,214	5,319
Current maturities of long term debt included under short term borrowings (refer note 24 and 44)	(81,011)	(8,226)
Total	**-**	**80,717**

* refer note 41(B)(ii)for borrowings outstanding in foreign currencies.

Interest accrued of ₹ 7 million (Previous year ₹ 72 million) forming part of the carrying value of the non-current borrowings are disclosed in note 26

Security, repayment and other terms for term loans from banks and debentures (refer note 44)

(₹ in million)

	Particulars	As at March 31, 2026	As at March 31, 2025
i)	Rupee and USD loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the property, plant and equipment (movable and immovable), both present and future of the Company except land parcels and property, plant and equipment (movable and immovable) earmarked for port, power plant & Polypropylene 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 all rights, titles, insurance and interest in all project documents to which the Company is a party, first charge on DSRA/margin as and when created. The said Loans carry interest of respective lenders rate of 3M T-Bills; 6M MCLR; ON/ 6M SOFR; Repo Rate + spread ranging from 50 bps to 325 bps and is repayable in unequal instalments ending to September 2038.	27,249	28,664
ii)	8% Non convertible debentures are secured by second ranking pari passu charge on movable property, plant and equipment pertaining to the Port Facilities of the Company carry fixed interest of 8% p.a. was paid in a single bullet payment in December 2025.	-	2,568
iii)	Rupee loan from financial institution / banks are secured by first charge ranking pari passu over all movable and immovable assets of the Company relating to Port, both present and future, insurance contracts, title and interests under project documents. The said loans carry an interest rate of internal benchmark of lender + spread of 55 bps and repayable in unequal quarterly instalments ending on December 2044.	5,214	5,318
iv)	Rupee loan availed from various banks are secured by first charge, ranking pari- passu with other term lenders on the property, plant and equipment (movable and immovable) , both present and future of the Refinery except land parcels and property, plant and equipment (movable and immovable) earmarked for port, power, township & Polypropylene Project. Second charge, pari- passu with other term lenders on the current assets of the Company. The said loans carry interest rate at bank's 6M MCLR/3M T. Bills + spread ranging from 0.70% to 2.30% is repayable in structured quarterly instalments ending to December 2032.	16,393	19,293
v)	First charge, ranking pari passu on all present and future immovable & movable assets related to Polypropylene Project, DSRA & security interest on the rights, title and interest under Project documents & insurance policies. The said loans from banks carry fixed interest rate/ 6M MCLR + spread of 25 bps and repayable in structured quarterly instalments ending to December 2036.	32,155	33,100
	Total	**81,011**	**88,943**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

22 Other financial liabilities (Non-Current)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	920	849
Derivative liabilities {refer note 41(A)}	113	1
Total	**1,033**	**850**

23 Deferred tax liabilities (net) and Tax expense

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities (Net)	77,543	77,202
Total	**77,543**	**77,202**

(A) Income tax expense / (benefit)

(₹ in million)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	(A)	31,489	20,871
Deferred tax	(B)	163	2,916
Total tax charged in statement of profit and loss	**((A)+(B))**	**31,652**	**23,787**
Current tax	(A)	655	2,069
Deferred tax	(B)	177	(593)
Total tax charged in other comprehensive income	**((A)+(B))**	**832**	**1,476**

(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, 2026	For the year ended March 31, 2025
Profit before tax	**121,924**	**84,582**
Statutory tax rate	25.17%	25.17%
Expected income tax expense at statutory rates	**30,688**	**21,289**
Items giving rise to difference in tax		
Expenses disallowed*	896	892
Effect of change in tax law on long term capital assets	-	1,806
Reversal of deferred tax assets on deductions allowed relating to settlement under VSV, 2020	208	-
Different tax rates in different jurisdiction	(17)	(26)
Utilisation of previously unrecognised tax asset	(117)	(178)
Others	(6)	4
Total Income tax charged	**31,652**	**23,787**
Effective tax rate	**25.96%**	**28.12%**

* related to CSR, interest on Income tax and assets written off

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(C) Composition of deferred tax liabilities (net):

(₹ in million)

Deferred tax balance in relation to	As at April 01, 2025	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2026
Property, plant and equipment, intangibles, right of use assets and goodwill	82,614	733	-	83,347
Effect of mark to market accounting	(366)	151	178	(37)
Lease liabilities	(3,980)	(465)	-	(4,445)
Expected credit loss	(571)	33	-	(538)
Others (includes provisions etc.)	(495)	(289)	-	(784)
Total	**77,202**	**163**	**178**	**77,543**

(₹ in million)

Deferred tax balance in relation to	As at April 01, 2024	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2025
Property, plant and equipment, intangibles, right of use assets and goodwill	79,763	2,851	-	82,614
Effect of mark to market accounting	126	104	(596)	(366)
Lease liabilities	(3,960)	(20)	-	(3,980)
Expected credit loss	(606)	35	-	(571)
Others (includes provisions etc.)	(444)	(54)	3	(495)
Total	**74,879**	**2,916**	**(593)**	**77,202**

(D) The Group has not recognized below mentioned deferred tax assets in the absence of reasonable certainty towards their utilisation:

(₹ in million)

Nature of loss	Gross Amount		Last day till which loss can be set off
	As at March 31, 2026	As at March 31, 2025	
Long term capital loss	-	176	March 31, 2026
Long term capital loss	3,668	3,668	March 31, 2029
Short term capital loss	-	20,882	March 31, 2026

(E) The Income tax department has classified certain expenses amounting to ₹ 24,311 million (as at March 31, 2025: ₹ 11,161 million) as capital expenditure and allowed depreciation as against revenue expenditure claimed by the Group, resulting in the expense being a timing difference for income-tax purposes. Management is confident that the said expenditure will be accepted as revenue in nature by the Appellate Authorities. If the income tax department's position is upheld, it would lead to a cash outflow and corresponding decrease in deferred tax liability by ₹ 6,119 million (as at March 31, 2025: ₹ 2,809 million).

(F) During earlier years, the Group had opted for settlement of eligible Income-tax disputes through Vivad Se Vishwas Scheme, 2020 introduced by the Government of India. Based on tax advice obtained, the Group is entitled to claim consequential relief amounting to ₹ 769 million (Previous year: ₹ 1,546 million) arising out of matters settled under the said scheme, in its future tax assessments and continues to recognize deferred tax assets of ₹ 194 million on the same (as at March 31, 2025: ₹ 389 million).

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

24 Short term borrowings

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Bank overdraft	19,381	496
Working capital demand loans from banks (including packing credits)	3,500	18,357
Buyers' credits and bills discounting @ *	-	15,658
Current maturities of long term debt (refer note 21and note 44)	81,011	8,226
Unsecured	-	2,567
Buyer's credit		
Total	**103,892**	**45,304**

Interest accrued of ₹ 4 million (Previous year ₹ 66 million) forming part of the carrying value of the short term borrowings are disclosed in note 26

Security, repayment and other terms for short term borrowings

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Bank overdraft / cash credit from bank are secured by fixed deposits maintained with banks and carries interest rate of 6.87% to 10.40% and are repayable within 1 year.	19,381	496
b) Working Capital Demand loan and packing credits from bank are secured by first charge on all current assets both present and future including all receivables ranking pari passu basis among lenders, second charge on property, plant and equipment both present and future (except land parcels and property, plant and equipment of power, port and township divisions) on pari passu with other lenders. Some of these loans carries interest rate of MCLR plus spread of 140 bps with 20-30 days tenor and other loans carries interest rate on Secured Overnight Financing Rate (SOFR) plus additional spread ranging from 75 bps to 100 bps payable within 30 to 180 days.	3,500	18,357
c) Buyers' credits 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 both present and future (except land parcel and property, plant and equipment of power, port and township divisions) 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 was at previous year 5.48% - 5.57% p.a and were repayable within 29 to 62 days of being drawn.	-	12,580
d) Current maturities of long term debt (refer note 21)	81,011	8,226
e) Unsecured buyer's credit carrying interest rate 7.63% p.a. and were repayable within 10 -35 days of being drawn.	-	2,567
* The Group 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 13	-	3,078
Total	**103,892**	**45,304**

@ refer note 41(B)(ii) for borrowings outstanding in foreign currencies.

25 Trade Payables

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables (refer note 43 and note 41(A) 6)	231,536	71,117
Total	**231,536**	**71,117**

Generally, trade payables are non-interest bearing and are normally settled within 0-90 days.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

25A Trade Payables Ageing

As at March 31, 2026

(₹ in million)

Particulars	Unbilled amount	Not due Amount	Outstanding for following periods from due date of payment *				Total
			Less than 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed dues - Others	5,816	36,167	188,343	167	86	888	231,467
(ii) Disputed dues - Others	-	-	-	-	-	69	69
Total	**5,816**	**36,167**	**188,343**	**167**	**86**	**957**	**231,536**

As at March 31, 2025

(₹ in million)

Particulars	Unbilled amount	Not due Amount	Outstanding for following periods from due date of payment *				Total
			Less than 1 year	01- 02 years	02- 03 years	More than 3 years	
(i) Undisputed dues - Others	4,662	65,147	334	22	140	748	71,053
(ii) Disputed dues - Others	-	-	-	-	-	64	64
Total	**4,662**	**65,147**	**334**	**22**	**140**	**812**	**71,117**

* Undisputed payables outstanding for more than 1 year mainly pertains to vendors for whom payment channels were not available.

26 Other financial liabilities - Current

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued	4,865	2,479
Capital creditors	10,392	8,198
Security deposits	764	879
Unclaimed debenture interest and principal (secured) #	1,018	200
Advances received from customers	-	21,226
Derivative liabilities {refer note 41(A)}	-	1,645
Accrued compensation to employees	2,841	2,813
Contractual liabilities	3,186	2,118
Total	**23,066**	**39,558**

₹ 0.07 million (Previous year ₹ 0.8 million) has been transferred to Investor Education and Protection Fund on or before due date.

27 Other current liabilities

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues	17,383	15,821
Advances received from customers	4,579	2,161
Export Obligation*	90	112
Other liabilities (non contractual)**	2,735	1,707
Total	**24,787**	**19,801**

* In respect of unfulfilled export obligation of ₹ 67,662 million (Previous year ₹ 147,113 million).

** includes CSR obligation of ₹ 2,426 million (Previous year ₹ 1,457 million).

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

28 Provisions (Current)

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Compensated absences(refer note 42)	1,706	947
Gratuity (refer note 42)	753	307
Total	**2,459**	**1,254**

29 Revenue from operations

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from sale of products #		
Sale of manufactured products	1,277,121	1,352,613
Sale of traded goods	187,511	137,469
Other operating revenues *	1,386	2,092
Total	**1,466,018**	**1,492,174**

Comprises of revenue from contracts with customers of ₹ 1,471,567 million (Previous year: ₹ 1,503,170 million) recognised at a point in time and ₹ 6,935 million pertaining to hedging loss (Previous year: ₹ 13,088 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 ₹ 376 million (Previous year ₹ 668 million) and export obligation fulfilment income of ₹ 38 million (Previous year ₹ 243 million), which are in the nature of government grant .

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, 2026	For the year ended March 31, 2025
Export sales	261,600	369,945
Domestic Oil marketing companies	373,421	367,500
Retail Outlets	668,997	626,223
Institutional business and petrochemicals	167,549	139,502
Total revenue from contracts with customers	**1,471,567**	**1,503,170**

(₹ in million)

Contract balances	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Trade receivables * (refer note 13)	188,272	42,129	73,197
Contract liabilities (Advances received from customers) (refer note 22, note 26 and note 27)	4,579	23,387	84,656

* Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days. As on March 31, 2026, ₹ 991 million (Previous year ₹ 452 million) has been recognised towards expected credit losses on trade receivables.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised out of contract liabilities outstanding at the beginning of the year	23,736	64,612

Changes in contract liabilities are mainly due to revenue recognised against the same, refund of advances, fresh advances received 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, 2026	For the year ended March 31, 2025
Revenue as per contracted price	1,484,715	1,512,472
Adjustments		
Discount and incentives	(13,148)	(9,302)
Revenue from contract with customers	**1,471,567**	**1,503,170**

Performance obligation

The performance obligation is satisfied upon delivery of the goods and services made as per the terms agreed with customers and receivables are 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, 2026	For the year ended March 31, 2025
Interest income		
- Bank deposits (carried at amortised cost)	7,131	6,494
- Other financial assets (carried at amortised cost)	202	99
- Interest on income tax refund	-	11
	7,333	**6,604**
Other gains (net)		
- Net gain on derivative instruments- carried at FVTPL	2,339	763
- Net gain on investments carried at FVTPL	444	726
- Gain on reversal of Expected credit loss (net) {refer note 41(B)(v)}	135	1,338
Provision / liabilities written back	36	12
Other non-operating income	1,434	1,627
Total	**11,721**	**11,070**

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for the year ended March 31, 2026

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in million)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Opening inventories:			
- Finished goods		31,723	30,153
- Work-in-progress		29,191	24,944
- Stock-in-trade		221	52
	(A)	61,135	55,149
Closing inventories:			
- Finished goods		27,492	31,723
- Work-in-progress		60,274	29,191
- Stock-in-trade		178	221
	(B)	87,944	61,135
Net (increase) in inventories	**Total ((A) - (B))**	**(26,809)**	**(5,986)**

32 Employee benefits expense*

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages (refer note 42)	10,670	8,866
Contribution to provident and other funds (refer note 42)	1,338	713
Staff welfare expenses	697	667
Total	**12,705**	**10,246**

* Net of ₹ 693 million (Previous year ₹ 729 million) asset development projects related expense capitalised (refer note 6).

33 Finance costs*

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense	13,101	14,192
Interest on lease liabilities (refer note 38)	1,680	1,584
Exchange differences on foreign currency borrowings	1,054	584
Other finance charges	573	700
Total	**16,408**	**17,060**

* Net of Nil (Previous year ₹ 926 million) asset development projects related expense capitalised (refer note 6).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

34 Other expenses*

(₹ in million)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of chemical, catalyst, stores and spare parts	4,938	4,394
Product handling charges	919	2,003
Consumption of power, fuel and electricity [excludes fuel consumed out of own production ₹ 25,410 million (Previous year ₹ 32,571 million)]	15,477	15,563
Freight and Forwarding Charges	24,283	17,816
Rent, rates and taxes	5,713	5,153
Insurance	1,657	1,875
Legal and professional fees	1,146	1,610
Repairs and maintenance	3,611	3,798
Debit balance / doubtful debts / doubtful receivables written off (net of provision)	23	12
Director's commission and remuneration (refer note 43)	233	214
Loss on disposal / discard of property, plant and equipment (net)	38	751
Corporate and social responsibility expense	2,403	1,892
Exchange differences (net)	4,111	2,134
Miscellaneous expenses	6,997	4,289
Total	**71,549**	**61,504**

* Net of ₹ 265 million (Previous year ₹ 349 million) asset development projects related expense capitalised (refer note 6).

35 Earnings per share

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

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Profit attributable to ordinary equity holders of the parent for basic & diluted earnings (₹ in million)	(A)	90,272	60,795
Weighted average number of ordinary shares for basic and diluted EPS	(B)	1,488,735,685	1,490,561,155
Nominal value of ordinary shares (₹)		10/-	10/-
Basic and Diluted earnings per share (₹)	**(A/B)**	**60.64**	**40.79**

36 Contingent liabilities

(₹ in million)

	Particulars	As at March 31, 2026	As at March 31, 2025
(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.	-	645
(ii)	Claims raised by third parties	4,822	9,560
(B)	**Claims for which the Group is contingently liable**		
(i)	In respect of income tax demands on various issues	2,406	2,197
(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 from Oil Marketing Companies of ₹ 51,623 million (as at March 31, 2025: ₹ 48,944 million)}.	67,474	64,024
(iii)	Other demands of Sales tax /VAT	4,685	3,642

Notes to the Consolidated Financial Statements
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(₹ in million)

	Particulars	As at March 31, 2026	As at March 31, 2025
(iv)	In respect of custom duty / excise duty / goods and service tax/ service tax mainly relating to classification of products sold, allowability of cenvat credit and input tax credit.	15,779	13,634
(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.	2,363	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.

(**Note:** Including interest and penalty wherever applicable)

37 Capital and other commitments

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Capital commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	19,259	38,978

(B) Other commitments

In accordance with the regulatory guidelines issued by the Ministry of Petroleum & Natural Gas, the Group is required to establish retail outlets in remote service areas (RSA) in proportion to its overall network. The Group has complied with the requirement of commissioning 370 RSA outlets by April 30, 2025, having set up 373 outlets as at that date. Further, pursuant to ongoing regulatory discussions, the Group has submitted a revised marketing plan for the period May 2025 to May 2028 covering 700 retail outlets, including 35 RSA outlets, under which 252 outlets (including 8 RSA outlets) have been commissioned up to March 31, 2026. The Group has furnished bank guarantees aggregating to ₹3,180 million as at the reporting date (March 31, 2025: ₹1,350 million) in connection with this obligation.

38 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 1 and 10 years, leases of land generally have lease terms between 5 and 30 years, while building and vehicles generally have lease terms between 1 and 10 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 lease contracts include extension, termination options and variable lease payments.

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

Notes to the Consolidated Financial Statements

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Set out below are the details of right-of-use assets, lease liabilities and amounts recognised in the statement of profit and loss.

(₹ in million)

Particulars	As at March 31, 2026			
	Right - of - use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01,2025	13,623	17,160	-	-
Additions	4,721	4,721	-	-
Deletion/discarded/Retirement	(236)	(391)	(155)	-
Depreciation / amortisation expense	(2,179)	-	2,179	-
Interest accruals	-	1,680	1,680	-
Payments	-	(4,037)	-	-
As at March 31, 2026	**15,929**	**19,133**	**3,704**	**-**
Current lease liabilities	**-**	**1,737**	**-**	**-**
Non-current lease liabilities	**-**	**17,396**	**-**	**-**
Cash flow - Lease payments				
- Towards Principal	-	-	-	(2,360)
- Towards Interest	-	-	-	(1,677)
Total	**-**	**-**	**-**	**(4,037)**
Other Leases (included in other expenses)				
Short term leases	-	-	4,803	-
Low value leases	-	-	207	-
Variable leases	-	-	10,106	-
Total	**-**	**-**	**15,116**	**-**
As at March 31, 2026	**15,929**	**19,133**	**18,820**	**(4,037)**

(₹ in million)

Particulars	As at March 31, 2025			
	Right - of - use assets	Lease liabilities	Charged to Profit & loss Account	Impact on statement of Cash flows
Long Term Leases				
As at April 01,2024	13,919	17,104	-	-
Additions	1,969	1,969	-	-
Deletion/discarded/Retirement	(356)	(498)	(142)	-
Depreciation / amortisation expense	(1,909)	-	1,909	-
Interest accruals	-	1,584	1,584	-
Payments	-	(2,999)	-	-
As at March 31, 2025	13,623	17,160	3,351	-
Current lease liabilities	-	1,376	-	-
Non-current lease liabilities	-	15,784	-	-
Cash flow - Lease payments				
- Towards Principal	-	-	-	(1,417)
- Towards Interest	-	-	-	(1,582)
Total	-	-	-	(2,999)
Other Leases (included in other expenses)				
Short term leases	-	-	2,883	-
Low value leases	-	-	228	-
Variable leases	-	-	8,940	-
Total	-	-	12,051	-
As at March 31, 2025	13,623	17,160	15,402	(2,999)

For maturity analysis of lease liabilities, refer note 41(B)(iv)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

39 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 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:
One customer in the Refining and Marketing segment contributed revenues (including excise duty) aggregating to ₹ 211,123 million, (for the year ended March 31, 2025 : One customer in the Refining and Marketing segment contributed revenues (including excise duty) aggregating to ₹ 225,834 million). No other customer contributed 10% or more, to the total revenue for both the year ended March 31, 2026 and March 31, 2025.

Information about product and services
The Group sells only petroleum products hence product wise disclosure is not applicable.

Geographical Information:

(₹ In million)

Revenue from operations	Year ended March 31, 2026	Year ended March 31, 2025
Within India (i)	1,206,107	1,122,249
Outside India (ii)	259,911	369,925
Grand Total (i) + (ii)	**1,466,018**	**1,492,174**

The revenue information above is based on the delivery locations of the customers

(₹ In million)

Non current assets (excluding financial assets, deferred tax assets and non current tax assets)	As at March 31, 2026	As at March 31, 2025
Within India	613,918	599,323
Outside India	222	61

40 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.

The Group monitors its capital using gearing ratio, which is net debt divided to equity and net debt. Bank loans are availed by the Group are subject to certain financial and other covenants as per the terms of the and the loan agreements and the Group is compliant with these covenants on the reporting date except to the extent stated in note 44. As per the existing repayment schedule, there is no outstanding default on the repayment of loans (including interest thereon) as at March 31, 2026.

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 summarized as follows:

(₹ In million)

Particulars	As at March 31, 2026	As at March 31, 2025
Long term borrowings (refer note 21)	-	80,717
Short term borrowings (refer note 24)	103,892	45,304
Upfront fees	598	680
Total debt	**104,490**	**126,701**
Less : Cash and cash equivalents (refer note 14)	(9,868)	(21,719)

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(₹ In million)

Particulars	As at March 31, 2026	As at March 31, 2025
Less : Bank balances (excluding earmarked bank balances) (refer note 15)	(54,368)	(42,632)
Less : Bank and margin deposits classified under other financial assets (current) (refer note 17)	(38,530)	(21,039)
Less : Bank and margin deposits classified under other financial assets (non-current) (refer note 9)	(396)	(381)
Less : Investments (current) (refer note 12)	-	(9,579)
Total cash and bank balances	**(103,162)**	**(95,350)**
Net debt (a)	**1,328**	**31,351**
Equity share capital (refer note 19)	15,050	15,072
Other equity (refer note 20)	576,244	485,030
Total equity (b)	**591,294**	**500,102**
Equity and net debt (c) = (a + b)	**592,622**	**531,453**
Gearing ratio (d) = (a / c)	**0.22%**	**5.90%**

41 Financial Instruments

(A) Categories of financial instruments and level-wise disclosure of fair value for financial instruments requiring fair value measurement

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

As at March 31, 2026 :

(₹ in million)

Particulars	Note	Fair value measurement Hierarchy level	Fair value through profit or loss	Fair value through OCI - designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets							
Loans*			-	-	788	788	788
Trade receivables*	6		-	-	188,272	188,272	188,272
Cash and cash equivalent*			-	-	9,868	9,868	9,868
Bank balances other than cash and cash equivalent*			-	-	56,184	56,184	56,184
Derivatives contracts - assets		Level II					
-Currency swap	2		-	20	-	20	20
Other financial assets*			-	-	44,089	44,089	44,089
Total			**-**	**20**	**299,201**	**299,221**	**299,221**
Financial Liabilities							
Long-term borrowings#	3		-	4,543	76,468	81,011	81,011
Short-term borrowings*			-	-	22,881	22,881	22,881
Trade payables*	4, 6	Level II	-	-	231,536	231,536	231,536
Derivatives contracts - liabilities		Level II					
-Currency swap	2		21	92	-	113	113
Other financial liabilities*@		Level II	-	-	23,986	23,986	23,986
Total			**21**	**4,635**	**354,871**	**359,527**	**359,527**

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As at March 31, 2025 :

(₹ in million)

Particulars	Note	Fair value measurement Hierarchy level	Fair value through profit or loss	Fair value through OCI - designated as cash flow hedge	Amortised Cost	Total Carrying value	Total fair value
Financial Assets							
Current investment	1	Level II	9,579	-	-	9,579	9,579
Loans*			-	-	838	838	838
Trade receivables*			-	-	42,129	42,129	42,129
Cash and cash equivalent*			-	-	21,719	21,719	21,719
Bank balances other than cash and cash equivalent*			-	-	42,969	42,969	42,969
Derivatives contracts - assets		Level II					
-Foreign currency forward exchange	2		154	-	-	154	154
-Commodity derivative	2		-	998	-	998	998
-Currency swap	2		15	36	-	51	51
-Option	2		11	-	-	11	11
Other financial assets*			-	-	26,809	26,809	26,809
Total			**9,759**	**1,034**	**134,464**	**145,257**	**145,257**
Financial Liabilities							
Long-term borrowings#	3	Level II	-	4,587	84,356	88,943	81,011
Short-term borrowings*		Level II	-	15,147	21,931	37,078	37,078
Trade payables*	4	Level II	-	42,444	28,673	71,117	71,117
Derivatives contracts - liabilities		Level II					
-Foreign currency forward exchange	2		13	-	-	13	13
-Commodity derivative	2		-	1,632	-	1,632	1,632
Other financial liabilities*@	5	Level II	-	21,226	17,537	38,763	38,763
Total			**13**	**85,036**	**152,497**	**237,546**	**229,614**

including current maturities of long-term borrowings.

* For assets and liabilities carried at amortised cost, the management has assessed that the fair value of these financial assets and liabilities approximate their carrying amounts determined as per amortised cost due to the short term maturities of these instruments.

@Physical commodity contracts, 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:

1. Net asset value declared by mutual fund.
2. 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.
3. 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

4. Trade payable includes payables designated as cash flow hedge against the highly probable future forecast sales, at the spot rate as on the date of designation and are revalued at exchange rate prevailing as at reporting date.

5. Other financial liabilities included advance received from export customers. These 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.

6. Trade receivables and trade payables include ₹ 148,562 million (previous year : Nil), which the Group intends to set off subject to relevant approvals.

(B) Financial risk management objectives

The Group's activities expose it to market risk, credit risk, interest rate risk and liquidity risk. Within the boundaries of approved Risk Management Policy framework, the Group uses derivative instruments to manage the volatility of financial markets and minimise the adverse impact on its financial performance.

i) Commodity price risk

The Group's revenues, costs, and inventories are exposed to fluctuations in international crude oil and refined product prices. To manage this price risk, the Group uses commodity derivative instruments such as futures, swaps, and options to hedge forecasted crude oil purchases and product sales.

A dedicated risk management desk oversees these hedging activities, monitoring open positions daily to ensure compliance with the Group's approved risk management policies and to reduce the impact of market volatility on profitability.

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Designated as cash flow hedges				
Petroleum products				
Buy Positions				
Less than 1 year	-	8,400	-	724
Sell Positions				
Less than 1 year	-	(5,720)	-	(1,358)
Total	**-**	**2,680**	**-**	**(634)**

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 Nil as at March 31, 2026 (debit balance of ₹ 634 million as at March 31, 2025) on commodity derivative (gross of tax) contracts have been recognised in other comprehensive income. There are no hedge ineffectiveness on commodity derivative contracts during the reporting periods.

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Petroleum products				
Buy Positions				
Less than 1 year	-	727	-	-
Sell Positions				
Less than 1 year	-	(1,282)	-	-
Total	-	(555)	-	-

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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) Given below are the details of the carrying amounts of the Group's monetary assets/liabilities denominated in different foreign currencies (FC), details of hedge, unhedged currency risk position and sensitivity to a 5% increase in foreign currency rates.

As at March 31, 2026

Currency	Carrying value	Forward and option contracts @	Cash flow hedge #	Unhedged Exposure	Unhedged Exposure	Sensitivity to 5% change **	
						Impact on Profit (net of taxes)	Impact on Equity (net of taxes)
	FC in million	FC in million	FC in million	FC in million	₹ in million	₹ in million	₹ in million
Assets							
USD	1,725	-	-	1,725	163,281	6,109	-
EURO	1	-	-	1	122	5	-
Other Currencies	-	-	-	-	-	-	-
Total					**163,403**	**6,114**	**-**
Liabilities*							
USD	2,412	-	(48)	2,364	223,792	(8,373)	(170)
EURO	10	-	-	10	1,105	(41)	-
Other Currencies	4	-	-	4	24	(1)	-
Total					**224,921**	**(8,415)**	**(170)**

As at March 31, 2025

Currency	Carrying value	Forward and option contracts @	Cash flow hedge #	Unhedged Exposure	Unhedged Exposure	Sensitivity to 5% change **	
						Impact on Profit (net of taxes)	Impact on Equity (net of taxes)
	FC in million	FC in million	FC in million	FC in million	₹ in million	₹ in million	₹ in million
Assets							
USD	363	(176)	-	187	16,009	599	-
EURO	0	-	-	0	35	1	-
Other Currencies	1	-	-	1	2	0	-
Total					**16,046**	**600**	**-**
Liabilities*							
USD	1,459	(32)	(943)	484	41,427	(1,550)	(3,020)
EURO	10	-	-	10	933	(35)	-
Other Currencies	2	-	-	2	3	(0)	-
Total					**42,363**	**(1,585)**	**(3,020)**

Notes:

* includes borrowings in foreign currency USD 103 million (₹ 9,715 million) {(Previous year USD 501 million (₹ 42,879 million)}.

@ 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.

The management has designated certain financial liabilities in foreign currency as cash flow hedges against highly probable future forecast sales. Such designation help the Group 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. There are no significant hedge ineffectiveness on the these designated liabilities during the reporting periods.

** A positive number above indicates an increase in profit or equity and negative number would be an inverse impact on profit or equity.

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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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Forward Contracts:				
Buy US$				
Less than 3 months	-	32	-	(13)
Sell US$				
Less than 3 months	-	144	-	154
Options:				
Buy Put / Sell Call US$				
Less than 3 months	-	32	-	11

c) 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

USD / INR currency swaps	Notional amounts (in USD million)	
	As at March 31, 2026	As at March 31, 2025
Less than 1 year	-	-
1 year to 2 years	-	-
2 years to 5 years	10	20
Total	**10**	**20**
Fair value of assets / (liabilities) (net) (₹ in million)	**(93)**	**51**

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

Credit balance in cash flow hedge reserve of ₹ 73 million as at March 31, 2026 (credit balance of ₹ 35 million as at March 31, 2025) (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 ₹ 39 million (Previous year ₹ 72 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 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 has exposure to interest rate risk, arising principally on changes in base lending rates and SOFR 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.

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

(₹ In million)

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed rate borrowings *	17,423	72,554
Floating rate borrowings	87,067	54,147
Lease liabilities (refer note 38)	19,133	17,160
Export advances having original maturities for more than 1 year (current and non-current portion) (refer note 22 and 26)	-	21,226
Total	**123,623**	**165,087**
Less: Upfront fee	(598)	(680)
Total	**123,025**	**164,407**

* Includes borrowings of ₹ 13,923 million (₹ 33,100 million as at March 31, 2025) raised for Petrochemical project, for which floating rate shall apply after perfection of security for project lenders.

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, 2026 would decrease / increase by ₹ 326 million (Previous year ₹ 282 million) (net of tax). This is mainly attributable to the Group's exposure to interest rates on its variable rate liabilities.

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.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments.

(₹ in million)

As at March 31, 2026 :	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings # **	12,281	54,079	54,986	121,346
Short term Borrowings #	23,629	-	-	23,629
Trade payables	231,536	-	-	231,536
Lease Liabilities #	3,380	10,078	23,620	37,078
Other financial liabilities	23,066	920	-	23,986
Derivatives	-	113	-	113
Total	**2,93,892**	**65,190**	**78,606**	**4,37,688**

(₹ in million)

As at March 31, 2025 :	< 1 Year	1 > 5 Years	> 5 Years	Total
Long term Borrowings # **	16,158	54,912	68,920	139,990
Short term Borrowings #	37,199	-	-	37,199
Trade payables	71,117	-	-	71,117
Lease Liabilities #	2,813	8,742	22,966	34,521
Other financial liabilities including export advance#	38,418	849	-	39,267
Derivatives	1,645	1	-	1,646
Total	**167,350**	**64,504**	**91,886**	**323,740**

including future interest

** For reasons stated in note 44, these loans have been classified as current, in the financial statements.

The Group has undrawn committed facilities as at March 31, 2026 of ₹ 142,494 million (₹ 90,953 million as at March 31, 2025) with maturities ranging from one to two years

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

Trade receivables:

The Group manages customer credit risk centrally through defined policies and credit assessments, with approved credit limits. Credit risk is partly mitigated through letters of credit and bank guarantees. Trade receivables are spread across a large, diverse customer base with no significant concentration risk and are closely monitored for timely collection.

Sales credit terms range from 0 to 30 days. Expected credit losses are measured using a provision matrix based on historical experience and forward-looking information. The history of trade receivables shows a negligible allowance for bad and doubtful debts. Refer note 13A for ageing of trade receivable.

Trade receivables have been given as collateral towards borrowings (refer note 21 and 24). Expected credit losses are provided based on the credit risk of the counterparties (refer note 13).

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, 2026	As at March 31, 2025
Balance at the beginning of the year	2,292	3,630
Addition in Expected credit loss recognised	597	109
Reversal in Expected credit loss recognised	(732)	(1,447)
Balance at the end of the year	2,157	2,292

The Group's maximum exposure to the credit risk for the components of the balance sheet as at March 31, 2026 and March 31, 2025 is the carrying amounts mentioned in note 9, note 13 and note 17.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

42 Defined benefit / contribution plans

1) Defined benefit plans :

(i) Gratuity Plan

In accordance with the Social Security Code 2020, the Group contributes to a defined benefit plan (the "Gratuity Plan") for employees are entitled to gratuity. 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 fully 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, 2026	Gratuity (Funded) As at March 31, 2025
A	**Net assets / liability**		
i	Present value of defined benefit obligation (DBO)	2,112	1,510
ii	Fair value of plan assets	1,359	1,202
iii	Funded status - deficit (iii = ii-i)	(753)	(308)
iv	Net assets / (liability)	(753)	(308)
B	**Expenses for the year**		
i	Service Cost *	664	97
ii	Net Interest cost	25	14
	Components of defined benefit costs for Profit and loss	**689**	**111**
i	Actuarial (gains) / losses- experience	(10)	37
ii	Actuarial losses/(gains) - assumptions	(80)	58
iii	Return on plan assets greater than discount rate	(8)	(0)
	Components of defined benefit costs for Other Comprehensive Income	**(98)**	**94**
	Total expenses	**591**	**205**
C	**Change in obligation and assets**		
i	**Change in defined benefit obligation**		
a	Defined benefit obligation at beginning of the year	1,510	1,330
b	Current Service cost	118	97
c	Interest cost	106	90
d	Past service cost - plan amendments	546	-
e	Actuarial losses - experience	(10)	37
f	Actuarial losses/(gains) - financial assumptions	(80)	58
g	Benefit payments	(78)	(101)
h	Defined Benefit obligation at the end of the year	2,112	1,510
ii	**Change in fair value of assets**		
a	Fair value of plan assets at the beginning of the year	1,202	1,044
b	Interest income on plan assets	81	76
c	Employer's contribution	146	183
d	Return on plan assets greater than discount rate	8	0
e	Benefits payments	(78)	(101)
f	Fair value of plan assets at the end of the year	1,359	1,202

* Includes past service cost of ₹ 546 million (Previous year : Nil)

Sr. No.	Particulars	Gratuity (Funded) As at March 31, 2026	Gratuity (Funded) As at March 31, 2025
D	**Actuarial assumptions**		
1	Discount rate (per annum)	7.00%	6.50%
2	Rate of salary increase	9.00%	9.00%
3	Withdrawal Rate	6.00%	6.00%
4	Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Sr. No.	Particulars	Gratuity (Funded)	
		As at March 31, 2026	As at March 31, 2025
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.**	211	124

Plan assets comprises scheme of insurance - conventional products.

Notes:

Weighted average duration of the defined benefit obligation is 9 years as at March 31, 2026 (8 years as at March 31, 2025).

These plans typically expose the Company 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.

The defined benefit obligations shall mature as follows:

(₹ in million)

Particulars	Gratuity(Funded) March 31, 2026
As at March 31	
2027	211
2028	217
2029	245
2030	226
2031	235
March 31, 2032 to March 31, 2036	1,270

(₹ in million)

Particulars	Gratuity(Funded) March 31, 2025
As at March 31	
2026	124
2027	157
2028	140
2029	174
2030	161
March 31, 2031 to March 31, 2035	917

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for the year ended March 31, 2026

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.

(₹ In million)

Sr. No.	Particulars	Gratuity(Funded)	
		As at March 31, 2026	As at March 31, 2025
		Increase/(decrease) in DBO	
	Defined benefit obligation	2,112	1,510
A)	**Discount Rate**		
	Discount rate	7.00%	6.50%
	1. Effect on DBO due to 0.5% increase in Discount Rate	(75)	(58)
	2. Effect on DBO due to 0.5% decrease in Discount Rate	80	62
B)	**Salary Escalation Rate :**		
	Salary Escalation rate	9.00%	9.00%
	1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	24	28
	2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(25)	(29)
C)	**Withdrawal Rate :**		
	Attrition rate	6.00%	6.00%
	1. Effect on DBO due to 5.00% increase in Withdrawal Rate	133	10
	2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	(257)	(32)

2) Defined Contribution plans :

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Group's contribution to provident fund, superannuation fund and pension fund aggregating to ₹ 384, ₹ 30 million and ₹ 253 million (Previous year ₹ 173 million, ₹ 68 million and ₹ 189 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.

3) The four Labour Codes (Code on Wages, Industrial Relations Code, Code on Social Security, and Occupational Safety, Health and Working Conditions Code) came into force through central government notifications dated November 21, 2025.

Certain state specific laws under these codes are yet to be framed. The Group has made an assessment of the likely effects of these codes, to the extent the same have either been notified or are available in draft form, and has provided for additional employee benefit expenses of ₹ 1,301 million in these financial statements.

43 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
	UCP Group comprises UCP PE Investments Limited and entities under common control
	Mareterra Group comprises Mareterra Group Holding S.A.R.L. and its controlled entities
Other related party	Nayara Energy Limited Employees Provident Fund (upto October 01, 2024)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

A. Transaction with related parties

(₹ in million)

Nature of transactions	FY 2025-26	FY 2024-25
i) Key management personnel (Short term employee benefits)@	286	327
@including employer contribution to provident fund and exclusive of provisions for liability in respect of compensated absences and gratuity, since this is based on actuarial valuation done on an overall basis for all employees.		
ii) Key management personnel (Director Sitting Fees)	18	22
iii) Key management personnel (Commission and Remuneration to Directors)	233	214
iv) Contribution during the period (includes Employees' share and contribution) to the controlled trust	-	439

B. Balances with related parties

(₹ in million)

Nature of balances	Enterprises having significant influence	
	As at March 31, 2026	As at March 31, 2025
Liabilities		
Financial liabilities		
Trade payables (refer note (i) below)		
Rosneft Group	976	826

C. Balances with other classes of related parties

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025
Commission and Remuneration payables to key management personnel	174	214

Notes:

(i) Terms of trade payables:

Trade payables are to be settled as per mutually agreed terms between the parties.

44 The European Union and the United Kingdom had imposed sanctions on the Group in July 2025 and October 2025 respectively. United States imposed additional sanctions on some large producers of Russian crude oil including Rosneft PJSC (a 49.20% shareholder in the Group) effective November 21, 2025. In April 2026, the European Union had imposed sanctions on UCP PE Investments Limited an entity holding 49% Shares of Kesani Enterprises Company Limited (a 49.20% shareholder in the Group). While the sanctions have resulted in operational challenges, the Group has been able to continue to procure crude oil and essential services to ensure uninterrupted operations of its refinery and its business continues to generate profits and it has sound financial position to be able to meet its obligations. Management has also evaluated the financial effects of the sanctions and noted that as per the terms of the financing arrangements the lenders have a right to accelerate the maturity of the loans and hence the long-term loans, which are contractually due post March 31, 2027 have also been classified as current liabilities. The aforementioned events have not accentuated any action from any of the lenders till date and the Group is in regular engagement with them. The management believes that the Group continues and will continue to operate as a going concern and there is no additional material impact on these financial statements."

45 Impairment testing of Goodwill

The Group recognised goodwill of ₹ 108,184 million arising on the merger of Vadinar Power Company Limited (VPCL), Nayara Energy Properties Limited (NEPL), and Vadinar Oil Terminal Limited (VOTL) with the Company. The Company has determined that its entire operations fall into single CGU and single operating segment, viz., refining of crude oil and marketing of petroleum and petrochemical products in domestic and overseas market (refining business). Hence, the entire goodwill is allocable to the refining business CGU, and the carrying value of the CGU as at the balance sheet date is ₹ 595,007 million [March 31, 2025: ₹ 582,224 million].

The Group performed its annual impairment as on March 31, 2026.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

The recoverable amount of the CGU has been determined at ₹ 8,27,089 (US$ 8,738) million [March 31, 2025: ₹ 9,35,274 (US$ 10,701)) million] based on the value in use calculation using discounted cash flow model {refer note 4(ii)} 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 the current geopolitical situation in West Asia, effects of the sanctions on the company, forecast consensus, industry reports, economic indicators, general business conditions etc. while computing the recoverable value. The Group has performed sensitivity analysis on the assumptions based on 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 Margin
The Gross Margin 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. The gross margins comprises of refinery margins of US$ 6.6 per bbl to US$ 10.0 per bbl and retail margins of ₹5,731 / KL to ₹ 5,735 / KL, during FY 2026-27 to FY 2030-31 thereafter they increase at a nominal rate of 2% per annum post the 5-year period.

Discount rates
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 10.84% (previous year: 10.71%).

Management has assessed that any reasonable possible change in the above key assumptions will not lead to the recoverable amount being lower than the carrying amount of the CGU.

46 Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries

Name of Entity	FY 2025-26							
	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	100.21%	592,543	100.82%	91,010	94.12%	2,384	100.63%	93,394
Subsidiaries:-								
Indian								
Coviva Energy Terminals Limited	-0.32%	(1,918)	-0.84%	(762)	0.00%	-	-0.82%	(762)
Foreign								
Nayara Energy Singapore Pte. Limited	0.12%	721	0.14%	126	2.42%	61	0.20%	187
Nayara Energy Overseas Holding LLP.	0.00%	(16)	-0.02%	(15)	-0.04%	(1)	-0.02%	(16)
Inter Group Elimination and Consolidation Adjustments	-0.01%	(36)	-0.10%	(87)	3.50%	89	0.00%	2
Grand Total	**100.00%**	**591,294**	**100.00%**	**90,272**	**100.00%**	**2,533**	**100.00%**	**92,805**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Name of Entity	FY 2024-25							
	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	100.13%	500,762	99.70%	60,613	101.86%	4,479	99.85%	65,092
Subsidiaries:-								
Indian								
Coviva Energy Terminals Limited	-0.23%	(1,157)	-0.26%	(161)	0.00%	-	-0.25%	(161)
Foreign								
Nayara Energy Singapore Pte. Limited	0.11%	534	0.42%	257	0.17%	8	0.41%	265
Intergroup Elimination and Consolidation Adjustments	-0.01%	(37)	0.14%	86	-2.04%	(90)	-0.01%	(4)
Grand Total	**100.00%**	**500,102**	**100.00%**	**60,795**	**100.00%**	**4,397**	**100.00%**	**65,192**

Note:
0.00%" represents % less than 0.005%.

47 The Holding Company and the Subsidiary Company which is incorporated in India i.e. Coviva Energy Terminal Limited, whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, the Holding Company and above referred Subsidiary Company did not have any instance of audit trail feature being tampered with. Additionally for the Holding Company and above referred Subsidiary Company, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

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
Mumbai, May 26, 2026

For and on behalf of the Board of Directors of Nayara Energy Limited

Prasad K. Panicker
Executive Chairman
DIN : 06476857
Mumbai

Deepesh Baxi
Chief Financial Officer

Mumbai

Teymur Abasguliyev
Chief Executive Officer

Mumbai

Mayank Bhargava
Company Secretary
Membership No. A13927
Mumbai, May 26, 2026

Notes

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Corporate Identity Number
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Equity ISIN
INE011A01019

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NAYARA
ENERGY

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